

Documents
from the
U.S.
Espionage Den

America: Supporter of Usurpers of
the Qods

Muslim Students Following the Line of
the Imam



In the name of Allah
the most
Compassionate and Merciful

In the Name of Allah the Beneficent, the Merciful

The U.S. and Israel are the First Enemies of Islam "Israel is the Enemy of Humanity and Man"

Imam Khomeini

An evident characteristic of the regime which has been in the past half century by the name of Israel is its dependence on aliens and foreign support. This is a regime which has been formed on the initiative of British imperialism, through the usurption of the land of deprived Muslims and grown in the care of American imperialism. At the beginning, England in order to expand its satanic domination, under the pretext of "efforts to establish a national Jewish government" along with the Zionists proceeded to occupy a section of the lands belonging to Muslims. In reality, they established a base in the heart of the Islamic homeland from which all satanic forces of the world could struggle against Islam and attack the Muslims or weaken the Islamic world through their plots and deception.

Basically, the main motive for the foundation of the racist Zionist regime was confrontation with Islam, for if Muslims achieve unity, they will undermine world arrogance. This is why Imam considers The Day of Qods as the day of Islam.

As the universal domination of England declined, a more powerful friend and ally, American imperialism, came to the help of Israel. The seemingly endless flow of American military and economical aid, increasingly encouraged this small entity to instigate new plots and disasters everyday.

We have heard much about the massacres of the Qods occupying regime and how the Zionist network dominating is coordinated and aligned with not only the oppressive power but all corrupt and treacherous regimes. It is for this reason that this regime does not refrain from any level of violence against the deprived and downtrodden people of Palestine. As we know, as long as the criminal Shah, the puppet of the Great Satan, controlled the destinies of the Iranian nation, our oil flowed to the usurper Israel so that its system of crime and murder would not stop for a moment. When the American puppet regime collapsed with the roar of the heroic nation and the help of Allah under in the leadership of Imam Khomeini, American imperialism did not sit idly by. Now it dares to compel dependent regimes which are apparently against Israel to supply oil to this criminal regime.

In general, America monitors and directs the line of events in the Middle East so that the Zionist, racist elite which form the criminal government hierarchy of Israel can control the events of the region in all aspects and implement any plot and conspiracy they choose with the aid of the Great Satan. Hence it benefits in this way from the numerous efforts of other puppet Arab regimes which unjustly dominate Islamic countries and serve imperialism. The Islamic Ummah is under constant oppression here, an oppression which stems from the deep enmity and hostility of world arrogance against Islam and the Muslims. This ominous alliance encouraged the usurper Israel to occupy Jerusalem (Qods) the land of the Messengers and

Prophets of Allah, in June 1967. Now for these years, the dear Qods, this first center of the followers of divine unity and the first shelter of the lovers of the meeting Allah has been captive in the claws of those who block the path of Allah. It's holy land has been the ground for the aggression and attacks of the enemies of Allah and the people and the murderers of Prophets and divine men. The dear Qods is now announced by the Zionist regime to be the capital of "oppression, aggression and usurpation". The Qods occupying regime has now made the land from which divine prophets and the land of the children of Habil (Abel), into a shelter for the descendants of Ghaḥīl (Cain) and has established the domination of the followers of Namrood (Nimrod) in the land where Abraham grew. At this time, these rulers have launched a wild campaign of murder against the true owners of Qods, the oppressed yet brave Palestinians and against the downtrodden and martyr giving people of Lebanon and ultimately against all Muslim of the world.

What is clear today for all justice-seeking people of the world is that the Qods occupying regime cannot continue its existence (not to mention its vast aggression against the Muslims) without American support and backing. For this reason, struggle against this fearful cancerous tumor is only possible through decisive struggle against the criminal America and hence in this warfront there is no place for American lackies. Puppet regimes like that of Iraq, Egypt, Jordan and Saudi Arabia, are not capable of fighting against the Zionist regime because of their dependence.

A regime which owes its existence to the oppressive powers of the world, is naturally compelled to establish a vast espionage network in a small land with a small population. As mentioned in the documents, the domain of activity of the devilish Israel intelligence agencies is not limited to the region and Muslim countries, but encompasses the whole world. Corrupt and dependent regimes in any part of the world enjoy the aid and cooperation of Israel intelligence and espionage agencies. Mossad operations which are only a part of this satanic system are so vast that they cover Russia, U.S.A. United Nations and Eastern Europe in matters of political, economical and scientific intelligence gathering.

For example you will see in one of the documents that:

"Mossad has intelligence and espionage bases in most European capitals, Turkey, Latin America, Africa and Far East, and engages in various operations ranging from dependent official relations with host services (like CIA, SAVAK) for intelligence exchange to taking part in special operations directed against Arab terrorists".

They even go ahead to spy on their master, as they had installed a secret microphone in the office of American Ambassador.

The main document (most important document of this book) which deals with the Mossad organization also reflects the plots and crimes done by Zionist lackies in embassies of the Qods occupying regime under the cover of "diplomatic activities".

In a section of this document, it is written "The collection agency the largest of the eight agencies Mossad has, operated under diplomatic cover in foreign countries."

Now it is quite evident what role elements who work as ambassador, Charge d'Affaires and others in these centers of conspiracies or embassies, play in reality.

As we mentioned before, corrupt and oppressive regimes and their suppressive systems enjoy close cooperation and relations with Mossad and other Israel espionage services.

The document mentions these instances:

“Mossad is responsible for training the intelligence services of Turkey, Ghana, and Japan”.

“Israel cooperates with South Africa intelligence and security services”.

Naturally, the SAVAK which suppressed the revolutionaries and freedom seekers who opposed the criminal regime of Shah, had an important and long standing place in these collaborations.

“Towards the end of 1958, an official dependent organization composed of Mossad, the Turkish Security Service and SAVAK was formed and named the THREE HEADED SPEAR”.

“Apart from regular intelligence exchanges, meetings at the level of the heads of these services took place every six months”.

Of course, the results of such close and continuous cooperation was something beyond the mere training of SAVAK personnel. Through these relations, Mossad was able to impose the policies of international Zionism upon the American regime of the Shah and forcefully laid grounds for the suppression of the Muslims whether they are Iranians or Arabs. This fact is clearly projected in the document:

“The main goal in Israel's relations with Iran was to form and increase Anti-Arab and Pro-Israel policies among Iranian officials. Following the end of 1950, for years, Mossad has had joint operations with SAVAK. Mossad has aided SAVAK in its activities and supported the Kurds of Iraq”.

It is evident how SAVAK and Mossad conspire against the Muslims Arabs from one side and brutally massacre the revolutionary Muslims in Iran from the other. Hence via this satanic thinking Mossad naturally sees the existence of different Christian and Muslim groups in Lebanon as a suitable ground for espionage and intelligence activities, thus it proceeds to form clandestine organizations.

The mentioned document contains an organizational chart of Israel espionage systems in complete detail and this can well serve as a guide for the increased understanding of Muslim warriors as to the nature of this ruthless system. With this increased understanding and with adherence to Allah and unity of expression they will inflict fresh worlds upon its deteriorating body. For the ultimate destiny of the oppressors in this world and the other is none other than annihilation.

In a document pertaining to 1965, we see how the Israel regime increased and broadened its activities in Iran and developed close relations with the Shah's regime even through agricultural and industrial projects. This was of course done quietly and secretly. In this area, the numerous efforts of the American ambassador and the

representative of the Qods occupying regime, mentioned at the end of the documents, are noteworthy.

In many documents, we witness the complete and multidimensional support of the Shah for Israel. He guarantees the continued existence of Israel through the oil supply and inflicts excessive blows upon the unity of Muslim world. It is natural that the Shah, the number one agent of American imperialism in the region and the faithful ally of the Qods occupying regime would consider the defeat of Israel to be impossible, as he considered himself invulnerable as well. They are ignorant of the fact that just as the Muslim masses overthrew him, through adherence to the Almighty Allah and Islamic edicts, once again all Muslims of the region armed with weapons of faith and adherence to Allah shall punish the usurper Israel for the crimes it has done, even though today dependent regimes like that of Saudi Arabia have replaced the Shah in supplying Israel's and American's oil.

Ben Eugenon who at one time was a close aide of the Prime Minister and Foreign Minister of the Qods occupying regime, acted as Charge d'Affaires in the Israeli espionage mission. This figure had such authority over affairs that the Great Satan referred to him for information and the American spies enthusiastically informed the Zionist agent in Iran of the pro-Israel tendencies of the Shah's puppet regime.

The closeness of the regime of Israel and the Shah who both owe their political economical and military life to the direct support of America, is not surprising at all. However, what is surprising and raises many questions is the knowledge of various Arab embassies of these cooperations and their silence and agreement.

After overthrowing of the Shah's American regime by the Islamic Revolution, the severance of all relations with Israel and the establishment of brotherly ties with the Palestinian people, these regimes opposed and went ahead to side with Israel in joint plots for undermining the Islamic Revolution.

In this collection, besides the documents discovered in the U.S. spy den, a number of documents belonging to the former so-called embassy of the criminal Israel in Tehran are presented to the martyrdom-loving Ummah and the oppressed people of the world. These documents were placed at the disposal of the Muslim students following the Imam's line by some brothers of Revolutionary Committees after the takeover of the U.S. spy den.

These documents which contain the negotiations of the Shah's generals with the bloody brass hats of the Zionist regime, show the incredible intimacy between the U.S. installed Shah's regime with the most murderous stooge of imperialism in the region, namely, the regime occupying Qods. They delineate how the two regimes prepared and promoted arms supplies for the repression of the Muslim revolutionaries in Iran and occupied Qods.

But the Islamic movement in Iran under the leadership of Imam Khomeini, foiled all these plots and sent the Shah's merciless regime to hell in spite of all the supports of the superpowers, particularly from the world-devouring U.S.

VIII

This movement called upon the truth-seekers of the world to come to the luminous path of the pious, from the darkness of the dominance of evil.

One of the problems all countries especially the industrialized 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 inextensivity, lacks energy producing resources such as river-dams and coal. 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 express this fact.

The interesting point is that Shah proclaimed that once Israel retreats from the oil producing regions of Sinai (Abu Quraish 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 introduction 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 Iliat Eshkelon 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-Israel 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 Iliat port on Gulf of Akaba and transport their oil through Eshkelon pipeline to Meditterania, 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 fearful of Arab reaction, did not dare intervene in it, but Shah demonstrated his increasing dependence on the Zionist regime, and in implementing and exploiting the project acted parallel with Zionists. Many documents of this book are reminiscent of this fact.

Some of the documents are related to Iran & Israel relationships and to the Israel 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 and that the number of Israeli technicians in Iran was more than their presence anywhere else in the world.

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 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.

Documents also show 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.

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 Camp David Agreement. With regard to this, America related 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 the documents 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.

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.

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 in 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 Muslim 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 had always undergone the defeat of the enemies of Islam and the Muslims. But whenever these same nations began to rely on themselves, they become 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 this same self-reliance and the least of self-consciousness. Although some Arab and non-Arab chives of states blame Ottoman Caliphs for their deeds (and 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 regime, 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 when Ottoman autocracy gave way to west-oriented persons such as Atatürk, and when people like Hussein Sharif (Jordanian Hussein's ancestor) revived Arab nationalism, Arab countries were torn into hundred 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, and their territories to become confiscated.

During this period Islamic and Arabic countries were divided into hundred different parts, and the founder of the Grand Arabic revolution, namely Hussein Sharif destroyed Ottoman colonization with the help of British colonizers, and in due time he too escaped to Cyprus in a British 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-A-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."

The evident aspect of all documents which we briefly described is the oneness and complete coordination between the Zionist regime and the criminal America in their treacherous operations across the world and particularly in this region. It is clear that this usurper regime cannot exist for a moment without the direct and indirect support of the Great Satan. Thus, we stress upon the fact that this holy war against the Quds occupiers demands a decisive struggle against the Great Satan, and in this front American lackies, who served Zionism along with the Shah's regime and today replace the Shah in supplying oil to Israel can never fulfill their historical obligation. (It is interesting to note that the same regimes which according to the American spy den documents had no opposition to the activities of Israel in Iran, today side with American imperialism in charging that Iran has relations with Quds occupying regime).

Our prayer is that all Muslims unite around the axis of the life giving school of Islam, Armed with weapons of faith and oneness the Muslim will destroy this base of world arrogance in the heart of the Islamic Ummah. In this holy struggle the Muslims should take the glorious Islamic Revolution of Iran which follows the movements of the Prophets, as the best example. We are confident that the annihilation of this base of infidelity, which has a short duration according to divine laws, shall lay ground for the Government of the Imam of our time (Mahdi A.S.) and give good tidings for the emancipation of the Mustaz'efin from the claws of the Mustakberin.

MUSLIM STUDENTS FOLLOWING
THE LINE OF THE IMAM

Dr. E. DORIEL

SECRET

Israeli

1/28/57

Israel's unofficial representative in Tehran. Has been very active in placing pro-Israel material in the local press. His contacts are through Abas SHAHANDEH, Editor of **Farman**, and Engineer Abdullah VALA, Editor-owner of **Tehran Mosavar**. He is rumored to have paid out 100,000 Rials to newsmen during the first week of November.

Source: CAS Disseminations

November 19, 1956

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MEMORANDUM OF CONVERSATION

Participants: Mr. David Tourgeman, Second Secretary, Israeli Mission
Thomas Greene, Political Officer

Place : Tehran Palace Hotel Garden Restaurant

Time : Friday, April 2, 1965; 11:30 a.m.

Mr. Tourgeman commented that the Israeli operations here in Iran are almost clandestine. He said that while his Government was eager to expand relations with Iran, it realized the delicate position of the Iranian Government in recognizing both Israeli and many Arab countries, and therefore did not push contacts too much.

He said that, given the position of Iranian Jews who have immigrated to Israel, Iranians who study in Israel can be trained by former Iranians in the Persian language. This gives Israel a uniquely effective position in training agricultural technicians for small projects and small industrial projects. Tourgeman says his government will try discretely to expand Israeli aid to Iran in the coming year.

COMMENT:

Tourgeman was very cordial and seemed interested in maintaining a contact with the American Embassy. Our conversation lasted for over an hour, at the end of which he urged me to call him when I return from home leave.

POL:TCGreene/mja

Distribution:

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TC
BIO
CRU

CONFIDENTIAL
GROUP 4

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MEMORANDUM

To : The Ambassador April 28, 1965
Through: DCM
From : Martin Hars
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 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 Nasser, is his encouragement of the line that "Nasser 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

DORIEL, I.

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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. Derial to some larger functions at the Embassy at a later time. You will no doubt see him also at many other parties.

PCL:MPHars/nja

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: David Tourgeman, 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. Tourgeman 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. Tourgeman said derisively the conference had debated small points for weeks. He thinks that it will almost certainly break down, particularly with a long Ramazan 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. Tourgeman 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/rjs

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GROUP 4

CONFIDENTIALMEMORANDUM

To : FILE February 14, 1966

From : POL: NTGreene

Subject: Evening at David TOURGEMAN's residence

Mr. Tourgeman 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 UNAN (First Secretary of the Turkish Embassy) and his wife, Mrs. Rosen Unan, who is Second Secretary at the Turkish Embassy (RCD), and Mr. Karen A. ALTAN (Third Secretary of the Turkish Embassy) of RCD. Also present was Colonel EFRON, the Deputy Military Attache of the Israeli office and a Mr. and Mrs. Shageti SHAVIK of Israel.

Mr. and Mrs. Shavik, 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 those countries on Israeli passports. I would guess that the Shaviks 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 Swahili 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. Shavik's visit to Iran, the places he has been and the contacts he has made.

POL:STGreene/jee/mje 2/24/66

Distribution:

NFM/POL Reading
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Reg. No. 381744
Rec'd 1/31/67

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Amembassy, Tel Aviv
January 23, 1967

MEMORANDUM OF CONVERSATION

SUBJECT: Present Status of Mordechai Gazit

PARTICIPANTS: Mr. Mordechai Gazit, Assistant Director General,
Ministry for Foreign Affairs
H. H. Stackhouse, Embassy, Tel Aviv

*Wants to Book
Ambassador*

At lunch January 18 Mordechai Gazit was mellow and 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, Gazit 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 mopping 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 n.oshav 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 Gazit was not very informative about exactly what he was doing, it came 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.

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

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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.

Gasit'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.

Gasit 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 (46) than in any other country.
- (b) The attitude of the Turks was disappointing. Gasit 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

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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. 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.

POL:HHM:Stackhouse/U

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

CONFIDENTIAL

INCOMING AMERICAN EMBASSY TEHRAN

SECRET

Classification

Control: 7166

ACTION:
BORN-2

Recd: May 25, 1967

0615

PR 241300Z MAY 67
FM AMEMBASSY LONDON
TO RUEHC/SECSTATE WASHDC 6656 PRIORITY
INFO RUEIVC/AMEMBASSY CAIRO 271
RUEQBE/AMEMBASSY BEIRUT 122
RUEQIA/AMEMBASSY TEHRAN 145
RUEQVL/AMEMBASSY TEL AVIV 141
RUEHCR/AMEMBASSY MOSCOW 257
RUEHDT/USMISSION UN NY 432
RUEHPSA/CINCPAC/COMNAVSTA PACFLT
ZEN/AMEMBASSY AMMAN UNN
ZEN/AMEMBASSY DAMASCUS UNN
ZEN/AMCONSUL JERUSALEM UNN
STATE GRNC
BT

~~SECRET~~ LONDON 9326

LINDIS

TANKERS ENGAGED IN IRAN TO EILAT RUN

1. FOL DATA, OBTAINED FROM IRANIAN 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. AURA - HORIZ TANKER CORP. (MANAGER - E. HAYMANN), MONROVIA.
- B. LEON - TRANS-WORLD TANKER CORP., MONROVIA.
- C. SAYSON - 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 SOHIO OF CLEVELAND.

GP-3. BRUCE

/AEP

SECRET

FORM 15-501

Classification

REPRODUCTION FROM THIS COPY IS PROHIBITED UNLESS PERMITTED

Intelligence Information Cable

COUNTRY **IRAN ISRAEL**

FIELD REPORT NO. **NIT-7411**

DATE OF INFO. **27 MAY 1967**

DISTR. **29 MAY 1967**

SUBJECT

OIL TANKERS TRAVELLING BETWEEN IRANIAN PORTS AND THE GULF OF AQABA

PLACE & DATE ACQ. **IRAN, TEHRAN (27 MAY 1967)**

REF **TDCS-314/07341-67**

SOURCE **PARAGRAPH 2: AN OFFICIAL BRITISH SERVICE.**

AND APPRAISAL: **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 CINCSOUTH CINCSOUTH (PERSONAL) CINCEAFSA. ALSO SENT LONDON, AMMAN, BAGHDAD, BEIRUT, CAIRO, DAMASCUS, JIDDA, KUWAIT, ANKARA, ISTANBUL.

REPORT CLASS SECRET NO FOREIGN DISSEM

Pipeline ^{com} Israel

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 a 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] 5/23/68

ECON:RFB: [initials]

ECON:RFDowell

AMD:AHMeyer (draft)

DCM:NGH [initials] (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 Sums were to be repensed.

2. Pipelining.

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 coming 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 not been using the modern high-frequency welding process being used in the Alaska 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.

BRACKER

10/14

FORM 10-1
Eilat-Ashkelon

A-1184

SECRET

Department of State

INFO: BEIRUT, TEHRAN, USINT CAIRO

~~BA~~ ~~DCI~~
A
Israeli Pipeline

AmEmbassy Tel Aviv

September 7, 1968

Eilat - Ashkelon Pipeline

Tel Aviv A-777
Tehran A-619
Tehran A-620

EMBASSY OF THE
UNITED STATES OF AMERICA
16 SEP 1968

ECON 2
AMB
DCI
POL
ATTS
USIS
COCIL
CIBRON
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.

TO:	ACT.	INFO.	INIT.
AMB			
DCI		2	2
BA			
POL		3	
ECON		3	10
SCI			
OR		6	1
ADMIN			
BAF			
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MAAG			
DAO			
CRU			7
ACTING			

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.

Return to ECON (RLD)

GP - 3
SECRET

ECON:R (Brothet)

- * ECON/AID:BAKisten:jb:9-6-68
- * COMMAIT:CEM:Jr.
- * ECON:ASKochand

Ben Dror said he has concluded a number of contracts for the use of the pipeline, but he has not yet reached the 20 million ton annual level which will be the capacity in the first stage of the project. It is, therefore, much too early to talk about when the full capacity of 50 to 60 million tons per year will be utilized.

The reporting officer asked if the potential for a petrochemical industry, the plans for a new refinery at Ashdod, or Sinai oil were considerations in the GOI decision to build the 42 inch line. Ben Dror replied that the first two would be only customers of his transport company, and his cost calculations had been based on the assumption that neither would become a significant customer. Ben Dror said that Sinai oil would continue to be used as in the past, as long as the situation remains as it is.

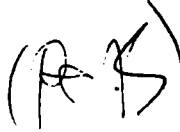
The reporting officer asked both sources about the use of the 16 inch pipeline, but without going into the specifics of the report in Tehran A-619 was unable to obtain confirmation of an arrangement for Iranian utilization of the 16 inch pipeline. Comment: Such an arrangement is, of course, highly probable in light of Israeli dependence on Iranian crude to make the 42 inch pipeline project feasible. Moreover, this type of arrangement may well have been used in the past since there has always been a much larger throughput of the 16 inch line than Israeli domestic consumption would seem to justify. Ben Dror did say that when the 42 inch line is opened, the Eilat-Ashkelon segment of the old line would be closed down "except for special orders", because it would be cheaper to increase the capacity of the 42 inch line beyond the 20 million tons now planned, than to reopen the 16 inch line.

Ben Dror said he believes the UAR will go ahead with its pipeline project if financing is available. He did not seem to feel this would threaten the Israeli project, but rather would directly compete with the Suez Canal if and when it is reopened. The UAR, he feels, will lose in canal tolls what it gains in pipeline fees, thereby really gaining nothing from the pipeline investment. Dr. Neeman believes that the continuing increase in petroleum consumption will make both the Israeli and the UAR projects profitable.

SECRET

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.

ZURRELLEN



SECRET

~~SECRET~~

5/1/69

~~DHH~~

~~NET~~

The Ambassador

RED.

~~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

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.

--^rAll 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

3

Again, many thanks for the help.

Sincerely yours,

Red

Roderick M. Wright
Petroleum Officer

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

SECRET

22R1

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

12.29.69

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.

an

~~Answer~~

~~No. Let's~~

~~work till 1:00 a.m.~~

~~to decide when~~

~~talk to me~~

~~about it first~~ thing

~~Dec 31~~

UNITED STATES GOVERNMENT

Memorandum

Bio
ISRAEL

TO : The Ambassador
THRU : The DCM *Walt*
FROM : POL - CMM *WMM*

DATE: December 18, 1969

CIV/M
JEE AMB'S
NOTE

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 a~~ *been ill* ~~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.~~

(perhaps in next ten days or so).

Decontrol following December, 1970

*But you'll call Monday next
re a date & time*



DEPARTMENT OF STATE

Washington, D.C. 20520

SECRET

March 17, 1970

TO: NEA/IRN - Mr. Miklos
FROM: E/ORF/FSE - James E. Akins *1461*
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



Department of State

SECRET
ACT

AMEMBASSY TEHRAN

SECRET

CONTROL: 5820

Classification

August 27, 1976
1720

ACTION: R 221140Z AUG 76
 RCUN-3 FM AMCONSUL DHAHRAN
 TO RUEHC/SECSTATE WASHDC 1825
 INFO RUQVAN/AMEMBASSY TEHRAN 551
 RUGMVL/AMEMBASSY TEL AVIV 52
 RUGVRA/AMEMBASSY JIDDA 2605
 RUGVKW/AMEMBASSY KUWAIT 781
 RUDTCR/AMEMBASSY LONDON 617
 RUGMBA/AMEMBASSY BEIRUT 711
 BT
 S E C R E T DHAHRAN 915
 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

SECRET

Classification

EXDIS

Department of State

TELEGRAM
Ambassy **TEHRAN**

INDICATE:

- COLLECT
- CHARGE TO

DISTRIBUTION	ACTION: SecState, WashDC	3654
	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 DHAMRAH USMISSION BATO USMISSION EC BRUSSELS USMISSION OECD PARIS USINT CAIRO	24 AUG 70 1400
ESGM-2		
AMB DCM POL/DT CRU		
TC/6		
	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	

DRAFTED BY: <i>MJ</i>	DRAFTING DATE: 8-24-70	TEL. EXT.: 2120	APPROVED BY: AMR:JMacArthur TT
CLEARANCE:			

FORM 4-65 70-42(12)

~~CONFIDENTIAL~~

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

(c) Oil from NIOC joint ventures with foreign consortium companies, mostly produced offshore.

2. Embassy estimates NIOC has about 300,000 b/d offshore (para. (c) above) oil available for sale 1970, 400,000 b/d 1971, most of which firmly committed East of Suez to Madras refinery (owned in part by NIOC), Japan, Singapore. It would be extremely difficult for NIOC to abandon these commitments (especially case of Madras refinery), particularly since these are painfully developed ~~and~~ long-term markets which NIOC 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 NIOC 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 output wherever it can, and it will need no rpt no stimulus from us or others to use Eilat pipeline to greater extent should this prove feasible.

~~XX~~

~~SECRET/NOFORN~~
~~Classification~~

~~SECRET//NOFORN~~

Accordingly, we think it would be both dangerous to our relations with Arab world, and unnecessary, for us to suggest GOI expand use of Kik'at pipeline for Iranian oil.

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

to M.A.

~~SECRET//NOFORN~~
~~Classification~~

SECRET
DEPARTMENT OF STATE
Memorandum of Conversation

SUBJECT: Israeli Pipeline

Date: October 8, 1970

PARTICIPANTS: A.K. "Pete" Wlogast, ESSO

Warren Clark, E/ORP/FSE

COPIES TO: Amembassy Tel Aviv NEA/UAR

Amembassy Tehran NEA/IRN

Amembassy Cairo INR/(10)

Amembassy Beirut E/ORF/FSE(3)

NEA/AIA

Mr. Wlogast said Esso'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 knesset; 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. Wlogast 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 between 1972 and 1973, and 1.2 million b/d between 1973 and 1980. He said estimates of throughput costs were 20 cents per barrel.

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

Comment: In an earlier conversation with an executive of Standard Oil of Indiana, he volunteered that his company was shipping most of its production from its IPAC concession offshore Iran through the Israeli Pipeline. The casualness with which he made this assertion led the reporting officer to suspect that authorities in Egypt, where most of Standard Oil of Indiana's interests in the Middle East are located, may know this use of the Israeli Pipeline and have not object.

E: ORE: FSE. Clark: WZ 10/12/70

SECRET

Tehran, Iran

October 29, 1970

SECRET
OFFICIAL-INTERNAL

Warren Clark, Esquire
E/PSE
Department of State
Washington, D.C. 20520

Dear Warren:

Your October 8 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 when 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 sheikhdoms.

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 IMC. 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 30,000 b/d which NIOC is committed to supply to the Madras 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

CONFIDENTIAL

UNITED STATES GOVERNMENT

Memorandum

TO: The Charge¹ DATE: November 10, 1970

FROM: POL - Donald M. Toussaint

SUBJECT: Your Meeting with Mr. Ben-Yohanan of the Israeli Mission,
November 12 at 11:00 a.m.

Mr. Ben-Yohanan, "Counselor" of the Israeli Mission in Tehran, is calling on you at his request on November 12 at 11:00 a.m. Mr. Ben-Yohanan has been in Tehran only about three months, and our biographic files contain no information on him.

Using Iranian support of the original Afro-Asian resolution in the UNGA debate as a starting point, you might find it useful to sound out Yohanan on the current status of Iranian-Israeli relations with a view to finding out whether the Israelis have detected--as we have-- a slight change in the Iranian attitude toward Israel. We are attaching for your information a copy of our A-148 of May 12, 1970.

It would be interesting to get his assessment of the reasons/significance behind renewal of Iran-UAR relations--and to sound him out on Iraq. We have heard via the press that several high-ranking Iraqi Army officers--presumably supporters of General Hardan Takriti who was exiled--were recently executed. Radio Baghdad has not, to our knowledge, mentioned this yet. All signs indicate that a power struggle has been going on inside Iraq for some time. Do the Israelis have any information on what is going on there?

We have heard that the census of the Kurdish areas has been postponed and that other differences are arising between Barzani and the Government in Baghdad. Do the Israelis have any information on developments in Iraqi Kurdistan?

Finally, do the Israelis have any information on the Iraqi forces in Jordan?

Attachment:

A-148

from
POL: CWMcCaskill:pek

Group 3
Downgraded at 12-year intervals,
not automatically declassified.

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UNITED STATES GOVERNMENT

Memorandum

TO : POL - Mr. Toussaint

DATE: Nov. 12, 1970

FROM : L. Douglas Heck *DLH*

RG: BIC jlc

SUBJECT: Visit of Mr. Ben-Yohanan of the Israeli Mission

Mr. Ben-Yohanan tells me that he has been in Tehran for about two and a half months. He came here from eight years in Israel, and he said he was pleased to have a change from assignments within Israel. He spent five years in Israel attached to the Prime Minister's office as a Political Assistant and the last two years in the same capacity with Foreign Minister Eban. He said the latter job took him on numerous missions with the Foreign Minister and he had little time at home. Before this assignment he served with the Israeli Mission in Helsinki. He considers himself a career foreign service officer.

Ben-Yohanan was not very forthcoming on the state of Iran-UAR relations. He said that economic relations were improving with Israel landing an increasing number of contracts for construction, etc., in Iran. Politically he said that relations had not changed much one way or the other in the last five or six years.

On the question of Iraqi forces in Jordan he had no information suggesting that King Hussein was being successful in ousting them. In fact, the failure of the Iraqi forces to participate in the recent conflict between Jordan and the Palestinians might make it more difficult for King Hussein to arrange for their removal from Jordan.

Ben-Yohanan said there were approximately 3,000 Jews left in Iraq. He doubted there was much hope of their early departure from that country. Things were increasingly unstable in Iraq and there were rumors of new executions, but he had no definite information.



CONFIDENTIAL

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DEPARTMENT OF STATE

Washington, D.C. 20520

November 25, 1970

OFFICIAL INFORMAL
SECRET/EXDIS/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 Wolgast 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 Kharg 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. HIM 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 proprietary 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

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

In his conversation with Hedlund and Page September 27, 1979 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 1967 or so, that the Israelis were redoubling their efforts to find the necessary financing for the line.

There was a CIA report recently (OO-B 321/30917-70 dated 24 October 1979) that Agha Jari crude purchased from a US 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 Lqbal's position was that IPAC may not have prices discounted from the posted price used for calculating taxes and royalties, and that this "directly controvenes" a provision in the IPAC agreement which sets up a committee 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/NIOC 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). Was 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/IRN - Mr. Dowell
Commerce/OICR - Mr. Hale

SECRET

Tehran, Iran

December 23, 1970

OFFICIAL-INFOREAL
SECRET

Warren Clark, Esquire
E/76E
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. Sepahban, 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 does, 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 SOI's crude is the same as the Agha-Jari crude. That is to say the oil is indeed produced out of SOI'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, IPAC has reconfirmed to me that it does not send any of SOI's share of the concession's production through the Israeli pipeline.

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Further on the IPAC problem, I perhaps did not make it clear that Egel'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 Wilks, 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 his 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 Egel'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. Firmosan 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 USSE 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

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TRANSMISSION IN

DEPARTMENT OF STATE

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CA-55

HANDLING INDICATOR

TO : Embassy TEHRAN

EMBASSY OF THE UNITED STATES OF AMERICA

1-2 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

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For Department Use Only

Date: _____ Initials: _____ FORM 10-64 DS-323

Drifted by: INR/OIL/B-WChidekel:smr Drawing Date: 12/28/70 Phone No.: _____ Contents and Classification Approved by: INR/OIL/B-FEhuff

Clearances: INR/OIL/CS-DSimmons NEA/IRN-TWChilds (in substance) *AC*
INR/DDM-MKStanley *AC*

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JUN 5 1971

The Files--(Iranian Mission File)

May 19, 1971

① → PAT
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ED
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② Bio files

Jay Freres, Political Officer, AmEmbassy Tel Aviv

Ebrahim TEYMURI, Chief of Iranian Mission in Israel

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 H. Ghazi-Zadeh who dealt (in 1969)

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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/B
CIA/OIC
AmEmbassy Tehran (POL)

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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 un-defined 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,

Robert L. Dowell, Jr.

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

SECRET/NOFORN



Intelligence Information Report

145-7931
Pipelines

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

COUNTRY	Israel/Iran	REPORT NO.	OO-D-321/00088-72
SUBJECT	Eilat-Ashkelon Pipeline/Increased Capacity/Second Pipeline/Additional Mooring Buoys/National Iranian Oil Company Partnership	DATE DISTR.	14 JAN 1972
		NO. PAGES	2
		REFERENCES	

145-7931
Pipelines

DATE OF INFO. December 1971

PLACE & DATE ACQ. BY SOURCE Tel-Aviv/December 1971

THIS IS UNEVALUATED INFORMATION

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-zew 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.
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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The dissemination of this document is limited to civilian employees and active duty military personnel within the intelligence community, and to those senior officials of the member agencies who must act upon the information. However, un-

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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 -

~~S-E-C-R-E-T~~

CONFIDENTIAL

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MEMORANDUM OF CONVERSATION

October 14, 1972

PARTICIPANTS: Mr. Amnon BEN YOHANAN, Israeli Minister in Tehran
Andrew I. Killgore, Political Counselor *AK*

PLACE: Israeli Mission, Tehran

DATE: October 12, 1972

COPIES: AMB/DCM
POL (5)
NEA/IRN

INR/DIR/RNA
NEA/IAI
AmEmbassy TEL AVIV

Unusual Status of Israeli Mission in Tehran

Mr. Ben Yohanan stated that the Israeli Mission in Tehran is in every substantive respect treated by the Government of Iran like any other Embassy. Ambassador Meir EZRI has ready access to the Shah and other high officials of the Iranian Government. When the Ambassador is away, Mr. Ben Yohanan is also able to see those Iranian officials, including the Shah, that he needs to see to carry on business between Israel and Iran. It is only on the ceremonial side that the Israeli Mission is treated differently from other regular Embassies in Tehran. No Israeli flag is flown at the Mission and no sign on the front of the building identifies it as the Israeli Mission. Ambassador Ezri does not attend ceremonies which protocol requires other Ambassadors to attend. However, Ben Yohanan saw an advantage in not having to play a ceremonial role which often took up too much of the time of the other Ambassadors.

BEN-YOHANAN

The Embassies of the Arab countries in Tehran were fully aware, Ben Yohanan said, that the Israeli Embassy was actually like all other Embassies here except for the ceremonial aspects. They fully accepted this unusual state of affairs and made no remonstrations about it with the Iranian Government. Thus, the Israeli Minister continued, the situation was that the Israelis were willing to forego the ceremonial trappings of diplomacy as long as the real substance was present while the Arabs could tolerate the substance of close Iran-Israel relations as long as this was not apparent from surface indications. Ben Yohanan realized that the strongly Islamic orientation of many Iranians, inclining them to sympathize with their fellow Muslims in the Arab-Israel dispute, made it useful for Iran to mask its true policies by publicly pretending not to recognize Israel.

The Shah is a Brilliant Leader

In the context of Iran's rapid emergence as a leading country in this part of the world, the Israeli Minister referred to the current trip to the Soviet Union of the Shah. Looking at the Shah's domestic and international moves over the past 10 years, Ben Yohanan found the Iranian Sovereign to be a man of

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extraordinary shrewdness as a leader. When I asked the Minister if he perhaps thought the Shah's ambitions for Iran overreached the country's realistic possibilities, he responded that he did not think so. When the Shah said Iran would bring itself up in every respect to Great Britain within a decade or two, who could say that he was wrong. Of course, the Shah would have to expend funds very heavily on education in order to have a population with the educational and technical levels to run the kind of society he envisaged. However, in view of Iran's rapidly increasing income from petroleum and other sources, there was no objective reason why this could not be accomplished.

Biographical Note

Ben Yohanan is probably in his late forties. He speaks perfect English and says he is a career Israeli diplomat. He worked several years in the office of the late Israeli Prime Minister Levi Eshkol. After that he worked more than two years for Foreign Minister Abba Eban to whom he is devoted. The Minister expected that if General Moshe Dayan and Finance Minister Pinhas Saphir became deadlocked for the Prime Ministership, after Mrs. Perit stepped down, Foreign Minister Eban stood a chance of becoming Prime Minister of Israel. It was apparent that he hoped events would work out this way.

Ben Yohanan has been in Tehran two years and expects to stay at least one more year, perhaps two. He struck me as extremely intelligent and well informed on Iranian affairs.

POL:AIKillgore:cak

CONFIDENTIAL

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Department of State

TELEGRAM

AMEMBASSY TEHRAN

TP

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 RUDTCR/AMEMBASSY BELFAST 0002
 RUEIVC/USINT CAIRO 3039
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TEL AVIV 1105
Feb. 10, 1973
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SUBJ: MARITIME FRUIT CARRIERS UNDERTAKE MAJOR EXPANSION.

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16/jdm

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.

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Classification

FORM 85-412(1)

CONFIDENTIAL

ISRAEL

Uriel LUBRANI

Ambassador-Designate
to Iran

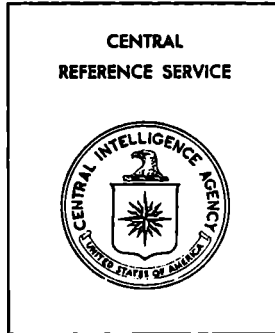
Uriel Lubrani (pronounced LoobrahNEE) has been on the Koor Industries Management Board as director of joint enterprises and projects abroad since mid-1971. This board determines basic policy for Koor Industries Ltd., Israel's largest industrial corporation.

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.

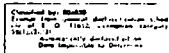
Lubrani was assistant adviser, and then adviser, on Arab affairs to former Prime Minister David Ben Gurion during 1957-61. His unsympathetic attitude toward Arabs at this time drew criticism from the Israeli press at least twice. Lubrani was assistant director general of the Prime Minister's office in 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



LUBRANI, Uriel (Ambassador)

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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

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BIB

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.



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Department of State

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TELEGRAM

AMEMBASSY TEHRAN

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TEL AVIV 1876

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Apr 2, 74 - 1095

ACTION ZNY CCCCC ZZH
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 CRU TAGS: ENRG, IS, IR
 SUBJ: PRICE OF PETROLEUM IMPORTS

POUCH
 KHOR REF: TEL AVIV 589
 TABR

16/r1b IN DISCUSSION MARCH 28 WITH FINMIN SAPIR AND HIS AIDES
 AGMON AND DAVRATH, THEY TOLD EXBOFFS THAT ISRAEL HAD
 BEGOTIATED CONTRACT TO BUY IRANIAN CRUDE AT PRICE OF
 16.50 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.

VELIOTES

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FORM 85-112(H)
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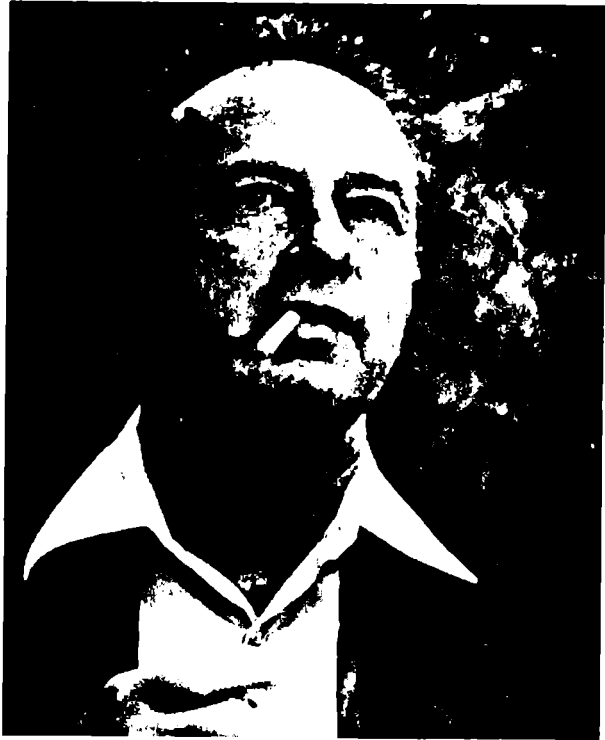
Biographic Report

Yitzhak RABIN
Prime Minister of Israel

Confidential

BR-74-30
June 1974

CONFIDENTIAL



The New Prime Minister

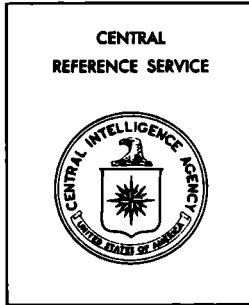
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ISRAEL

Yitzhak RABIN

Prime Minister

On 22 April 1974 the Israel Labor Party (ILP) nominated Yitzhak Rabin (pronounced rahBEEN) to succeed Golda Meir as Prime Minister. He was charged with forming a government to replace the one he had joined as Minister of Labor the previous month. Unable to come to terms with a former coalition partner, the National Religious Party, Rabin formed a Cabinet consisting of members of the Labor Alignment (the ILP and MAPAM—the United Workers' Party), the Independent Liberal Party and the Citizen's Rights Movement (CRM). The new coalition gives the government 61 of the 120 votes in the Knesset, which approved the Cabinet on 3 June. Decidedly more "dovish" than many members of his own ILP, Rabin, by including the leftist CRM in the coalition, has offended a number of colleagues, including former Prime Minister Meir.



Because he was Army Chief of Staff during the 1967 Arab-Israeli war, Rabin is a popular public figure, but his political strength comes from his relations with key members of the ruling elite rather than from any organizational power base. The endorsement of Pinchas Sapir, the powerful former Minister of Finance, was crucial to his election. After returning from a 5-year tour as Ambassador to the United States in early 1973, Rabin worked on the 1973 Labor Alignment election campaign. He was first elected to the Knesset on 31 December 1973 as a member of MAPAI (Israel Workers' Party), the ILP's largest faction. Because he had not been involved in the pre-October government, Rabin could not be accused of sharing any responsibility for its shortcomings in the conduct of the October 1973 war. During the war itself Rabin headed Israel's voluntary war loan drive.

In selecting Rabin as its head, the ILP Central Committee chose not to be influenced by charges that he had collapsed in a state of acute anxiety on the eve of the 1967 war. The allegations, contained in a memorandum released by his former Deputy Chief of Staff, Maj. Gen. (Ret.) Ezer Weizman, just

This report was prepared by the Central Reference Service and was coordinated within CIA as appropriate. Comments and questions may be directed to Leslie Koch, Code 143, ext. 6756.

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 Authority: 25 USC 1352
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before the Central Committee vote, produced a strong negative reaction-- Rabin's defenders included leaders of the conservative opposition *Likud* (Unity) bloc. This account of Rabin's breakdown had been public knowledge for some years, and Rabin readily admits that he asked Weizman to take charge for 24 hours but claims it was only because he was fatigued and needed rest.

Rabin was also accused of accepting fees for personal appearances while he was Ambassador to the United States. In acknowledging this, Rabin stated that the practice was entirely legal and that he had made speeches to explain Israeli policy or for fund-raising purposes without charge.

"The Sons of the Founding Generation . . ."

Rabin represents a marked break with the past generation of Israeli leaders and personifies many changes the public has been clamoring for. He is the first sabra (Israeli-born) Prime Minister, and at 52 he is the youngest. The election process itself was hailed in Israel as a watershed in ILP politics--for the first time the party machinery did not predetermine the outcome; Rabin and his RAFI (Israel Workers' List) opponent, then Information Minister Shimon Peres, ran on a personal basis without reference to their factional affiliation within the ILP; and voting was by secret ballot. In accepting the nomination Rabin said, "The sons of the founding generation have come of age, and with them, the immigrants who came since national independence . . . a generation that pursues continuity but has its own uniqueness." The businesslike ex-general also admitted that he had, characteristically, prepared two speeches, "just in case."



Outgoing Prime Minister Golda Meir toasts her successor, Yitzhak Rabin

Military Hawk/Political Dove

Israel's security is more important to Rabin than an actual peace document because he considers security the key to attaining "unconditional recognition" from the Arabs.¹⁶⁹ In his view, Israel has been fighting for recognition as an independent state, not for territory. The new Prime Minister has been characterized as a "military hawk and a political dove"—committed to seeking a negotiated peace but prepared to use force to protect Israel's security. He believes that negotiations with the Arab states will take time and thinks that Israel will have to remain in a state of constant alert for any military exigencies. Pragmatic and less doctrinaire than previous Israeli leaders, Rabin feels that the government must take a chance for peace and show flexibility.

Rabin has little regard for the usefulness of international organizations in peace negotiations. In July 1971 he called the United Nations a "place of demagogy" and accused it of having played a negative role with regard to Israel for 15 years.

Before the Arab-Israeli conflict of October 1973, Rabin was inclined to believe that Israel could give up most of the occupied territories, retaining only Sharm al-Shaykh and strategic parts of the Golan Heights and the West Bank. Since the war he has publicly advocated partitioning the Sina'i and the Golan Heights into three zones—one under Israeli sovereignty, one with Israeli military presence and one demilitarized but under Arab control.

Rabin favors the return of populated Arab areas of the West Bank to Jordan and the rehabilitation and relocation of refugees, believing that these actions would eventually lead to the "Palestinianization" of Jordan. At the same time, he believes that Israeli civilian settlements on the West Bank are an integral part of Israel. During a March 1974 interview with a British reporter, Rabin said that Israel could not accept a separate Palestinian state. Later, during an off-the-record conversation with the same correspondent, Rabin said he felt that history was moving in the direction of a separate state and Israel might have to move with it. Rabin would like to reach a further settlement with Egypt before beginning any negotiations with Jordan.

The General as Ambassador

Rabin's only diplomatic assignment, that of Ambassador to the United States, was marked by an unprecedented improvement in Israeli-US relations and a corresponding deterioration in his personal relations with then Foreign Minister Abba Eban and the Ministry's hierarchy. In his blunt, unadorned style, Rabin went after his primary objectives in the United States: armaments and economic support for Israel and assurances that the United

States would remain a deterrent to the Soviet Union in the Mediterranean. Rabin felt that an Ambassador should help formulate policy, not just implement instructions. He was critical of the Ministry's ceremonial trappings. He often bypassed Eban on important matters to deal directly with the Prime Minister, who credited him with a profound understanding of American politics and a good grasp of Israeli-US relations.

In June 1972 Rabin referred to US Presidential candidates in terms that left no doubt that he thought Richard Nixon would be the best President as far as Israel was concerned. Eban felt that Israel should stay out of US politics. Rabin also alienated some members of the American Jewish establishment by refusing to use them as middlemen in dealing with the US Government. One US official said that Rabin could "appear to be an S.O.B. at times," but that he was an effective one. A highly placed US official credits Rabin with having been "formidable in diplomatic give-and-take, a master of the facts, brilliant in analysis, articulate in presentation and cogent in debate."

"Exodus" Hero

Yitzhak Rabin was born on 1 March 1922 in Jerusalem. He wanted to become a farmer, so he entered Kadoorie College, an agricultural boarding school. Upon his graduation in 1940 Rabin was awarded a scholarship prize from the British High Commissioner of Palestine. Later that year Yigal Alon, a commander of Palmach (shock troops of Haganah, the Jewish underground), recruited him to join that organization. During World War II Rabin fought for the British and saw action in the Vichy French areas of Syria and Lebanon. In 1946, once more with Palmach, he was imprisoned for 6 months by the British on charges of smuggling refugees into Palestine. His exploits during 1946-48, including raids to liberate detainees who had immigrated illegally, inspired many of the episodes in which Leon Uris later cast the fictional character Ari Ben-Canaan in his novel *Exodus*.

During the Arab-Israeli war of 1948, Rabin commanded the brigade that secured the road to Jerusalem. He was also executive staff officer to Alon, then head of Palmach. At one point during the war in the Negev, Rabin and the late Egyptian President Jamal 'Abd al-Nasir, then an army officer, met, discussed the military situation and shared a bowl of fruit. After the cease-fire, Rabin was a delegate to the Arab-Israeli armistice talks in 1949 on the island of Rhodes. That occasion was supposedly the first time he wore a necktie.

The youngest colonel in the new Israeli Army, Rabin was put in charge of the battalion commanders training school; he also acted as head of operations on the General Staff. After attending the Staff College at Camberley,

England, during 1952-53, Rabin was appointed head of military training. He served as commander of the Northern Command from 1956 until 1959, when he became chief of operations of the General Staff. He spent 2 months at a modern weapons familiarization course in Texas in 1960 before returning to Israel to be named Deputy Chief of Staff. In 1964 Rabin was promoted to Chief of Staff of the Israel Defense Forces (IDF). A brilliant military tactician, he presided over the modernization of the IDF and prepared the basic strategy that was successfully used in the 1967 Arab-Israeli conflict.

A man who seldom shows emotion, Rabin was deeply affected by his responsibilities in 1967. The strain from the demands made upon him in the tense days prior to the war began to tell on the Chief of Staff; he slept little and smoked continuously. On 23 May Rabin was no longer able to carry out his duties—whether from the mental breakdown claimed by Weizman, the nicotine poisoning reported by his staff, the extreme fatigue he himself admits to, or a combination of all three—and he asked his deputy



Rabin (r), with Generals Narkis and Dayan, entering the old city in Jerusalem, June 1967

to take charge. By the evening of the next day, however, Rabin had resumed command, and the ultimate credit for Israel's victory in the June 1967 war is given to the military forces built and led by him.

Strong Belief and Extreme Caution

The Prime Minister's personality has been described as a combination of strong belief and extreme caution. He has a reputation for being introspective, for seeing a problem in the round and for having a tendency to worry, but for acting resolutely once he makes a decision. A stickler for detail and a perfectionist with an encyclopedic memory, Rabin insists that things be done his way when he is convinced he is right, and he personally sees to it that they are. At the same time, he refrains from even commenting on matters with which he is not familiar. In his new post, Rabin, who favors the telephone to correspondence, usually arrives at his office about 7:00 a.m. and works straight through until 11:00 p.m.

An introvert, Rabin is uncomfortable in crowds. He is reserved at social gatherings and does not engage in small talk, although in the company of close friends he is the center of attention, talkative and sociable. When his children were born, Rabin reportedly waited outside the hospital all night,

being too shy to enter. He dislikes formality, and open-necked shirts and apple-eating became the symbols of his tenure as Chief of Staff. Rabin abhors offcolor jokes and does not drink alcoholic beverages. Formerly a chain-smoker, he has attempted to curtail the habit. He is an accomplished amateur photographer, and he enjoys action movies but seldom has time to attend them. Immediately after the 1967 war Rabin was awarded an honorary doctorate by Hebrew University. He has also received four honorary degrees from US schools. He likes to swim and play tennis. Rabin speaks fluent English except when he is nervous.

A Fighting Family

Rabin's parents were born in Russia. His father, Nehemia, spent 15 years in the United States before volunteering for service with the Jewish Legion in Palestine during World War I. There he met and married Rosa Cohen, the daughter of a wealthy timber merchant. Both were active in the Jewish labor movement and Haganah; Rosa was a commander in the latter organization. Known as "nurse Rosa," she encouraged Jewish resistance during the Arab riots of 1920 and smuggled arms to Jewish self-defense units. She was also one of the founders of a cooperative banking system. Yitzhak and his sister were often left to their own devices, almost to the point of neglect, but Yitzhak nevertheless adored his mother. She died when he was 17. Nehemia Rabin lived with his daughter Rachel in Kibbutz Manara until his death in 1971.

The Prime Minister's wife, the former Leah Schlossberg, was also active in Palmach, which she joined after graduating from high school in 1947. She



Yitzhak and Leah Rabin at home

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was born in Germany and emigrated to Palestine with her family in 1933. An active extrovert, Mrs. Rabin claims it has never occurred to her to be afraid for herself. During her husband's tour as Ambassador to the United States, she would not curtail Embassy activities for fear of possible incidents because, she said, to give terrorists the satisfaction of stopping things would be "too much." A delightfully frank person, Mrs. Rabin has traveled throughout the United States seeking support for the United Jewish Appeal and Israeli bonds. She insists on writing her own speeches. Mrs. Rabin, who likes to play tennis, says the only benefit left from her rigorous Palmach training is that it helps her breathing on the court. Mrs. Rabin speaks fluent German, French and English.

The Rabins are a close family. There are two children—a daughter, Dahlia, in her mid-20's, and a son, Yuval, 19. Dahlia, married to an IDF officer, is expecting her first child. Yuval had just entered military service prior to October 1973 and was said to be very disappointed at being given guard duty instead of a frontline post. Mrs. Rabin's sister, Aviva, is married to Brig. Gen. (Res.) Avraham Yoffe. Yoffe, who has been director of the Nature Reserves Authority since 1964, was elected to the Knesset in December 1973 as a member of the *Likud* bloc.

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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

FOR
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 \$16.59. 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.

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DEPARTMENT OF STATE
TELEGRAM

ISRAEL

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INFO RUEHC/SECSTATE WASHDC 2324
RUQMKG/AMEMBASSY AMMAN 9735
RUENEG/AMEMBASSY CAIRO 2211
RUFMRO/AMEMBASSY ROME 2086
RUQMHR/AMEMBASSY TEHRAN 4342
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EO 11652: NA ECDL 1/14/76
TAGS: PFOR ENRG EG IR IS
SUBJ: SHAH "OFFERS" OIL TO ISRAEL

REF: TEL AVIV 195

1. L'ORRIENT-LE-JOUR ARTICLE CITED REPTEL WAS LENGTHY 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 CONTRIBUTE 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-

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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

LIMITED OFFICIAL USE

CONFIDENTIAL

February 5, 1975

Files

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 DOD and CIA.

This model showed, 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

cc: Charge'
RCBREWIN
WALUNDY
BLGERBER
POL
NEA/IRN

CONFIDENTIAL

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CONFIDENTIAL/LIMDIS

IS 1 Classification

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C O N F I D E N T I A L TEL AVIV 2596

TEL AVIV 2596
2 MAY 75 1145

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

CONFIDENTIAL/LIMDIS

IS 1 Classification



EMBASSY OF THE
UNITED STATES OF AMERICA

Tel Aviv, Israel

April 30, 1976

Official-INFORMAL
CONFIDENTIAL

Hawthorne Q. Mills, Esquire
Counselor for Political Affairs
American Embassy
Tehran

Dear Hawk:

I am writing with regard to an Israeli who has been friendly and helpful to us here at the Embassy and who will be coming to Tehran to reside for an indefinite period.


Ovadia Danon has been the Special Assistant for Occupied Territories Affairs to the National Commissioner of Police since 1968. In that position, he has been a regular contact of the Political Section and has been very helpful to us in providing information regarding Israeli policies and activities on the West Bank. He is an Egyptian Jew by birth.

He will be coming to Tehran in the near future on assignment with the Jewish Agency. He has told us that Israeli leaders are somewhat concerned about the Jewish community in Iran; he described that community to us as being wealthy but becoming increasingly Persian. The community has been generally supportive of Israel but not as helpful as would be desired. Danon's job will be essentially one which is concerned with cultural affairs and Jewish traditions, as he described it to us, but we believe his primary purpose is to do what he can to strengthen the ties between the Jewish community there and Israel. For your information we also believe he may be somewhat involved with Israeli intelligence activities.

This week's edition of Newsweek magazine has an article on the Passover march through the occupied West Bank by the Gush Emunim group of fanatics; you will find in it an interesting quotation by Danon.

With best regards.

Sincerely,


John E. Grupp
Political Counselor

CONFIDENTIAL

FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC 1546
INFO RUQWHR/AMEMBASSY TEHRAN 907

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E.O. 11652: GDS
TAGS: ENRG, IS
SUBJECT: ISRAELI OIL AND ENERGY

SHIR
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- See
JEP
5/25*
1. DURING MAY 20 CONVERSATION WITH JOHN LICHTBLAU, DIRECTOR OF PETROLEUM INDUSTRIES RESEARCH FOUNDATION, AND ENBOFF, ISRAELI ENERGY ADVISER, ZVI DINSTEN DISCUSSED RECENT DEVELOPMENTS IN ISRAELI OIL/ENERGY PICTURE. MAIN POINTS TO EMERGE FOLLOW (SEE SEPTTEL 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 TOU.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 Agaba 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)

CONFIDENTIAL

For CODEL briefing

Israel file

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

Subject: Iranian Politics

Participants: Yoram Shani, First Secretary, Israeli Mission,
Tehran
John D. Stempel, AmEmbassy Tehran

Time & Place: Shani residence, March 6, 1977

Distribution: AMB/DCM USIS NEA/IRN
POI. BIO INR/RNA
OR INR/OIL/B

The Shanis had invited my wife and me to dinner to talk about our forthcoming trip to Israel. In the course of the evening the following interesting tidbits emerged:

1. According to Shani's sources, about three or four months ago SAVAK surrounded the wrong house in a terrorist raid. He could not place the time exactly, but it was apparently just prior to or during the November-December 1976 roundups. SAVAK shot the house up rather badly, killing all occupants, whereupon the terrorists emerged from a building close by (probably next door) and engaged in a full scale shootout with the Security Services which resulted in the deaths of all the terrorists and two or three security officers. Shani said this is really the only major mistake in identity he knows of which resulted in "several" unnecessary civilian deaths.

2. Fariborz Atapour, a prominent Iranian journalist, is the Israeli Mission's favorite villain. About 18 months ago Shani gathered a number of Atapour's anti-Israeli writings and complained to the Foreign Ministry. They promised to restrain Atapour but did not do so until Shani had repeated his demarche every two weeks for the next three months. In the process, Shani learned that Atapour had taken considerable amount of money from the Syrian Government and indeed was regarded by his colleagues as being very much a "man on the take." Shani said of all the journalists he has talked with over lunch or cocktails, only Atapour has been unusually rude and offensive.

POL:JDStempel/bjh

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3. Shani said he had traveled a great deal in Iran during his two plus years here but had always registered as an Australian at hotels to avoid embarrassment to the GOI. This led to a discussion of basic Israeli-Iranian contacts. Shani said these were very open and free at most levels. In reply to offhand question about his ties with the local Jewish community, he said there were no special efforts made. In our discussion of Iran, however, it was obvious that his contacts in the Persian Jewish community are excellent.

Shani himself is 38 years old and has been in the Israeli Foreign Ministry between 12 and 14 years. He has served in Jerusalem and spent a four-year tour in Sydney. His Persian is fair to good and he describes himself as the Mission's political officer. He says he does most of the contact work with the 8th Political Division at the Foreign Ministry.

His wife, Raya, is an attractive 30-year-old art historian who is working toward a PhD in Islamic Art at the Hebrew University. They met in Jerusalem some four years ago shortly before coming to Iran. Both speak excellent but accentuated English. They have no children.

SECRET/NOFORN

MEMORANDUM OF CONVERSATION

PARTICIPANTS: John D. Stempel, Political Officer, US Embassy
Yoram Shani, Israeli First Secretary

SUBJECT Terrorists in Iran and Miscellaneous

DISTRIBUTION: Charge/ADCM, POL, POL/M, ECON, OR, USIS, BIO,
NEA/IRN, INR/RNA, INR/OIL/B

DATE & PLACE: May 18, 1977, Xanadu Restaurant, Tehran

I briefed Shani on Secretary Vance's visit and indicated the trip had gone well. Shani said he had heard there was concern over the Secretary's comment which suggested the US and Iran did not agree on everything. I offered to provide him a transcript of the press conference to illustrate that this concern was unnecessary.

SHANI, YORAM

Alleged Terrorist Activity at Jewish Immigration Agency -- Shani said newspaper reports of an attempt by two terrorists to shoot their way into the Jewish Agency were only semi-correct. There were two men involved and both were killed. They had no connection with known terrorists movements, though one had served a prison sentence, allegedly for crimes against the state. Shani said it was not even clear that the pair were going to attack the Jewish immigration agency. Police stopped them on the street; the pair open fired and in the ensuing gun battle one terrorist took refuge in the Jewish agency where he was killed. The Iranians believe the pair were fanatical right-wing Moslems who may have been casing the Jewish Agency for future action.

A Second Terrorist Battle? -- Shani said friends of his reported there had been a terrorist shootout May 16 somewhere in Tehran when police cornered a group in two safe houses. The battle lasted two hours and security forces reportedly lost seven men when some of the terrorists were killed, but noted his friend said that all involved were eventually shot.

New Local Version of Rockwell Killings - Shani said a close friend of his, who said he had talked to a peripheral member of terrorist group which shot three Rockwell employees in August 1976, told him the following story which is being spread by the terrorist group:

The terrorist group was really after just one of the men -- a CIA Major (sic) who had landed in Iran about 14 hours before the killing, ostensibly with a complete scheme for tapping Tehran's telephone lines. The two other people killed were shot because they drew revolvers, but the principal target of the operation was "the CIA Major". (Comment: All of the employees killed had lived in Iran for sometime though one had just returned the night before from leave -- none were carrying weapons. The flaws in this story suggest an obvious propaganda attempt.)

SECRET/NOFORN

SECRET/NOFORN

2.

Israeli Elections -- In response to my query, Shani said the situation in Israel was wholly confused. Begin's victory took everyone here in the Israeli mission by surprise and people were just beginning to sort out the implications of Israel's first real change of government since independence.

Nasser Assar -- Shani said someone close to Assar said Assar was very bitter at his being placed on leave after his recent press conference which reportedly annoyed the Shah. According to Assar's friend, Assar, ForMin Khalatbary, and the Shah discussed the press conference beforehand and Assar was given the royal OK to discuss all the topics that he mentioned. Apparently, Assar will be named Iranian Ambassador to Paris to salve his irritation.

POL:JDStempel^{9/4} Lab:May 23, 1977

SECRET/NOFORN

S E C R E T

SRF Memo #177
21 June 1977

MEMORANDUM FOR: The Political Section
FROM: SRF ~~X~~.
SUBJECT: Background Information on Israeli Trade
Mission, Tehran

Following are SRF Headquarter's traces on members of
the Israeli Trade Mission:

1. Uriel L U B R A N I, born 7 October 1926, has been unofficial ambassador to Iran since June 1973. Received BA (Honors) from University of London. Served in Haganah (Resistance) and Israeli Defense Forces (IDF) 1944-48. Entered Foreign Ministry (MFA) in 1950 and first served in Middle East Division, then as private secretary to Foreign Minister Sharett 1951-53. Assigned London 1953-56. 1957-61 Assistant Advisor, then Advisor, on Arabic affairs to Prime Minister (PM) Ben-Gurion. (During this period, his unsympathetic attitude toward Arabs drew criticism from Israeli Press at least twice.) When Ben-Gurion resigned in 1963, was appointed Ambassador to Burma, but never assumed his post. Stayed on as Political Secretary and Director of PM Eshkol's private office. 1965 resigned post because of loyalties to Ben-Gurion. 1965-68 Ambassador to Uganda, Rwanda, and Burundi, during which time implemented Israel's Aid Program which placed advisors in Uganda Army, Air Force, and police; these contacts made him one of best-informed men in Uganda, and U.S. Embassy found him to be valuable and cooperative friend. 1968-71 Ambassador to Ethiopia. 1971-73 was on Koor Industries management board as Director of Joint Enterprises and Projects Abroad; this board determines basic policy for Koor Industries LTD, Israel's largest industrial corporation. Married to Sara nee L E V I; four children. Said to be a capable civil servant, but a rather colorless person.

2. Arie (or Aryeh) L E V I N, formerly named Lova Lewin, born circa 1927 in Iran, is suspected Intel officer. Apparently is former IDF officer (Lt. Col) on loan to MFA. 1963-65 First Secretary, Addis Ababa. 1966-unknown date Charge D'affaires, Kigali, Rwanda. Senior Foreign Liaison Officer since 1965. (One Arie Lewin, probably identical, was Chief Military Censor, IDF Intel Directorate 1968-69.)

S E C R E T

S E C R E T

-2-

Counselor, Paris, 1969-70. Described as specialist on Iran, where he grew up. Educated in U.S. protestant mission schools. Speaks fluent Russian (Russian Jewish background), French, English, native Hebrew, and Arabic. Has reportedly traveled and lived in U.S. (no dates given). Very openly pro-U.S. while in Rwanda, was object of some Soviet interest.

3. Yoram S H A N I, born circa 1939, has been First Secretary, Tehran, since 1973. In MFA since circa 1965. Served in Jerusalem (dates unknown), and as Vice Consul, Sydney, Australia for four years (circa 1969).

4. Eliezer Y O T V A T (or YOTVATH) served at Israeli Consulate New York City 1960-61 where was in charge of archives and diplomatic couriers. Second Secretary (Admin), Rome 1968-72. In 1970 one Colonel Yotvat, Milatt in Tokyo, was reportedly traveling to Taiwan to discuss Israeli munitions purchases.

5. Abraham Lunz, aka Rami Luncz (or Luntz), born February 1931 in Tiberias, Israel, has been Milatt Tehran since 1975. Prior to this assignment, was Director of Naval Intelligence, IDF-Navy (since 1971). Described as highly intelligent and capable line officer, apparently has had no formal intel training. Experienced in commo and electronics, has served as Commander of Submarine Chaser (1964) and as Deputy Commander, Haifa Naval Base (1971). Received officer training at French Naval School, Brest, France (1950-53), and attended Royal Navy Navigation and Direction School, Southwick, England (1962). Speaks good French and English, possibly some Arabic. Wife Ada, born 1932 in Haifa, was formerly nurse in IDF (prior to 1963). His brother-in-law, Captain Emmanuel K L E M P E R E R, was Deputy Commissioner of Shipping in 1969. Lunz and his Deputy, Moshe Moussa Levi (below), were both known personally and professionally to Defense Attache's Office Tel Aviv in 1975 as outstanding intel officers.

6. (Lt Col) Moshe Moussa L E V I was Foreign Liaison Officer at IDF Hqs prior to Tehran assignment in 1974. In August 1966 one Major fnu L E V Y (possibly identifiable) was reportedly assisting Iranian instructor at newly-established intelligence school; apparently helped arrange training schedules and organize instructional material. This man, in Iran on loan, was then commander of the "Direct Secret Collection Agency" on Israel/Jordan border. Lt Col Levi, a multi-lingual specialist (speaks Arabic, French, English, Hebrew, and is studying Persian) was reportedly disillusioned when he first assumed his current post, because of lack of work. However, he soon created tasks for himself, including

S E C R E T

S E C R E T

-3-

developing info on Iranian order of battle and cultivating Iranian officers. Wife is Ambassador's secretary and is also multi-lingual. Both have been described as personable and well-versed in developing contacts among foreign military circles, including U.S. military personnel.

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE
OF E. O. 11652, AUTOMATICALLY DECLASSIFIED AT
TWO YEAR INTERVALS AND RE-EVALUATED ON
~~IMPOSSIBLE TO DETERMINE~~
(Insert date or event)

S E C R E T

1978 JAN 25 PM 1:43

TELEGRAM

INDICATE
 COLLECT
 CHARGE TO 00901

FROM AMEMBASSY TEHRAN CLASSIFICATION CONFIDENTIAL

ACTION: SECSTATE WASHDC PRIORITY

FSE 2-4.1 ⁷

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

CONFIDENTIAL TEHRAN 00901

LIMDIS

LIMDIS

E.O. 11652: GDS

TAGS: ENRG, US, IS

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

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

llivan:pev	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
	1/25/78		AMB

~~CONFIDENTIAL/LIMDIS~~
CLASSIFICATION

OPTIONAL FORM 153
(Formerly FS-413)
January 1975
Dept. of State

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 ~~HE~~ 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

S E C R E T

Tehran, February 19, 1978

Dear Mr. Minister:

Enclosed is a brief account of the outcome of Foreign Minister Dayan's recent visit to Washington, which I would appreciate your bringing to His Imperial Majesty the Shahanshah Aryamehr's attention at your earliest convenience. I shall be leaving Tehran for Washington the morning of February 20 to attend the U.S.-Iranian Joint Commission Meeting. If you or His Imperial Majesty have any questions regarding the enclosed, or any comments you wish conveyed to Washington, my Deputy, Jack Miklos, who will be in charge in my absence, is au courant and of course available. We are most appreciative to His Majesty for the continuing exchange on this matter and look forward to hearing the results of His Majesty's meeting with the important visitor expected later this week.

With high esteem and warmest personal regards.

Sincerely,

William H. Sullivan
Ambassador

His Excellency
Amir Abbas Hoveyda
Minister of the Imperial Court
Tehran

S E C R E T

DCM:JCMiklos/sw

S E C R E T

Dayan's brief visit to Washington produced no new developments of any moment. He continues to believe efforts should be pursued to get a declaration of principles agreed with Sadat but was not interested in discussing specific language of declaration while here. He did ask our help in getting formal meetings of Political Committee resumed, on grounds that there was undesirable asymmetry in continued meetings of Security Committee in Cairo while Political Committee was suspended. We undertook to raise this with Egyptians but indicated we did not think he would be responsive until a declaration of principles had been agreed to. Dayan also, predictably, expressed Israeli concern over aircraft sales to Saudi Arabia (very little was said about proposed sale to Egypt).

Israelis have expressed unhappiness with our recent references to "withdrawal on all fronts" under UN Res. 242. Secretary pressed Dayan as to Israeli acceptance that 242 does require withdrawal on all fronts, assuming agreement can be reached on border adjustments, security arrangements and political linkage at West Bank to Jordan. Dayan avoided direct answer, saying only that Israelis have "their own plan" (i.e., the "Begin Plan") for the West Bank. From our recent exchanges with Israelis, it is apparent that Begin is not yet prepared to accept the principle of withdrawal from West Bank, understandable in view of his long-held ideological commitments, but of crucial importance if there is to be a successful solution to problem and any prospect of a peace settlement. We believe this will be the most difficult decision for Israelis to face in coming weeks. We are certain that His Majesty will recognize the significance of this particular point.

(ABOVE TEXT FROM STATE 044031 OF 18 FEB 1978)

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TAGS: PINR, IS, IR

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

REF: TEHRAN 6650

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 MEYDROT CONSTRUCTION AND DEVELOPMENT COMPANY. (C)
3. BORN APRIL 19, 1922 IN VIENNA, HERMELIN EMIGRATED TO PALSTINE AT 15. HE SERVED IN THE BRITISH ARMY IN WORLD WAR II, THEN JOINED THE PREINDEPENDENCE JEWISH UNDERGROUND MOVEMENT FICHAH. HE WAS A MAJOR IN THE ISRAEL DEFENSE FORCES DURING THE 1948 ARAB-ISRAELI WAR. AFTER JOINING SHIN BETH IN 1949, HE WORKED HIS WAY UP TO DEPUTY CHIEF BY 1959. 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.

(LOW) CHRISTOPHER
BT

SECRET

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SECRET SECTION 01 of 03 STATE 106756/01
LIMDIS. INFORM CONSULS
E.O. 12056 RDS-1.2 - - 3/22/2009 (MULTIPLE SOURCES)
TAGS: ASEC, PINS

SUBJECT: (U) Palestinian Terrorism Threat Assessment
REF: (A) STATE 78604 (B) STATE 92790

For principal officers and RSOS only; CIA HQ for DDO/IAD/TG
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) Begin Summary. Following a period of overt protest, opposition to the Egypt-Israel Treaty has shifted to terrorist tactics. Operations have emphasized casualties in quantity in Israel, Egypt, and in Europe. Syrian-affiliated Saiga and Fatah have been most active to date. U.S. targeting should be anticipated, especially in Europe. Attacks against the public in airports, hotel lobbies and such appear likely. Mail handling precautions are advisable in light of recent treaty-related parcel bomb incidents. End summary. (GDS- - 4/24/85)

1. (C) Refels provided compilations of treaty-related incidents directed at Israeli, Egyptian, and U.S. targets worldwide in conjunction with the March 26 signing ceremonies in Washington. Most of the activities recorded in the first two weeks following the signing involved overt protests which were either orchestrated by Arab governments or by Arab communities in non-Arab capitals (particularly in communist-ruled states). All were essentially non-violent and controlled. As is the case following many controversial initiatives, the overt reaction is often shortlived and this one now also appears to have run its course. (GDS- - 4/24/85)
2. (C) There is good reason to be concerned, however, over the potential for Arab terrorist operations in the near-term. Since August 1978 Palestinian leaders have mouthed violent rhetoric against the "complicity" of the United States in "selling out the

Palestinians” in our pressing for the Egyptian-Israeli accords. Prior to the September 1978 Camp David Summit, inter-Arab feuding among Syria, Iraq, and the PLO had seen at least 16 attacks by one party against another, 11 of them in European capitals. The remainder occurred in Washington (a letter bomb against Iraq), Tripoli, Beirut, Karachi and Islamabad. The European locations were London (5 cases), Paris (3), Brussels (2) and Bonn (1). In all, nine officials were assassinated. Three letter bombs sent from Rome failed to detonate, three bombings and a rocket attack were directed at Iraqi missions as well as several gunfire assaults. Iraq suffered the brunt of the feud. (GDS - - 4/24/85)

(S/NOFORN/NOCONTRACT/ORCON) With the onset of Camp David, this feuding in public ceased. At the same time, Palestinian threats to attack the interests of the three Camp David participants were not realized in major operations. Iraq and Syria mended political fences, and it appears as though Palestinian terrorist chiefs awaited the outcome of the peace process, seeing no need for them to commit operations since stumbling blocks repeatedly arose, endangering the treaty negotiations. Following the recent Baghdad summit, Arafat was disappointed but doubtless not overly surprised at Arab unwillingness to level economic sanctions against the U.S. similar to those against Egypt. Throughout the month of March Africa and Europe were being reported, and pre-operational staging, target selection, and surveillance appeared to be under way. (RDS - 1 - - 3/22/2009)

(S/NOFORN/NOCONTRACT/ORCON) The terrorist activities and offensive operations in recent days lead one to think that a further series of Arab terrorist assaults can be anticipated. Since mid-March the Syrian-backed Saiqa had reportedly been planning an operation in Paris designed to hit hotels or restaurants frequented by Israeli or Jewish patrons. On March 27, a bomb placed in a Paris restaurant which caters to Jewish students injured more than a score, several seriously. The act was claimed in Paris by an entity identifying itself as a French opposition group and separately in Beirut by the “Eagles of the Revolution”, which is a Saiqa designation. Since mid-February Saiqa is also credited with as many as four bombings or attempts inside Egypt. These include the February 13 bombing of the Sheraton hotel in Cairo as well as two neutralized operations - - to bomb the Foreign Ministry targeting minister of state for Foreign Affairs Butrus Qhali and a second plot to dynamite the Sheraton in Cairo as well as cause mass casualties at another unspecified crowd location. The fourth, claimed by “Eagles of the Revolution”, killed a customs worker in Cairo on **April 19**. (RDS - 1, 2 - - 2/13/2009)

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SECRET SECTION 02 of 03 STATE 106756/02
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(C)Similar intentions to inflict mass casualties are readily apparent in recent operations directed against Israel - both in-country and in the April 16 Brussels Airport attack. Since January the number of terrorist incidents or attempts in Israel up until April 17 counted 43 compared with only 16 in the last quarter of 1978. Refetels reported on the recent bombings in market and other public areas in Lod, Jerusalem, and Tel Aviv (reftel B erroneously listed Carmel Market in Jerusalem rather than Tel Aviv). Besides these attacks, Israeli forces have neutralized several Palestinian commando teams engaged in infiltration from Lebanon overland and by sea. Each of these teams, based on their weaponry and apparent targeting, was intent on simply creating as much havoc and destruction as possible while within Israel and still capable of operating. Fatah was the apparent instigator of these attacks, although the April 22 Nahariya attack which left four Israelis and two of the four terrorists dead, has been attributed to a splinter faction of the rejectionist PFLP. (GDS - 4/22/85)

(C)The April 16 airport attack in Brussels, designed to kill arriving EL AL passengers, had all the operational earmarks of a PFLP (Popular Front for the Liberation of Palestine) operation akin to those airport attacks previously perpetrated at LOD (May 1972), Paris'Orly, Yesilkoy in Istanbul, and others. This group has specialized in hijackings and airport assaults and has used combinations of grenades and automatic weapons in virtually every such instance. Again the operation's intent was a large number of victims to maximize horror and world attention. Use of the designation "Black March" is a thin veil for Fatah or the PLO to use in seeking plausible denial of sponsorship. Other indicators, based on the terrorists' origins, point to Fatah. (GDS - 4/17/85)

(C)It would be a mistake to conclude from the foregoing that the Palestinians have finally coordinated their terrorist operations and have reached a division of labor. Saiqa, PFLP, Fatah's Teams, and even Black June all are capable of independent operations against like targets without a prerequisite establishment of some kind of Palestinian Monolith. It is unrealistic to ignore the truth of the PLO's use of public denials and terrorism condemnations 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 Butrus Qhali) thus far, should not lead anyone to assume there is less danger to U.S. interests and personnel in this now apparently, burgeoning campaign. (GDS - - 4/24/85)

(C)Letter and parcel bombs have exploded in Frankfurt (destined for Israel) and on April 19 in Cairo's main post office. Both caused severe injuries, fatal in the case of a female Egyptian customs official. The last major letter bomb campaign was a large-scale Black September operation during 1972 against Israeli officials and Jewish-owned firms. (GDS - - 4/24/85)

(S/NOFORN/NOCONTRACT/ORCON) Palestinian terrorist threats 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 precursor in their storage and refinery facility assaults of 1971 in Germany and the Netherlands. The March 27 attack against the Egyptian ambassador in Dacca 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 students in the Bangladesh capital. Palestinian threats indications involving senior American officials in South Asian capitals have emanated in part from host nation culture 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. (RDS- 2- - 4/19/99)

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10. (C) ~~The department~~ remains alert to any and all intelligence pointing up possible threatening situations and is reluctant to issue recurring security advisories of a non-specific nature. In the near-term it appears very likely that Palestinian trans-border operations into both Israel and Egypt will continue to be conducted. Likewise, both of these nations as well as the United States are likely targets for attack, especially in Europe. Assaults on official facilities or personnel appear more probable than do operations against the private 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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Palestinian penchant for operations in those regions wherein terrorists indiscriminately attack crowds in airport transit lounges and baggage claim areas, hotel, lobbies, and other places where large number of people are assembled. They have routinely used machine guns, grenades, and only infrequently explosives in such assaults. It also is most prudent that all personnel be refamiliarized with proper handling and necessary precautions to be employed with suspicious mail or deliveries. Mail handlers particularly should be reacquainted with letter and parcel bomb identification and handling procedures. (GDS - - 4/24/85)

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RUFHRS/AMEMBASSY ALGIERS PRIORITY 0704
RUQMGU/AMEMBASSY ANKARA PRIORITY 9080
RUQYAT/AMEMBASSY ATHENS PRIORITY 2181
RUEHAD/USINT BAGHDAD PRIORITY 0948
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7680
RUESEA/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
RUQMW/AMEMBASSY KUWAIT PRIORITY 7023
RUDTC/AMEMBASSY LONDON PRIORITY 2176
RUFHND/AMEMBASSY MADRID PRIORITY 6145
RUQMAN/AMEMBASSY MANAMA PRIORITY 4478
RUEHME/AMEMBASSY MEXICO PRIORITY 1235
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4634
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0647
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7611
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6454
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7579
RUFNPS/AMEMBASSY PARIS PRIORITY 2277
RUDKBT/AMEMBASSY Rabat PRIORITY 1547
RUQYHR/AMEMBASSY TEHRAN PRIORITY 2229
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3073
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 0637
RUDKKR/AMEMBASSY TUNIS PRIORITY 3024
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S E C R E T SECTION 01 OF 04 STATE 116788/01
E.O. 12065 GDS 5/3/85 (GRIFFIN, PHILIP J.)

TAGS: EG, IS, PINK

SUBJECT: INTSUM 806 - MAY 3, 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. (C) SAAD HADDAD'S DECLARATION OF "PAEL 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 HARR 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-MUKHAMMARAH, 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-SARR 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 ISRAELIS OR HADDAD'S ENCLAVES.

4. (C) ACCORDING TO UNRWA OFFICIALS, MOST OF THE
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TO RUQMN/USMISSION SINAI PRIORITY 9042

INFO RUQMBI/AMEMBASSY ABU DHABI PRIORITY 3875

RUFHRS/AMEMBASSY ALGIERS PRIORITY 0705

RUQMGU/AMEMBASSY ANKARA PRIORITY 9081

RUQMAT/AMEMBASSY ATHENS PRIORITY 2182

RUEHAD/USINT BAGHDAD PRIORITY 2949

RUESUZ/AMEMBASSY BRASILIA PRIORITY 7681

RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4480

RUEHEG/AMEMBASSY CAIRO PRIORITY 9169

RUESRS/AMEMBASSY CARACAS PRIORITY 6259

RUQMOD/AMEMBASSY DOHA PRIORITY 9373

RUEHJM/AMCONSUL JERUSALEM PRIORITY 0270

RUQMKW/AMEMBASSY KUWAIT PRIORITY 7024

RUDTC/AMEMBASSY LONDON PRIORITY 2177

RUFHMD/AMEMBASSY MADRID PRIORITY 8146

RUQMMAM/AMEMBASSY MANAMA PRIORITY 4479

RUEHME/AMEMBASSY MEXICO PRIORITY 1236

RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4635

RUEHMO/AMEMBASSY MOSCOW PRIORITY 0648

RUQMMI/AMEMBASSY MUSCAT PRIORITY 7812

RUQMQG/AMEMBASSY NICOSIA PRIORITY 6455

RUFHOK/AMEMBASSY NOLAKHOTI PRIORITY 7500

RUFNPS/AMEMBASSY PARIS PRIORITY 2278

RUDKET/AMEMBASSY RABAT PRIORITY 1548

RUQMR/AMEMBASSY TEHRAN PRIORITY 2230

RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3074

RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8638

RUDKKR/AMEMBASSY TUNIS PRIORITY 3025

RUQMNS/AMEMBASSY SANA PRIORITY 3636

RUEHDI/USMISSION USUN NEW YORK PRIORITY 0303

RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2103

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S E C R E T SECTION 02 OF 04 STATE 116768/02

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.

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. (C) THE EGYPTIAN MEDIA ARE LAUNCHING ASSAD FOR HIS NACTION AND ACCUSING HIM OF COLLUDING IN THE DESTRUCTION F 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 RESSURES FOR A SYRIAN RESPONSE ARE LIKELY TO MOUNT IF HE ISRAELI RAIDS CONTINUE.

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

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

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

8. (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 O LIBERATE JERUSALEM. IT HAS ALREADY BEEN LIBERATED." BEGIN REFERRED TO AN EGYPTIAN DOCUMENT PRESENTED TO WALDHEIM REGARDING THE RESTORATION OF "ARAB JERUSALEM O ARAB SOVEREIGNTY" AND SAID HE HAD INSTRUCTED AMEASSADOR BLUM TO REPLY THAT:

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TO RUQMN/USMISSION SINAI PRIORITY 9043
INFO RUQMBI/AMEMBASSY ABU DHABI PRIORITY 3676
RUFHRS/AMEMBASSY ALGIERS PRIORITY 0706
RUQMGU/AMEMBASSY ANKARA PRIORITY 9282
RUQMAT/AMEMBASSY ATHENS PRIORITY 2183
RUEHAD/USINT BAGHDAD PRIORITY 0950
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7652
RUESEA/AMEMBASSY BUENOS AIRES PRIORITY 4481
RUEKEG/AMEMBASSY CAIRO PRIORITY 9170
RUESRS/AMEMBASSY CARACAS PRIORITY 6058
RUQMOD/AMEMBASSY DOHA PRIORITY 9374
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0571
RUQMKW/AMEMBASSY KUWAIT PRIORITY 7025
RUDIC/AMEMBASSY LONDON PRIORITY 2178
RUFHMD/AMEMBASSY MADRID PRIORITY 8147
RUQKAM/AMEMBASSY MANAMA PRIORITY 4480
RUEKME/AMEMBASSY MEXICO PRIORITY 1237
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4636
RUEHMO/AMEMBASSY MOSCOW PRIORITY 2649
RUQMTI/AMEMBASSY MUSCAT PRIORITY 7813
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6456
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7581
RUFNPS/AMEMBASSY PARIS PRIORITY 2279
RUDKBT/AMEMBASSY RABAT PRIORITY 1549
RUQVHR/AMEMBASSY TEHRAN PRIORITY 2231
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3075
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8639
RUDKKR/AMEMBASSY TUNIS PRIORITY 3026
RUQMNS/AMEMBASSY SANA PRIORITY 3637
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RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2104
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S E C R E T SECTION 03 OF 04 STATE 116788/03

(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. (U) 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 RESENTS BEGIN'S INSISTENCE ON PUBLICLY REITERATING

THE FUTURE OF THE SECURITY OF NATIONS Y...OF CONSOLIDATION 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 SUNED 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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TO RUHQZK/USMISSION SINAI PRIORITY 0244 ^{4 MAY 79 10 07 Z}

INFO RUQBEI/AMEMBASSY ABU DHABI PRIORITY 3877

RUFHRS/AMEMBASSY ALGIERS PRIORITY 0707

RUSPGR/AMEMBASSY ANKARA PRIORITY 9083

RUCRAT/AMEMBASSY ATHENS PRIORITY 2104

RUEHAD/USINT BAGHDAD PRIORITY 1951

RUEBIZ/AMEMBASSY BRASILIA PRIORITY 7683

RUEBBA/AMEMBASSY BUENOS AIRES PRIORITY 4482

RUEHES/AMEMBASSY CAIRO PRIORITY 9171

RUEBBS/AMEMBASSY CARACAS PRIORITY 8051

RUSPDS/AMEMBASSY DORA PRIORITY 9375

RUEHJH/AMCONSUL JERUSALEM PRIORITY 1872

RURKRL/AMEMBASSY KUWAIT PRIORITY 7326

RUDTIC/AMEMBASSY LONDON PRIORITY 2179

RUFHED/AMEMBASSY MADRID PRIORITY 6148

RUJAHN/AMEMBASSY MANAMA PRIORITY 4481

RUEHNE/AMEMBASSY MEXICO PRIORITY 1238

RUQJDI/AMEMBASSY MOGADISCIO PRIORITY 4637

RUEHNO/AMEMBASSY MOSCOW PRIORITY 0650

RUCRMI/AMEMBASSY MUSCAT PRIORITY 7814

RUCRCS/AMEMBASSY NICOSIA PRIORITY 6457

RUFHOC/AMEMBASSY NOUAKHOTT PRIORITY 7582

RUFNPS/AMEMBASSY PARIS PRIORITY 2280

RUDKBT/AMEMBASSY RABAT PRIORITY 1550

RUCMHR/AMEMBASSY TEHRAN PRIORITY 2232

RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3276

RUSHTI/AMEMBASSY TRIPOLI PRIORITY 8640

RUDKKA/AMEMBASSY TUNIS PRIORITY 3027

RUCRNS/AMEMBASSY SAHA PRIORITY 3638

RUEHRT/USMISSION USUN NEW YORK PRIORITY 0305

RUEATR/ TREASURY DEPARTMENT WASHDC PRIORITY 2105

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SECRET FINAL SECTION OF 04 STATE 116788/04

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 REGIONAL 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 SYMBOL OF THE FORMER BAATHIST/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. (S) 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 1978. 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 DHOFAR 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
BT
#6788

NNNNVF
LUVV ESA158BRA003
PP RUMHR
DE RUEHC #8204/01 1300745
ZNY SSSS ZZH
P 100237Z MAY 79
FM SECSTATE WASHDC
TO RUMZM/UMISSION SINAI PRIORITY 9061
INFO RUMBI/AMEMBASSY ABU DHABI PRIORITY 3902
RUFHRS/AMEMBASSY ALGIERS PRIORITY 0723
RUMGU/AMEMBASSY ANKARA PRIORITY 9100
RUMAI/AMEMBASSY ATHENS PRIORITY 2212
RUEHAD/USINT BAGHDAD PRIORITY 0970
RUE9UZ/AMEMBASSY BRASILIA PRIORITY 7714
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4500
RUEHEG/AMEMBASSY CAIRO PRIORITY 9245
RUESRB/AMEMBASSY CARACAS PRIORITY 6088
RUMOD/AMEMBASSY DOHA PRIORITY 9393
RUEHJN/AMCONSUL JERUSALEM PRIORITY 0910
RUMKV/AMEMBASSY KUWAIT PRIORITY 7054
RUDTC/EMBASSY LONDON PRIORITY 2260
RUFWMD/AMEMBASSY MADRID PRIORITY 0174
RUMAM/AMEMBASSY MANAMA PRIORITY 4500
RUEHME/AMEMBASSY MEXICO PRIORITY 1273
RUMDI/AMEMBASSY MOGADISCIO PRIORITY 4660
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0722
RUMMT/AMEMBASSY MUSCAT PRIORITY 7021
RUMQG/AMEMBASSY NICOSIA PRIORITY 6403
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7597
RUFNPS/AMEMBASSY PARIS PRIORITY 2356
RUDKBT/AMEMBASSY RABAT PRIORITY 1506
RUMHR/AMEMBASSY TEHRAN PRIORITY 2259
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3139
RUMTI/AMEMBASSY TRIPOLI PRIORITY 0662
RUDKKR/AMEMBASSY TUNIS PRIORITY 3064
RUMNS/AMEMBASSY SANA PRIORITY 3676
RUEMDT/UMISSION USUN NEW YORK PRIORITY 0354
RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2106

BT
SECRET SECTION 01 OF 04 STATE 110204/01

E.O. 12065 GDS 5/9/85 (GRIFFIN, PHILIP J.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 007 - MAY 9, 1979

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

1. (C) THE AUTONOMY PROPOSAL BEGIN SUBMITTED TO THE MINISTERIAL COMMITTEE LAST WEEK THAT DEALS WITH ISRAEL'S STAND ON THE NATURE OF AUTONOMY IS APPARENTLY BASED ON BEGIN'S ORIGINAL AUTONOMY PLAN OF DECEMBER 1977. ACCORDING TO PRESS ACCOUNTS, THE CURRENT PROPOSAL TAKES INTO ACCOUNT THE CAMP DAVID FORMULATIONS. HAARETZ COMMENTATOR BENZIMAN SAID BEGIN'S PLAN CONCLUDES WITH TWO UNILATERAL DECLARATIONS.

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(A) THE FIRST STATES THAT "ISRAEL WILL NEITHER TOLERATE NOR PERMIT A PALESTINIAN STATE EVER BEING ESTABLISHED IN THE TERRITORIES OF JUDEA, SAMARIA, AND GAZA...."

(B) THE SECOND STATES THAT AT THE END OF THE FIVE YEARS OF AUTONOMY, "ISRAEL WILL DEMAND THE REALIZATION OF ITS UNQUESTIONABLE RIGHTS OF SOVEREIGNTY OVER THOSE TERRITORIES. ACCORDING TO BENZIMAN, A "DIVIDING LINE" SEPARATES THESE TWO DECLARATIONS FROM THE 30 CLAUSES IN THE PROPOSAL, SUGGESTING TO HI; THAT THEY ARE NOT PART OF THE PLAN BUT THAT THEY REPRESENT ISRAEL'S POSITION.

2. (U) PRESS REPORTS INDICATE THAT SEVERAL OF THE CLAUSES IN BEGIN'S PLAN HAVE AROUSED CONTROVERSY IN THE MINISTERIAL COMMITTEE. HAWKS ALLEGEDLY ARE CONCERNED THAT TWO ARTICLES ARE AMBIGUOUS: (1) "UNCULTIVATED PUBLIC LAND WILL BE UNDER ISRAELI CONTROL"; (2) "THERE WILL BE NO EXPROPRIATION OF PRIVATE LAND (AS DEFINED BY THE GOVERNMENT) BUT FOR THE PURPOSE OF PUBLIC NEEDS SUCH AS THE LAYING OF RAILROADS, ROAD PAVING, AS WELL AS FOR PURELY MILITARY REQUIREMENTS." SOME MINISTERS REPORTEDLY CONTEND THAT THESE ARTICLES SHOULD BE MODIFIED TO GUARANTEE UNRESTRICTED ISRAELI SETTLEMENT IN THE TERRITORIES.

3. (U) HAWKS ARE ALSO DESCRIBED AS WORRIED THAT THE PLAN GRANTS TOO MUCH AUTHORITY TO THE ADMINISTRATIVE COUNCIL. MAARIV COMMENTATOR MARIF -- A GENERALLY WELL-INFORMED OBSERVER -- REPORTS THAT, AT THE MAY 8 MEETING OF THE MINISTERIAL COMMITTEE, SEVERAL MINISTERS WERE EXPECTED TO ARGUE THAT THE PROPOSALS SHOULD STATE THAT THE SOURCE OF THE ADMINISTRATIVE COUNCIL'S AUTHORITY DERIVES FROM ISRAEL. (BEGIN'S DRAFT REPORTEDLY STATES ONLY THAT THE MILITARY GOVERNMENT WILL "WITHDRAW.")

4. (C) ALTHOUGH THE PRECISE CONTENT OF BEGIN'S PROPOSALS IS NOT YET KNOWN, THE PRESS ACCOUNTS SEEM AUTHORITATIVE. BEGIN'S RESOUNDING PROCLAMATIONS THAT ISRAEL WILL NEVER ACCEPT A PALESTINIAN STATE AND WILL INSIST THAT ISRAELI SOVEREIGNTY BE IMPOSED IN "JUDEA, SAMARIA, AND GAZA" AFTER THE FIVE YEARS OF AUTONOMY ARE CLEARLY DESIGNED TO REASSURE HAWKS WITHIN MERUT AND THE NATIONAL RELIGIOUS PARTY (NRP).

5. (S) BEGIN'S PROBLEM AS HE MOVES INTO THE NEGOTIATIONS ARE BOTH POLITICAL AND PSYCHOLOGICAL. ON THE POLITICAL FRONT, HE WILL HAVE TO WALK A NARROW LINE BETWEEN THE DEMANDS OF INTERNAL POLITICS AND THOSE OF THE NEGOTIATIONS THEMSELVES. BEGIN'S DIFFICULTIES WILL INCREASE AS THE NEGOTIATIONS BECOME MORE CONCRETE. HIS EFFORTS TO BALANCE

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TO RUMZNI/USMISSION SINAI PRIORITY 9062
INFO RUMBI/AMEMBASSY ABU DHABI PRIORITY 3903
RUFHRS/AMEMBASSY ALGIERS PRIORITY 0724
RUM1GU/AMEMBASSY ANKARA PRIORITY 9101
RUM1AT/AMEMBASSY ATHENS PRIORITY 2283
RUEHAD/USINT BAGHDAD PRIORITY 0971
RUESUZ/AMEMBASSY BRASLIA PRIORITY 7715
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4501
RUEHEG/AMEMBASSY CAIRO PRIORITY 9246
RUESRS/AMEMBASSY CARACAS PRIORITY 6089
RUM1OD/AMEMBASSY DOHA PRIORITY 9394
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0911
RUM1KW/AMEMBASSY KUWAIT PRIORITY 7055
RUD1C/AMEMBASSY LONDON PRIORITY 2261
RUFHMD/AMEMBASSY MADRID PRIORITY 8179
RUM1AM/AMEMBASSY MANAMA PRIORITY 4501
RUEHME/AMEMBASSY MEXICO PRIORITY 1274
RUM1DI/AMEMBASSY MOGADISCIO PRIORITY 4661
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0723
RUM1MT/AMEMBASSY MUSCAT PRIORITY 7822
RUM1QG/AMEMBASSY NICOSIA PRIORITY 6466
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7398
RUFNPS/AMEMBASSY PARIS PRIORITY 2357
RUDKBT/AMEMBASSY RABAT PRIORITY 1587
RUM1NR/AMEMBASSY TEHRAN PRIORITY 2260
RUEKTV/AMEMBASSY TEL AVIV PRIORITY 3140
RUM1TI/AMEMBASSY TRIPOLI PRIORITY 8663
RUDKXR/AMEMBASSY TUNIS PRIORITY 3063
RUM1NS/AMEMBASSY SAMA PRIORITY 3677
RUEHDT/USMISSION USUN NEW YORK PRIORITY 0355
RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2107
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THESE CONSIDERATIONS INEVITABLY WILL PRODUCE BACKING AND FILLING, ESPECIALLY WHEN CRUCIAL DECISIONS ARE AT HAND. BEGIN'S TASK WILL BE COMPLICATED BY THE SENSITIVITIES OF HIS NRP COALITION PARTNER ON WEST BANK ISSUES. AND THE NRP HAWKS, FOR THEIR PART, WILL BE DIFFICULT TO LULL WITH RINGING DECLARATIONS IN THE FACE OF ANY CONCESSIONS BEGIN MIGHT BE PREPARED TO MAKE TO KEEP THE NEGOTIATIONS ALIVE. BEGIN WILL BE MINDFUL OF THE INSECURITY OF HIS PARLIAMENTARY POSITION IF THE NRP BECOMES DISAFFECTED.

6. (S) BEGIN'S DIFFICULTIES WITH THE NRP WILL BE EXACERBATED BY GUSH EMUIM ACTIONS. WHILE NRP DOVES DISLIKE THE GUSH, THE NRP'S DOMINANT YOUTH FACTION ENJOYS CLOSE TIES WITH THE GUSH. THE GUSH HAS DEMONSTRATED AN ABILITY TO PULL THE NRP AFTER IT AND WILL EXERT HEAVY PRESSURE ON THE SETTLEMENT ISSUE THAT COULD GREATLY EMBARRASS BEGIN, FOR EXAMPLE, BY EXPANDING THE EXISTING SETTLEMENT EFFORT IN MERRON. BEGIN WOULD HAVE DIFFICULTY USING FORCE TO BLOCK LARGE-SCALE GUSH SETTLEMENT ATTEMPTS.

7. (S) PSYCHOLOGICALLY, BEGIN SEEMS TO HAVE A DEEP-SEATED NEED TO CONVINCHE HIMSELF THAT HE IS NOT BETRAYING HIS PRINCIPLES. ACCUSATIONS TO THIS EFFECT BY FORMER COMRADES-IN-ARMS AND CLOSE ASSOCIATES AROUSE FEELINGS OF GUILT AND ANXIETY AND A NEED TO DEMONSTRATE THAT THE CHARGES ARE FALSE.

8. (U) ON MAY 8 AP REPORTED THAT THE ISRAELI CABINET HAD VOTED TO SET UP TWO NEW SETTLEMENTS IN THE WEST BANK. A CABINET COMMUNIQUE SAID DEPUTY PRIME MINISTER YADIN OPPOSED THE MOVE. ISRAELI RADIO REPORTED A NUMBER OF MINISTERS JOINED YADIN AND OTHERS ABSTAINED BUT THE ACTUAL VOTE TALLY WAS NOT ANNOUNCED.

9. (U) JERUSALEM RADIO REPORTED THAT THE ALIGNMENT FACTION IN THE KNESSET WOULD SUBMIT A NO CONFIDENCE MOTION, BECAUSE OF THE GOVERNMENT'S RELEASE OF PALESTINIAN GUERRILLAS IN EXCHANGE FOR AN ISRAELI SOLDIER TWO MONTHS AGO. THE BEGIN GOVERNMENT HAS BEEN THE TARGET OF CRITICISM SINCE AN ISRAELI PAPER PUBLISHED THE NAMES OF THE PALESTINIANS WHO WERE RELEASED AND THE NAMES WERE LINKED WITH SPECIFIC TERRORIST INCIDENTS SUCH AS HIJACKING.

10. (C) EGYPT-ISLAMIC CONFERENCE: THE EGYPTIAN FOREIGN MINISTRY HAS RELEASED A STATEMENT ABOUT THE DECISION OF THE PREPARATORY COMMITTEE FOR THE ISLAMIC FOREIGN MINISTERS CONFERENCE TO RECOMMEND THAT THE CONFERENCE SUSPEND EGYPT'S MEMBERSHIP IN THE ORGANIZATION. EGYPT'S MIDDLE EAST NEWS AGENCY (MENA) SAYS THAT THE FOREIGN MINISTRY "HAS EXPOSED THE MANEUVERS CARRIED OUT BY THE MOROCCAN GOVERNMENT TO PREVENT EGYPT FROM PARTICIPATING IN THE CONFERENCE." MENA REPORTS THAT THE STATEMENT CONDEMNED MOROCCO'S ATTITUDE AND WARNED THAT EVERYONE WHO HAS PARTICIPATED IN THIS "RASH ACTION" MUST BEAR THE CONSEQUENCES. ACCORDING TO REUTERS, THE STATEMENT ALSO CLAIMED THAT EGYPT HAS RECEIVED OFFICIAL WORD FROM MOROCCO THAT THE PLANE CARRYING THE EGYPTIAN DELEGATION WOULD NOT BE ALLOWED TO LAND. OVER THE WEEKEND EGYPT, AN OFFICIALS HAD RECEIVED A MOROCCAN ENVOY, WHO THE EGYPTIANS BELIEVED WAS TRYING TO COORDINATE STRATEGY TO PREVENT EGYPT'S SUSPENSION. THE EGYPTIANS ON THAT BASIS AGREED TO POSTPONE SENDING THEIR DELEGATION TO FEZ IN THE BELIEF THAT THIS WOULD AID THE MOROCCAN STRATEGY. THE EGYPTIANS EVIDENTLY NOW BELIEVE THEY WERE DOUBLE CROSSED BECAUSE THE MOROCCANS WISHED TO ENSURE A NON-DIVISIVE CONFERENCE.

11. (U) PLO-ISRAEL: ADDRESSING A PALESTINIAN COMMANDO GRADUATION CEREMONY ON MAY 8, ARAFAT PROMISED TO STEP UP GUERRILLA ACTION AGAINST ISRAEL AND CALLED FOR STRONG
BT
#0204

NNNNVV ISA160BRA008
PP RUQHR
DE RUEHC #8204/03 1300748
ZNY SSSSS ZZH
P 100237Z MAY 79
FM SECSTATE WASHDC
TO RUQZLN/USMISSION SINAI PRIORITY 9063
INFO RUQMBI/AMEMBASSY ABU DHABI PRIORITY 3904
RUFHRS/AMEMBASSY ALGIERS PRIORITY 0725
RUQMBU/AMEMBASSY ANKARA PRIORITY 9102
RUQMAT/AMEMBASSY ATHENS PRIORITY 2214
RUEHAD/USINT BAGHDAD PRIORITY 0972
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7716
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4502
RUEHEB/AMEMBASSY CAIRO PRIORITY 9247
RUESRS/AMEMBASSY CARACAS PRIORITY 6090
RUQMOD/AMEMBASSY DOHA PRIORITY 9395
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0912
RUQMKW/AMEMBASSY KUWAIT PRIORITY 7056
RUDTC/AMEMBASSY LONDON PRIORITY 2262
RUFHMD/AMEMBASSY MADRID PRIORITY 8176
RUQMAN/AMEMBASSY MANAMA PRIORITY 4502
RUEHME/AMEMBASSY MEXICO PRIORITY 1275
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4662
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0724
RUQMTT/AMEMBASSY MUSCAT PRIORITY 7823
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6467
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7599
RUFNPS/AMEMBASSY PARIS PRIORITY 2358
RUDKBT/AMEMBASSY RABAT PRIORITY 1588
RUQMR/AMEMBASSY TEHRAN PRIORITY 2261
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3141
RUQMTL/AMEMBASSY TRIPOLI PRIORITY 8664
RUDKXR/AMEMBASSY TUNIS PRIORITY 3066
RUQMNS/AMEMBASSY SANA PRIORITY 3678
RUEHDT/USMISSION USUN NEW YORK PRIORITY 0356
RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2108
BT
S E C R E T SECTION 03 OF 04 STATE 118204/03

ARAB ACTION AGAINST THE US. HE ASKED THE ISLAMIC CONFERENCE MEETING THIS WEEK TO ANSWER THE US "CONSPIRACY AGAINST PEACE."

12. (U) LEBANON: ISRAELI PLANES STAGED TWO RAIDS IN SOUTHERN LEBANON ON MAY 8, MARKING THE THIRD STRAIGHT DAY OF AIR STRIKES AGAINST WHAT THE ISRAELIS DESCRIBE AS "TERRORIST CONCENTRATIONS." AP QUOTED LEBANESE GOVERNMENT AUTHORITIES SAYING THREE CIVILIANS WERE WOUNDED IN ONE ATTACK.

13. (U) ON MAY 8 THE MIDDLE EAST REPORTER SAID THAT LEBANON "WAS SHAKEN" BY BEGIN'S STATEMENTS WHICH COULD HERALD THE BEGINNING OF A "BIG BLOW UP." AS SAFIR QUOTED GOVERNMENT SOURCES SAYING THE BEGIN OFFER TO NEGOTIATE WITH THE LEBANESE ENCOURAGED HADDAD TO CONTINUE THREATENING THE VILLAGES IN THE SOUTH IN PREPARATION FOR AN ALL-OUT ISRAELI MILITARY STRIKE. SEVERAL PAPERS CARRIED PRIME MINISTER HUSS' STATEMENT THAT BEGIN'S OFFER WAS "BLACKMAIL." AS OF THE 8TH, EMBASSY BEIRUT REPORTED, THE RIGHTIST PRESS HAD MADE NO COMMENT ON BEGIN'S SPEECH.

14. (C) YEMEN: THE F-5 PROGRAM IN THE YEMEN ARABIC REPUBLIC (YAR) USING US PLANES AND TAIWANESE PILOTS, ALL PAID FOR BY THE SAUDIS IS OFF TO A PROBLEM-FILLED AND EMBARRASSING START, ACCORDING TO OUR EMBASSY IN SANA. SIX OF THE 16 F-5S DESTINED FOR THE YAR HAVE ARRIVED ALONG WITH AN 81 MEMBER TAIWANESE TEAM OF PILOTS AND SUPPORT PERSONNEL. THE F-5S HAVE NOT BEEN OFF THE GROUND SINCE THEIR ARRIVAL APRIL 30. THE TAIWANESE TEAM HAS ENCOUNTERED NUMEROUS OPERATIONAL PROBLEMS INCLUDING MISSING EQUIPMENT AND LANGUAGE DIFFICULTIES (THREE SPEAK ENGLISH AND NONE SPEAK ARABIC). NECESSARY COMMUNICATIONS AND FLIGHT CONTROL PROCEDURES HAVE NOT BEEN INSTITUTED. THE EMBASSY COMMENTS THAT TIME AND EXPERIENCE MAY CORRECT SOME OF THE PROBLEMS BUT IN THE MEANTIME, WORD ON THE SITUATION HAS SPREAD AND WILL BE AN INCREASING POLITICAL EMBARRASSMENT FOR THE US AND THE SAUDIS. SOVIET MIGS FLYING FROM THE YAR CITY OF HOEIDAH HAVE MADE DAILY PASSES OVER THE CAPITAL EVERY DAY SINCE THE F-5S ARRIVED AND HAVE, ON AT LEAST ONE OCCASION, BUZZED THE F-5S' PARKING AREA, A DEMONSTRATION FOR AT LEAST SOME YEMENIS OF THE BENEFITS OF SOVIET VS. US MILITARY SUPPLY PROGRAMS.

15. (U) FRANCE-PEACE TREATY: FRENCH FOREIGN MINISTER FRANCOIS-PONCET IN A MAY 3 ADDRESS TO THE NATIONAL ASSEMBLY SAID THAT, "THE POSITION OF THE FRENCH GOVERNMENT IS NEITHER ONE OF HOSTILITY NOR OF OPPOSITION (TO THE EGYPTIAN-ISRAELI TREATY). THE POSITION RECOGNIZES THAT THE AGREEMENT HAS COST A GREAT DEAL OF EFFORT AND THAT IT SIGNIFIES A REAL DESIRE. IT CANNOT FAIL TO RECORD,

HOWEVER, WHAT IS MISSING IN THIS AGREEMENT IN ORDER TO TRULY OPEN THE PATH TO A JUST AND DURABLE PEACE. AT THE HEART OF RELATIONS BETWEEN ISRAEL AND THE ARAB COUNTRIES THERE IS THE PROBLEM OF THE PALESTINIAN PEOPLE OF WHICH THE MAJORITY HAS KNOWN EXILE AND WHICH ASPIRES TO A HOMELAND. THERE WILL NOT BE A COMPREHENSIVE SETTLEMENT, AND THUS NOT A DURABLE PEACE, IF THIS PROBLEM ALSO DOES NOT FIND A JUST SOLUTION..." THE FOREIGN MINISTER NOTED THAT NEGOTIATIONS WERE TO BEGIN ON THE PALESTINIAN ISSUE BUT SAID THE "OBJECTIVE IS NARROW AND ILL-DEFINED."

16. (U) FRANCE-IRAQ: A WESTERN NEWS SERVICE QUOTES FRENCH OFFICIALS AS HAVING SAID ON MAY 8 IN PARIS THAT IRAQ WILL SOON SIGN A DOLS 1.5 BILLION DEAL TO PURCHASE 100 MIRAGE F-1 FIGHTER-BOMBERS AND OTHER SOPHISTICATED ARMS FROM FRANCE IN EXCHANGE FOR OIL. FINAL NEGOTIATIONS BY

#8204

NNNNVV - ESA161BRA010

PP RUGMHR

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FM SECSTATE WASHDC

TO RUGMZN/USMISSION SINAI PRIORITY 9064

INFO RUGMBI/AMEMBASSY ABU DHABI PRIORITY 3905

RUFHRS/AMEMBASSY ALGIERS PRIORITY 0726

RUGMGU/AMEMBASSY ANKARA PRIORITY 9103

RUGMAT/AMEMBASSY ATHENS PRIORITY 2215

RUEHAD/USINT BAGHDAD PRIORITY 0973

RUESUZ/AMEMBASSY BRASILIA PRIORITY 7717

RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4503

RUEHEG/AMEMBASSY CAIRO PRIORITY 9240

RUESRS/AMEMBASSY CARACAS PRIORITY 6091

RUGMOD/AMEMBASSY DOHA PRIORITY 9396

RUEHJM/AMCONSUL JERUSALEM PRIORITY 0913

RUGMKN/AMEMBASSY KUWAIT PRIORITY 7057

RUDTC/AMEMBASSY LONDON PRIORITY 2263

RUFHMD/AMEMBASSY MADRID PRIORITY 8177

RUGMAN/AMEMBASSY MANAMA PRIORITY 4503

RUEHNE/AMEMBASSY MEXICO PRIORITY 1276

RUGMDI/AMEMBASSY MOGADISCIO PRIORITY 4663

RUEHMO/AMEMBASSY MOSCOW PRIORITY 0725

RUGMNT/AMEMBASSY MUSCAT PRIORITY 7024

RUGMGG/AMEMBASSY NICOSIA PRIORITY 6468

RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7600

RUFNPS/AMEMBASSY PARIS PRIORITY 2359

RUDKBT/AMEMBASSY RABAT PRIORITY 1509

RUGMHR/AMEMBASSY TEHRAN PRIORITY 2262

RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3142

RUGMTL/AMEMBASSY TRIPOLI PRIORITY 0663

RUDKXR/AMEMBASSY TUNIS PRIORITY 3067

RUGMRS/AMEMBASSY SANA PRIORITY 3679

RUEHOT/USMISSION USUN NEW YORK PRIORITY 0357

RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2109

BT

S E C R E T FINAL SECTION OF 04 STATE 118204/04

WERE HELD DURING IRAQI DEFENSE MINISTER TALFAH'S RECENT

VISIT TO PARIS, AND THE HEAD OF THE FRENCH DEFENSE

MINISTRY'S DIVISION FOR INTERNATIONAL ARMS SALES

REPORTEDLY WILL GO TO BAGHDAD TO SIGN THE CONTRACT. VANCE

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10 MAY 79 09 29Z

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PP RUQMR
DE RUEHC #5654/01 1780947
ZNY SSSSS ZZH
P 270227Z JUN 79
FM SECSTATE WASHDC
TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2363
RUEKJCS/DOD/ISA PRIORITY
BT
S E C R E T SECTION 01 OF 03 STATE 165654/01

27 JUN 79 10 00Z

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 HERUT 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 WORSENERED 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, LED 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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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 REFLECTION 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 CONDUCIVE 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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THE PRESENT CAPACITY. 5

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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Foreign
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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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individual entries are Unclassified.

Secret

GC BIF 79-002
July 1979

ISRAEL

SECRET



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—Israeli

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: 84% 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 km² (excluding about 56,183 km² 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, Zevulun Hammer, Democratic Movement, Yigal Yadin, Shmuel Tamir, Israel Labor Party, Shimon Peres, Yitzhak Rabin, Yigal Allon, SHELLI, Arieh Eliaz

Voting strength: Likud 45 seats; National Religious Party 12 seats, Orthodox Agudat parties 5 seats, Samuel Flatot-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 gage (1,435 m)

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

Pipelines: crude oil, 705 km, refined products, 290 km, natural gas, 89 km

Ports: 3 major (Haifa, Ashdod, Eilat), 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 pop.); 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, 13 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 defensive 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 million, about 28% of central government budget (C)

INTELLIGENCE AND SECURITY

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

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TAGS: EG, IS, PINR

SUBJECT: INTSUM 855 - JULY 18, 1979

LO*DO* FOR GLASPIE
 PARIS FOR NICHOLAS MURPHY
 DOD/ISA FOR RANSOM
 OTHER ADDR*SSEES FOR CHIEFS OF MISSION

1. (U) ISRAEL: ISRAEL'S TWO LARGEST KIBBUTZ FEDERATIONS, BOTH AFFILIATED WITH FACTIONS OF THE LABOR PARTY, HAVE ANNOUNCED PLANS TO MERGE IN THE NEAR FUTURE.

2. (C) A CIA ANALYSIS NOTES THE FOLLOWING: THE MERGER, WHICH WILL BRING TOGETHER THE KIBBUTZ MEUHAD--AFFILIATED WITH LABOR'S AHOUT AVODA FACTION--AND THE MAPAI-BASED IHUD HAKUTZOT VENAKIBUTZIM, WILL GIVE THE SMALL BUT WELL--ORGANIZED KIBBUTZ MOVEMENT A MAJOR VOICE IN LABOR DECISIONMAKING. FORMER FOREIGN MINISTER YIGAL ALLON, WHO HAS CLOSE TIES TO THE-MEUHAD, MAY WANT TO USE THE KIBBUTZ UNION AS A BASE FROM WHICH TO CHALLENGE LABOR PARTY CHIEF SHIMON PERES. MOST KIBBUTZ POLITICAL LEADERS, HOWEVER, ARE BIDDING THIR TIME AND CONSOLIDATING THEIR TIES WITH OTHER SEGMENTS OF THE PARTY BEFORE COMMITTING THEMSELVES IN THE INCREASINGLY INTENSE LEADERSHIP STRUGGLE DEVELOPING BETWEEN ALLON, PERES, AND FORMER PRIME MINISTER YITZHAK RABIN.

3. (U) THE TWO KIBBUTZ MOVEMENTS HAD BEEN SEPARATE SINCE 1951, WHEN IHUD SPLIT FROM MEUHAD IN A BITTER DISPUTE OVER IDEOLOGY. THE DIFFERENCES HAVE BLURRED OVER THE YEARS, AND THE RISE TO POWE OF A NEW GENERATION OF KIBBUTZ LEADERS NOT INVOLVED IN THE-ORIGINAL DISPUTE MADE THE MERGER ACCEPTABLE TO BOTH MOVEMENTS. ALTHOUGH THE KIBBUTZ MOVEMENT CONSTITUTES LESS-THAN 3 PERCENT OF ISRAEL'S POPULATION, ITS FINANCIAL, ORGANIZATIONAL, AND MANPOWER RESOURCES CAN BE CRITICALLY IMPORTANT IN NATIONAL ELECTIONS.

4. (U) A PRIMARY TASK OF THE NEW FEDERATION WILL BE THE REBUILDING OF LABOR'S SOCIALIST IDEOLOGY. IHUD SECRETARY MUSSA HARIF TOLD REPORTERS HE WANTED TO USE THE FEDERATION TO BUILD AND IMPLEMENT A "SOCIALISM FOR THE 80S." MOST KIBBUTZ MEMBERS HAVE MADE NO SECRET OF THEIR BELIEF THAT LABOR LOST THE 1977 ELECTION BECAUSE THE PARTY PLAYED DOWN ITS SOCIALIST IDEOLOGY AND ACQUIRED THE IMAGE OF A COLORLESS, CORRUPT POLITICAL MACHINE. A MORE IDEOLOGICALLY ORIENTED PARTY, KIBBUTZ LEADERS MAINTAIN, WOULD GO A LONG WAY TOWARD WINNING BACK THE SUBSTANTIAL NUMBERS OF KIBBUTZ MEMBERS WHO DEFECTED TO THE DEMOCRATIC MOVEMENT FOR CHANGE OR SHELLI 14 THE 1977 ELECTIONS.

5. (U) KIBBUTZ LEADERS ALSO WANT AN END TO WHAT THEY CALL THE LIKUD'S MISGUIDED SETTLEMENT POLICIES. SEVERAL KIBBUTZ LEADERS SPOKE OUT AT THE RECENT FEDERATION CONVENTIONS AGAINST PRIME MINISTER BEGIN'S POLICY OF SETTING UP AND FUNDING SETTLEMENTS IN POPULATED ARAB AREAS OF THE WEST BANK, WHILE, ACCORDING TO KIBBUTZ MEMBERS, DELIBERATELY UNDERFUNDING KIBBUTZ SETTLEMENTS IN THE GALILEE. WHILE OPPOSING THE POLICY OF SETTLEMENTS-IN-POPULATED AREAS OF THE WEST BANK, THE KIBBUTZ LEADERS MADE IT CLEAR THAT THEY WOULD CONTINUE TO PUSH FOR SETTLEMENTS ALONG THE JORDAN RIFT AND IN THE GOLAN. A HEADLINE KIBBUTZ LEADERS, MOSTLY FROM THE IHUD, ENDORSED A RESOLUTION CALLING FOR ANNEXATION OF THE GOLAN. POLICY

TOWARDS THE GOLAN, WHERE IHUD AND MEUHAD HAVE NUMEROUS SETTLEMENTS, IS LIKELY TO BE A CONTENTIOUS ISSUE IN THE PROPOSED FEDERATION. MORE DOVISH MEMBERS WANT TO AVOID CALLING FOR ANNEXATION OF THE AREA, WHILE OTHERS ARE CONCERNED THAT THE BEGIN GOVERNMENT MAY MAKE SIGNIFICANT CONCESSIONS THERE AND WANT THE FEDERATION ON RECORD AS OPPOSING ANY TERRITORIAL PULLBACK.

6. (C) THE NEW KIBBUTZ FEDERATION IS LIKELY TO PLAY A MAJOR ROLE IN THE STRUGGLE NOW DEVELOPING FOR LABOR PARTY LEADERSHIP. BUOYED BY POLLS SHOWING LABOR POPULARITY ON THE INCREASE, ALLON AND RABIN HAVE BEGUN LINING UP SUPPORT FOR THE OCTOBER PARTY CONVENTION, AT WHICH THEY APPARENTLY PLAN TO CHALLENGE SHIMON PERES FOR CONTROL OF THE PARTY. ALLON, WHO IS A MAJOR ARCHITECT OF THE PLANNED KIBBUTZ MERGER, MAY BE HOPING THAT HIS BACKGROUND AS A KIBBUTZ LEADER CAN BE PARLAYED INTO SUPPORT FOR HIS CHALLENGE TO PERES. THE YOUNGER GENERATION OF KIBBUTZ LEADERS--INCLUDING HARIF WHO APPEARS TO BE DEVELOPING A STRONG FOLLOWING--HAVE MADE IT CLEAR THAT THEY WANT TO REDUCE THE ROLE OF THE OLD-STYLE POLITICS IN LABOR AND ARE NOT EAGER TO SUPPORT THE 61-YEAR-OLD ALLON'S PLANS. MOST KIBBUTZ MEMBERS APPARENTLY BACK PERES.

7. (C) THE POLITICAL INFLUENCE OF THE KIBBUTZ UNION WILL PROBABLY BE ENHANCED BY A GROWING ALLIANCE BETWEEN ITS LEADERSHIP AND A FACTION LED BY CHAIRMAN OF THE BOARD OF DIRECTORS OF BANK HAOPOLIM, YAACOV LEVINSON. LEVINSON, A 47-YEAR-OLD ACTIVIST WHO SOME OBSERVERS BELIEVE HAS A

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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2475

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C O N F I D E N T I A L FINAL SECTION OF 02 STATE 185946/02

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GOOD CHANCE OF EVENTUALLY BECOMING PRIME MINISTER, DEVELOPED CLOSE TIES WITH THE KIBBUTZ MOVEMENT DURING HIS 10 YEARS IN IHUD KIBBUTZ ROSH HANIKRA AND THROUGH HIS LEADERSHIP OF THE MAPAI YOUTH MOVEMENT. HE AND HARIF ARE LONGTIME POLITICAL ALLIES. THE KIBBUTZ-LEVINSON ALLIANCE HAS WIDENED IN RECENT MONTHS TO INCLUDE SOME URBAN POWERBROKERS LIKE NA'AMAT (PIONEER WOMEN) SECRETARY GENERAL NAVA ARAD AND JERUSALEM LABOR PARTY BOSS UZI BARAM. THE COMBINATION OF A KIBBUTZ UNION, URBAN PARTY BOSSES, -AND LEVINSON'S BACKERS COULD MAKE THIS DEVELOPING ALLIANCE THE MOST IMPORTANT POWER BASE IN THE LABOR PARTY AS IT PREPARES FOR THE 1981 KNESSET ELECTIONS.

8. (U) ISRAEL-CONSULATE GENERAL'S ACTIVITIES: IN AN ARTICLE JULY 17 ON THE CONTROVERSY IN ISRAEL OVER THE ACTIVITIES OF OUR CONSULATE GENERAL IN JERUSALEM, DAVID LANDAU OF THE JERUSALEM POST WROTE THAT ANY ISRAELI ACTIONS AGAINST US CONSULAR OFFICIALS WOULD BOOMERANG AGAINST THE ACTIVITIES OF ISRAELI LEGATIONS ABROAD. LANDAU SAID ISRAELI LEGAL SOURCES SAY US OFFICIALS ARE PROHIBITED FROM ENGAGING IN POLITICAL ACTIVITY ON THE WEST BANK BUT POLITICAL SOURCES ARE AGAINST MAKING AN ISSUE OF THIS. IT WOULD BE "MADNESS" TO THROW THE BOOK AT THE US, ONE SOURCE SAID, BECAUSE THE ISRAELI EMBASSY IN WASHINGTON "COULD EASILY BE ACCUSED ON OCCASION OF CROSSING..." THE THIN LINE BETWEEN NORMAL BUSINESS AND INTERFERENCE IN DOMESTIC POLITICS. (THE ARTICLE ALSO NOTES US DENIALS OF ANY ILLEGAL ACTIVITIES.) LANDAU CONCLUDES THAT THE GOVERNMENT WILL NOT PRESS THE POINT TOO STRONGLY AT THIS TIME WITH THE US GOVERNMENT.

9. (U) ISRAEL-COURT-SETTLEMENTS: ISRAELI LAWYER FELICIA LANGER, WHO IS REPRESENTING PALESTINIANS IN TWO CASES IN WHICH ILLEGAL GOVERNMENT SEIZURE OF PRIVATE LAND ON THE WEST BANK IS CLAIMED, TOLD OUR CONSULATE GENERAL IN JERUSALEM THAT THE CASES WERE BEING BROUGHT FORWARD ON THE BASIS OF INTERNATIONAL DECLARATIONS OF HUMAN RIGHTS. THE QUESTION OF PRIVATE OWNERSHIP AND USE OF LANDS WOULD NOT BE NEGLECTED, HOWEVER, SHE SAID. IN THE CASE OF A PLANNED NEW SETTLEMENT NEAR BETHLEHEM, MS. LANGER SAID IT IS TO BE SETTLED BY AMERICAN JEWS INCORPORATED IN A COMPANY KNOWN-AS THE "JUDEA AND SAMARIA DEVELOPMENT CORPORATION."

10. (U) ISRAEL-SETTLEMENTS: JERUSALEM RADIO REPORTED ON JULY 17 THAT TWO VILLAGES (PARA-MILITARY SETTLEMENTS) WERE "CIVILIANIZED" LAST YEAR BUT THE CHANGE IN STATUS WAS NOT PUBLICIZED ON INSTRUCTIONS FROM "A HIGHER AUTHORITY." ONE SETTLEMENT WAS IN GAZA AND THE OTHER ON THE WEST BANK. THIS ALLEGATION WAS MADE BY REPRESENTATIVES OF THE AGRICULTURAL UNION AT A NEWS CONFERENCE IN TEL AVIV. THEY ACCUSED THE GOVERNMENT OF NOT DOING ENOUGH FOR THE DEVELOPMENT-OF SETTLEMENTS.

11. (U) BEGIN-SADAT-KNESSET: IDF RADIO REPORTED JULY 17 ON BEGIN'S REMARKS TO A KNESSET COMMITTEE ON HIS TALKS WITH SADAT. BEGIN SAID THE TWO AGREED THAT ISRAELI TANKERS WOULD LOAD UP WITH OIL FROM THE ALMA FIELD THE DAY AFTER THE FIELDS ARE RETURNED TO EGYPT. BEGIN SAID HE AND SADAT HAD AGREED TO DISAGREE ON SETTLEMENTS. ON AUTONOMY, HE SAID ISRAEL NEEDS THE COOPERATION OF WEST BANK AND GAZA RESIDENTS TO ENSURE THEM FULL AUTONOMY BUT IT WILL NOT FORCE THEM TO TAKE PART IN ELECTIONS. AT ANY RATE, BEGIN SAID, THERE WILL BE NO PLO STATE IN "JUDEA AND SAMARIA." BEGIN SAID HE AND SADAT ARE NOT ATTENDING THE COUNCIL OF EUROPE MEETING IN OCTOBER BUT ARE SENDING THEIR FOREIGN MINISTERS.

12. (U) KUWAIT-US ENERGY PLAN:- KUWAIT'S MINISTER OF STATE FOR CABINET AFFAIRS JULY 17 SAID HIS GOVERNMENT WELCOMES PRESIDENT CARTER'S ENERGY PLAN AND HOPES FOR CONSTRUCTIVE COOPERATION BETWEEN OIL PRODUCING AND CONSUMING NATIONS ON ENERGY MATTERS. THE MINISTER SAID KUWAIT ALSO WAS PREPARED TO CONTRIBUTE TOWARD THE EFFORTS TO FIND SUBSTITUTES FOR OIL. VANCE -

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RUEKJCS/DOD/ISA PRIORITY
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S E C R E T SECTION 01 OF 03 STATE 192384/01

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 CON-
FLICT 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 THROUGH 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 D-CLAS-D 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 IS.

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SECRET SECTION 02 OF 03 STATE 192364/02

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 UNFIF 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, MA'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-RECOVERY 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 CONGRES PUT THE NUMBER OF DEAD AT 18 OR 20 WHILE THE WOUNDED ARE REPORTED TO NUMBER 65 TO 72. 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, ARAFAI ACCUSED THE UNITED STATES OF HELPING ISRAEL TO "EXTERMINATE, THE PALESTINIAN PEOPLE."

16. EGYPT-NEGOTIATIONS: THE EGYPTIAN PRESS REPORTS THAT VICE-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 UNGC 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 SUDAN. VANCE
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TO ALL DIPLOMATIC AND CONSULAR POSTS
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RUEADWW/ NSC WASHDC 3158
RUEKJCS/ SRCDEF WASHDC 4749
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RUFRRSH/USDOCOSOUTH NAPLES IT
RUSNAAA/USCINCPUR VAHINGEN GE
RUCJAAA/USCINCRED MACDILL AFB FL
RUCBSAA/CINCLANT NOFOLK VA
RUEHQQA/ CINCPAC HONOLULU HAWAII 3935
RUDORRA/USNMR SHAPE BE
RUFDAAA/CINCUSAREUR HEIDELBERG GE
REFRAAB/CINCUSAFE RAMSTEIN AB GE
XMT AMEMBASSY ALGIERS
AMEMBASSY ASUNCION
USINT BAGHDAD
AMEMBASSY BANJUL
AMEMBASSY CAIRO
AMCONSUL CAPE TOWN
AMEMBASSY DACCA
AMEMBASSY DJIBOUTI
AMEMBASSY DOHA
AMCONSUL DURBAN
AMEMBASSY FREETOWN
AMCONSUL GUAYAQUIL
AMCONSUL JOHANNESBURG
AMCONSUL KARACHI
AMEMBASSY KIGALI
AMEMBASSY LILONGWE
AMEMBASSY LOME
AMEMBASSY MOGADISEU
AMEMBASSY NAIROBI
AMEMBASSY NIAMEY
AMEMBASSY NOUAKCHOTT
AMEMBASSY OUAGADOUGOU
AMEMBASSY SANTIAGO
AMEMBASSY TRIPOLI
AMEMBASSY YAOUNDE
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S E C R E T SECTION 01 OF 09 STATE 000000/01

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

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E.O. 12065 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.

^S
() 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 URCUYO, 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 2,205 TONS OF PL 480 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--BENIN, 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

A
R PIDLY THIS MARKETING YEAR TO ABOUT DOLS 1.5 BILLION (FROM
LESS THAN THAN 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 HALF
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 THUS 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 SNIPING 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 CHAIRMAN OF THE BOARD OF A VENTURE, ENSURING PARTNERSHIP (I.E., CONSENSUS) RATHER

T
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 CONFEREEES 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,

-- (27 PERCENT (9 PER- NO OPINION
-- OF PUBLIC) CENT) (64 PERCENT)

CUT DEFENSE (IN PERCENT)
SPENDING

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 GOVERNORS, 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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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2540

RUEKJCS/DOD/ISA PRIORITY

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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 OBTAINING 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 ABLE TO

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 ABLE TO CONTAIN THEM THANKS TO HIS UNIQUE STANDING WITHIN MERUT, 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 MERUT 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 MERUT. 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

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INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2541
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S E C R E T 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 GROUP HAD WORKED SO HARD TO MAKE ACCEPTABLE TO US. HUSSEIN WAS UNMOVED BY 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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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 OF OUR DEFENSE ATTACHE IN SYRIA SAID A REUTER'S 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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28 Jul 79

C O N F I D E N T I A L SECTION 01 OF 02 STATE 195945/01

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 HYPERINFLATION. 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.

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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-TERM PROSPECTS 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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C O N F I D E N T I A L FINAL SECTION OF 02 STATE 197905/02 7 JUL 79

TO THE ECONOMIC INTERESTS OF THIS COMMUNITY.

9. THE POPULIST TONE OF HERUT'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 HERUT 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-TITUTIONS 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-EGYPTIAN 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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S E C R E T SECTION 01 of 02 STATE 199746/01
E.O. 12065 GDS 8/1/85 (MONTVILLE, JOSEPH V.)
TAGS: EG, IS, PINR

SUBJECT: INTSUM 865-AUGUST 1, 1979

London for Glaspie

Paris for Nicholas Murphy

DOD/ISA for Ransom

Other addressees for chief of mission

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(PARAGRAPHS 1-3 S/NF/NC)

Japan-Middle East: Trade Minister's Trip: The visit of Japan's minister of international trade and industry Esaki to the Middle East in July brought few new commitments for oil, according to several Japanese sources. Instead, some Arab officials berated Esaki over Japan's support of U.S. initiatives in the Middle East, particularly the Egypt-Israel peace treaty, and warned Tokyo against increasing aid to Egypt.

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 Iraq for 1980 and reassurance from the United Arab Emirates that Tokyo would receive a fair share of a possible production increase.

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 REGIMES 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 SALIH. 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 SALT II 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-ARISH. THESE INCLUDE OPERATION OF THE AL-ARISH 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 ALI, WHILE IN ISRAEL, PUBLICLY DENIED THE ALLEGATIONS.

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

3. (U) 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 DEPRESSED BY THE QUARRLSOME AND IRRITANT NATURE OF THE RELATIONS LATELY. HE WONDERED IF THE HEBREW LANGUAGE
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"IS REALLY SO POOR" THAT IT LACKS MORE POLITE WORDS TO DESCRIBE THE US POSITION ON UN FORCES. AN AL HAMISHMAR 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 SQUEEZE" 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: REUTERS 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 AMBASSADOR 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
STRAUSS' 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...."

15. (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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TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2506
RUEJCS/DOF/ISA WASHDC PRIORITY
BT
S E C R E T SECTION 01 OF 02 STATE 201959/01

|| E.C. 12065 GDS 8/3/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 867 - AUGUST 7, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOF/ISA FOR RANSOM
OTRIP ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-5 SECRET)

1. PROSPECTS FOR THE COLLAPSE OF THE BEGIN GOVERNMENT: APART FROM A CHANGE IN THE GOVERNMENT RESULTING FROM THE DEATH, INCAPACITATION, OR RESIGNATION OF PRIME MINISTER BEGIN, THERE IS SOME CHANCE THAT THE GOVERNMENT MIGHT FALL SUDDENLY. THIS WOULD OCCUR IF THE GOVERNMENT LOST A VOTE OF CONFIDENCE IN THE KNESSET, OR IF IT RESIGNED IN ANTICIPATION OF SUCH A DEFEAT. IN THE CURRENT POLITICAL AND PSYCHOLOGICAL ATMOSPHERE, SUCH A COLLAPSE PROBABLY WOULD BE FOLLOWED BY NEW ELECTIONS, RATHER THAN BY A REFORMATION OF THE COALITION OR THE ESTABLISHMENT OF A LABOR-LED CABINET.
2. THERE ARE THREE SETS OF ISSUES THAT COULD BRING ABOUT THE GOVERNMENT'S FALL: RELIGION, THE ECONOMY, AND FOREIGN POLICY.
3. RELIGIOUS CONTROVERSIES ARE HIGHLY INFLAMMABLE IN ISRAEL. NOT ONLY DOES THE COALITION DEPEND FOR SURVIVAL ON THE VOTES OF THE RELIGIOUS PARTIES--THE NATIONAL RELIGIOUS PARTY (NRP) AND AGUDAT ISRAEL--THERE ARE SIGNIFICANT MILITANT SECULARIST COMPONENTS OF THE COALITION THAT ARE UNFRIENDLY TO THE ORTHODOX. (THE LIBERAL PARTY AND THE DEMOCRATIC MOVEMENT, IN PARTICULAR, ARE

STRONGLY SECULARIST IN TONE.) IN ADDITION, ULTRA-ORTHODOX ELEMENTS, WHICH ARE INTERESTED SOLELY IN MOVING ISRAEL TOWARD A MORE ORTHODOX STANCE, EXERT CONSTANT PRESSURE ON THE RELIGIOUS PARTIES. AS A RESULT, A DOMINO REACTION, BEGINNING WITH PUBLIC PRESSURE FROM THE ULTRA-ORTHODOX NATUREI KARTA AND CULMINATING IN THE WITHDRAWAL OF THE RELIGIOUS PARTIES FROM THE COALITION, COULD QUICKLY COME ABOUT.

4. ECONOMIC ISSUES ALSO COULD PROVIDE A POLITICAL FLASH POINT. PUBLIC DISSATISFACTION WITH THE BEGINNING GOVERNMENT'S ECONOMIC POLICIES IS MIRRORRED WITHIN THE KNESSET AND EVEN WITHIN THE COALITION. THE NUMEROUS OPPONENTS OF THE PRESENT GOVERNMENT COULD USE A VOTE ON AN ECONOMIC ISSUE AS A PRETEXT FOR VOTING AGAINST THE CABINET, OR THEY COULD ABSTAIN OR ABSENT THEMSELVES AT A CRITICAL MOMENT.

5. FINALLY, CONCESSIONS ON SENSITIVE AUTONOMY-RELATED ISSUES COULD BE THE STRAW THAT BREAKS THIS GOVERNMENT'S BACK. THE ABSTENTION OR ABSENCE OF SEVERAL LIKUD AND NRP KNESSET MEMBERS ON A CLOSE VOTE COULD SPELL THE END FOR THE CABINET.

6. (U) REACTION TO PRESIDENT'S NY TIMES INTERVIEW: ISRAELI DEPUTY PRIME MINISTER YADIN SAID ANY ATTEMPT TO CHANGE UN RESOLUTION 242 IN ORDER TO CIRCUMVENT PLO OPPOSITION WOULD BE A GRAVE OBSTACLE TO ADVANCING NEGOTIATIONS TOWARD PEACE. COMPARISON OF THE PALESTINIAN PROBLEM TO THE US CIVIL RIGHTS MOVEMENT WAS "UNFORTUNATE," YADIN SAID.

(A) JUSTICE MINISTER TAMIR SAID THE "OIL ISSUE" PROMPTED THE US TO TRY AND ACCELERATE THE TALKS. HE SAID AN ISRAELI NATIONAL CONSENSUS WOULD RESIST ATTEMPTS TO GO BEYOND ADMINISTRATIVE AUTONOMY FOR PALESTINIANS.

(B) A YEDIOT AHARONOT ARTICLE SAID THE US POLICY OF NEGOTIATIONS WITH THE PLO WAS OF GRAVE CONCERN TO ISRAEL. THE PAPER WONDERS IF ISRAEL IS REQUESTED TO RECOGNIZE "A PLO STATE."

(C) MAARIV SAID THE PRESIDENT'S REMARKS "ARE SUPPLYING AN IDEOLOGICAL FOUNDATION; FOR PRESSURE ON ISRAEL IN THE AUTONOMY TALKS."

(D) WEST BANK PRESS REACTION WAS MIXED WITH ONE MODERATE PAPER ENCOURAGED BY THE PRESIDENT'S WORDS AND TWO OTHER PAPERS REJECTING THE INTERVIEW.

7. (C) BURG-AUTONOMY TALKS: ISRAELI INTERIOR MINISTER BURG HEAVILY CRITICIZED WHAT HE CHARACTERIZED AS THE US ROLE IN THE LAST ROUND OF THE AUTONOMY TALKS IN REPORTING TO THE MINISTERIAL COMMITTEE ON AUTONOMY TALKS. HE CHARGED INADMISSABLE US "INTERVENTION" IN THE TALKS AND EXPRESSED ASTONISHMENT AT THE "ONE-SIDED" PROPOSALS THE US ALLEGEDLY INTRODUCED. "WE ARE NOW ENTERING A MINEFIELD," BURG SAID. HE REITERATED HIS UNDERSTANDING THAT THE US COULD MAKE PROPOSALS ONLY IF NEGOTIATIONS REACHED A DEADLOCK. EMBASSY TEL AVIV REPORTS THAT ISRAELI PRESS IS NOT CHALLENGING BURG'S VERSION OF THE TALKS. THE EMBASSY ALSO COMMENTS THAT WITH AUTONOMY
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TALKS GETTING DOWN TO SUBSTANCE, ISRAELI CRITICISM IS PROBABLY UNAVOIDABLE UNLESS THE US SIDE CHOOSES TO REMAIN COMPLETELY PASSIVE.

8. (U) ISRAEL-POLL: HA'ARETZ REPORTS THAT PRIME MINISTER BEGIN'S POPULARITY CONTINUES TO BE LOW. IN THE POLL HELD IN JULY ONLY 43 PERCENT OF THE RESPONDENTS EXPRESSED SATISFACTION WITH BEGIN AS PRIME MINISTER AS OPPOSED TO 60 PERCENT A YEAR AGO AND 40.0 PERCENT LAST MONTH.

9. (LOU) PLO-INTERNAL POLITICS: REUTER REPORTS THAT THE POPULAR FRONT FOR THE LIBERATION OF PALESTINE (PFLP) UNDER GEORGE HABBASH WOULD AGAIN ASSUME A SEAT ON THE PLO'S 15-MAN EXECUTIVE COMMITTEE AFTER AN ABSENCE OF ALMOST FIVE YEARS. THE REPLACEMENT OF THE LATE EXCOMM MEMBER ZUHAIR MUHSIN WOULD ALLEGEDLY PROVIDE THE OPPORTUNITY TO RESTRUCTURE THE EXECUTIVE COMMITTEE. REUTER

FURTHER REPORTS THAT TWO SMALL IRAQI-BACKED EXTREMIST PALESTINIAN FACTIONS, THE POPULAR STRUGGLE FRONT AND THE PALESTINE LIBERATION FRONT, MIGHT ALSO RECEIVE SEATS ON THE COUNCIL. WE NOTE THAT HABBASH'S GROUP WAS SUPPOSED TO REJOIN THE EXCOMM IN FEBRUARY OF THIS YEAR DURING THE PALESTINE NATIONAL COUNCIL. IT DID NOT BECAUSE OF BICKERING BETWEEN THE REJECTIONIST FACTIONS AND FATAH OVER INCLUDING THE TWO AFOREMENTIONED EXTREMIST ORGANIZATIONS ON THE EXCOMM. WE HAVE NO CONFIRMATION THAT ANY COMPROMISE HAS BEEN WORKED OUT WHICH WOULD PERMIT THE PFLP TO TAKE ITS EXCOMM SEAT.

10. (U) EGYPT-TRIPARTITE TALKS: THE EGYPTIAN MIDDLE EAST NEWS AGENCY (MENA) REPORTS THAT IT HAS LEARNED THAT EGYPT WILL ADOPT A FINAL DECISION ON THE QUESTION OF PARTICIPATING IN THE TRIPARTITE MEETING CALLED FOR BY THE US UPON THE RETURN OF PRIME MINISTER KHALIL AND MINISTER OF STATE BUTRUS GHALI FROM ISRAEL.

11. (C) IRAQ-TRIAL OF PLOTTERS: THE SPECIAL COURT TRYING THE CONSPIRATORS IN IRAQ HELD ITS SECOND SESSION AUGUST 2. NO RESULTS WERE ANNOUNCED. USINT BAGHDAD REPORTS THE CITY HAS RETURNED TO NORMAL. THE IDEA OF SYRIAN INVOLVEMENT IN THE "PLOT" CONTINUES. TWO PROMINENT SYRIAN BAATHISTS, BOTH ANATREMA TO THE SYRIAN LEADERSHIP, APPEARED AT A HIGHLY PUBLICIZED CEREMONY AUGUST 2. THIS CONSTITUTES AN IRAQI SLAP AT DAMASCUS, ALTHOUGH THERE IS NO EVIDENCE THAT IRAQ IS, AS YET, DIRECTLY BLAMING ASSAD FOR THE EVENTS IN IRAQ.

12. (U) ISRAELI COMMANDO STRIKE: JERUSALEM RADIO HAS ANNOUNCED THAT IN THE NIGHT OF AUGUST 2-3 AN IDF ASSAULT FORCE ATTACKED TERRORIST BASES IN SOUTHERN PATHALAND. THE ISRAELI FORCE SUFFERED NO CASUALTIES AND, ACCORDING TO THE IDF SPOKESMAN, SEVEN TERRORISTS WERE KILLED. VANCE
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C O N F I D E N T I A L SECTION 01 OF 03 STATE 213971/01
E.O. 12065 GDS 8/15/85 (MONTVILLE, JOSEPH V.) CHG
TAGS: EG, IS, PINR (HROM
SUBJECT: INTSUM 875 - AUGUST 15, 1979 :CON
LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY IF
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

ARNING 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
HARD TO HANDLE IN COMING WEEKS.

3. CONCERN ABOUT THE COURSE OF US POLICY IS FOUND AMONGST
~~THE 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 SLEVER, 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
TEND 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 TO THE ISRAELIS FAVOR.

7. (C/NF) ISRAEL-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 213971/02

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.

8. (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 MAARIV 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 SKEPTICISM 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 AIMED 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 ON 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.

1. (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 35 OF THE KNESSET'S 120 SEATS (IT NOW HAS 43) AND LABOR WOULD WIN 48 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 RAHALLAH, 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 80 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 SHELLED 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 CONFIRM 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 PARTS
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OF BEIRUT WAS CURTAILED, THE BANKING AREA (IN CENTRAL BEIRUT) WAS DESERTED, MILITIAMEN WERE FORTIFYING THEIR POSITIONS, AND WORKERS HAD TO FLEE THE PORT AREA. AM 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 SECTOR 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 M109S DOES INCREASE ISRAEL'S ABILITY TO PROVIDE FIRE SUPPORT TO ITS OWN OR CHRISTIAN FORCES OPERATING AGAINST THE PALESTINIANS. VANCE
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C O N F I D E N T I A L SECTION 01 OF 02 STATE 215873/01

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

TAGS:EG, IS, PINR

SUBJECT:INTSUM 877 - AUGUST 17, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEE; 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 ATTENTION TO CONCILIATING THE NRP. HIS ACTIONS IN THE NEGOTIATING ARENA WILL BE GOVERNED BY THE PERCEPTION THAT THE LOSS OF THE NRP'S SUPPORT COULD BRING DOWN HIS GOVERNMENT.

3. YET BEGIN'S LOSS OF POPULARITY, THE IMPRESSIVE GROWTH IN THE LABOR OPPOSITION'S PUBLIC APPEAL AND THE ~~CONCERN OVER HIS SIGNIFICANT INVOLVEMENT IN THE ECONOMIC SITUATION COMBINE SHARPLY TO REDUCE BEGIN'S LEVERAGE~~ OF 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 HAMMER 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.

(S) 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 INSANTANEOUSLY KNOWN.

6. (C) E'EN WITHOUT 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 (U) AMBASSADOR YOUNG-PRESS REPORTS: THE ISRAELI PRESS HIGHLIGHTED AMBASSADOR 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 YEDIOT AHARANOT REPORT FROM WASHINGTON QUOTES AN UNNAMED "SENIOR STATE DEPARTMENT" OFFICIAL AS SAYING ISRAEL HAS

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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2650

RUEKJCS/DOD/ISA PRIORITY

BT

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

CHARGE COMMENTS THAT BAR-ON'S IGNORANCE MAY BE A SMOK 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 16 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.

10. PLO-ISRAEL-KREISKY: CHANCELLOR KREISKY WAS REPORTED TO HAVE TOLD AN AUSTRIAN NEWSPAPER AUGUST 16 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..."

11. IRAN-SYRIA: A KUWAITI NEWSPAPER REPORTED FROM TEHRAN AUGUST 16 THAT A TROOP FORCE OF IRANIAN TROOPS WOULD BE LEAVING FOR DAMASCUS AUGUST 17 TO TAKE UP POSITIONS ON THE CONFRONTATION LINE WITH ISRAEL. THERE HAS 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.

12. BAAHISTS-NATIONAL MOVEMENT: THE LEBANESE PRESS HAS REPORTED THAT THE PLO-IRAQI BAAH PARTY SUSPENDED ITS MEMBERSHIP IN THE PREDOMINANTLY MUSLIM/LEFTIST LEBANESE NATIONAL MOVEMENT ON AUGUST 15. THE SUSPENSION MAY BE DUE TO INCREASING CONFLICT BETWEEN THE COMMUNISTS AND THE BAAHISTS.

13. ISRAEL-SOUTH LEBANON: BEIRUT RADIO REPORTED THAT ISRAELI ARTILLERY SHELLED THE VILLAGE OF YUMMUR 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

BT

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FM RUEKBP
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P R 230231Z AUG 79
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TO ALL DIPLOMATIC POSTS PRIORITY
INFO RUEGRI/AMEMBASSY ABU DHABI 4894
RUTABA/AMEMBASSY ADDIS ABABA 3320
RUFHRS/AMEMBASSY ALGIERS 1502
RUEHAM/AMEMBASSY AMMAN 0748
RUEHAD/USINT BAGHDAD 1939
RUCNBE/AMEMBASSY BEIRUT 9026
RUEHDM/AMEMBASSY DAMASCUS 6927
RUCMOD/AMEMBASSY DOHA 0002
RUEHUB/USINT HAVANA 0570
RUEHJM/AMCONSUL JERUSALEM 2249
RUCMRA/AMEMBASSY JIDDA 2971
RUCMKW/AMEMBASSY KUWAIT 8198
RUCMAM/AMEMBASSY MANAMA 5444
RUCMMI/AMEMBASSY MUSCAT 6400
RUPKBT/AMEMBASSY RABAT 3549
RUCQNS/AMEMBASSY SANA 5436
RUCMZH/USMISSION SINAI 9017
RUCMHR/AMEMBASSY TEHRAN 4212
RUEHTV/AMEMBASSY TEL AVIV 5916
RUCMTI/AMEMBASSY TRIPOLI 9600
RUDKKR/AMEMBASSY TUNIS 4936
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LIMITED OFFICIAL USE SECTION 01 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. REFTELS 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 26. 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. "RE-
TRACTION 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 UN 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 FOLLOW-
ING IN SIGNATURE 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 DEFEAT THE AMENDMENTS, ADOPTION OF WHICH REQUIRES THE AFFIRMATIVE VOTE 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, EMBASSIES 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, GHANA, GUINEA, GUINEA-BISSAU, LIBERIA, LIBYA, MALI, MAURITANIA, 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 ADMISSION OF UN 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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TO ALL DIPLOMATIC POSTS PRIORITY
INFO RUOMB/AMEMBASSY ADU DHABI 4895
RUTACA/AMEMBASSY ADDIS ABABA 3321
RUFHRS/AMEMBASSY ALGIERS 1503
RUEHAM/AMEMBASSY AMMAN 6749
RUEHAD/USINT BAGHDAD 1940
RUGYBE/AMEMBASSY BEIRUT 9027
RUENDM/AMEMBASSY DAMASCUS 6528
RUQND/AMEMBASSY DOHA 0303
RUEHUB/USINT HAVANA 8586
RUEHJM/AMCONSUL JERUSALEM 2250
RUQHR/AMEMBASSY JIDDA 0977
RUGMKW/AMEMBASSY KUWAIT 8199
RUQMAN/AMEMBASSY MANAMA 5445
RUSKMT/AMEMBASSY MUSCAT 6401
RUDKBT/AMEMBASSY KABAT 3550
RUQENS/AMEMBASSY SAMA 5437
RUQZSN/USMISSION SINAI 9218
RUQHR/AMEMBASSY TEHRAN 4213
RUEHTV/AMEMBASSY TEL AVIV 5917
RUQMTI/AMEMBASSY TRIPOLI 9621
RUDKRP/AMEMBASSY TUNIS 4937
RUMJFS/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 221325/02

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 DEMARCHES. 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 ACCESSION 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 AMENDMENTS 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 QUESTION 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.

8. FOR BERN, BONN, OTTAWA, LONDON, STOCKHOLM, THE HAGUE, TOKYO: EMBASSIES SHOULD RAISE WITH HOST GOVERNMENTS THE
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PP RUCGHR
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TO ALL DIPLOMATIC POSTS PRIORITY
INFO RUCMBI/AMEMBASSY ABU DHABI 4896
RUTABA/AMEMBASSY ADDIS ABABA 3322
RUFHRS/AMEMBASSY ALGIERS 1504
RUEHAM/AMEMBASSY AMMAN 0750
RUEHAD/USINT BAGHDAD 1941
RUCMDE/AMEMBASSY BEIRUT 9028
RUEHDM/AMEMBASSY DAMASCUS 6529
RUCMOD/AMEMBASSY DOHA 0304
RUEHUB/USINT HAVANA 8581
RUEHJM/AMCONSUL JERUSALEM 2251
RUCMRA/AMEMBASSY JIDDA 0978
RUCMKW/AMEMBASSY KUWAIT 8200
RUCMAM/AMEMBASSY MANAMA 5446
RUCMMT/AMEMBASSY MUSCAT 8402
RUDKST/AMEMBASSY RABAT 3551
RUCQNS/AMEMBASSY SANA 5438
RUCMZN/USMISSION SINAI 9819
RUCMHR/AMEMBASSY TEHRAN 4214
RUEHTV/AMEMBASSY TEL AVIV 5918
RUCMTI/AMEMBASSY TRIPOLI 9622
RUDKKR/AMEMBASSY TUNIS 4938
RUMJFS/AMEMBASSY VIENTIANE 0301
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 DEMARCHES SIMILAR TO OUR OWN
TO OTHER CAPITALS PRIOR TO THE SEPTEMBER 12 CONGRESS.

9. FOR BONN 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 RIO CONGRESS. THIS COMMITTEE WOULD
NORMALLY CONSIDER CONSTITUTIONAL AMENDMENTS (SEE PARA 15
OF REFTEL AND STATE 207641). ISRAEL HAS AGREED WITH OUR
ASSESSMENT THAT IT WOULD BE PREFERABLE FOR THE AMENDMENTS
TO BE CONSIDERED THERE RATHER THAN IN PLEARY. ISRAEL
SHOULD HAVE ALREADY HAVE CONTACTED KOLLER ALONG THE LINES
RECOMMENDED IN STATE 207641 PARA 3. ~~WE DO NOT~~ 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
WE ATTACH TO MAINTAINING THE UNIVERSALITY OF THE UPU AND
OUR DESIRE, IN PARTICULAR, OF AVOIDING ANY ACTION AGAINST
ISRAEL.

~~17. FOR SPANISH: PRESIDENT OF THE UPU CONGRESS WILL BE~~
ADWALDO CARDOSO BOTTO DE BARROS, 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 BOTTO, 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 MFA 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 B FOR RESPONSE.

13. TALKING POINTS IN FRENCH AND SPANISH WILL FOLLOW
ASAP. CHRISTOPHER
BT
#1305

UNHNVV ESK991BRA987
PP RUQNR
DE RUEHC #283/01 2392318
ZNY CCCCC ZZN
P 272145Z AUG 79
FM SECSTATE WASHDC
TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2696
RUEKJCS/DOD/ISA WASHDC PRIORITY
BT

CONFIDENTIAL SECTION 01 OF 03 STATE 229283/01

EN 1114

E.O. 12865 GDS R/27/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PIRN

SUBJECT: INTSUM 883 - AUGUST 27, 1979

POL
CNS
CHROM
ECOM
RF

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 1-6 CONFIDENTIAL)

1. ISRAEL: THE STATE OF THE LABOR PARTY, THE POLITICAL FORTUNES OF THE LABOR PARTY ARE IMPROVING. INDEED, THE TREND TOWARD LABOR AND AWAY FROM THE LIKUD HAS ACCELERATED IN RECENT MONTHS. THE LATEST PUBLIC OPINION POLL INDICATES THAT LABOR WOULD WIN A CLEAR VICTORY OVER THE LIKUD IF ELECTIONS WERE HELD NOW. (OF COURSE, LABOR WOULD STILL FALL CONSIDERABLY SHORT OF A MAJORITY, HOWEVER, AND WOULD HAVE TO FORM A COALITION WITH THE NATIONAL RELIGIOUS PARTY.)

2. LABOR'S SHARP ASCENT IN RECENT MONTHS IS PROBABLY DUE TO THE MISTAKES OF OTHERS RATHER THAN TO ANY NOTE-WORTHY INTERNAL RECONSTRUCTION. THE PERCEPTION THAT THE LIKUD ADMINISTRATION IS INCOMPETENT, ESPECIALLY IN THE MANAGEMENT OF THE ECONOMY, IS PERVASIVE, AND THAT HAS HELPED LABOR. THE OPEN FELDING OF LEADING MINISTERS HAS ALSO DAMAGED THE CREDIBILITY OF THE LIKUD.

3. OF ALMOST EQUAL SIGNIFICANCE HAS BEEN THE ELIMINATION OF THE ORIGINAL YADIN PARTY (DMC) AS A SERIOUS POLITICAL FACTOR. RECENT POLLS INDICATE A VIRTUAL TOTAL EVAPORATION OF PUBLIC SUPPORT FOR IT. THE GREAT BULK OF THE ORIGINAL DMC VOTERS HAVE RETURNED THEIR ALLEGIANCE TO THE LABOR PARTY.

4. ALL IS NOT ROSES FOR THE LABOR PARTY, HOWEVER. THE RECENT PUBLICATION OF FORMER PRIME MINISTER RABIN'S MEMOIRS EXPOSES DEEP DISUNITY WITHIN THE LABOR ALIGNMENT. RABIN ACCUSES THE LEADER OF THE LABOR PARTY, PERES, OF LYING, DECEPTION, AND SECURITY LEAKS DURING THE LAST LABOR GOVERNMENT. RABIN'S CLAIM THAT PERES IS UNFIT TO BE PRIME MINISTER WILL NOT HELP LABOR.

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 LIKUD GOVERNMENT'S OPERATIONS.

7. (U) ISRAELI PRESS: IN HIS JERUSALEM POST ARTICLE ON AMBASSADOR STRAUSS, GOLF BLITZER WROTE AUGUST 24 THAT THE LATEST CHAPTER IN THE MIDDLE EAST PEACE NEGOTIATIONS WAS LEFT AMBASSADOR STRAUSS WITH "A FRAYED CONFIDENCE." THE ARTICLE BEGAN BY SAYING THAT "THE CARTER ADMINISTRATION'S RECENTLY SCRAPPED PROPOSAL TO HAVE THE UN 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 YEDIOT AHARANOT REPORTER WROTE THAT THE "ECONOMIC BILL FOR THE BLUNDERS OF (ISRAELI FINANCE MINISTER) ENLICH AND COMPANY IS FOOTED BY SINGLE SAM WHO WILL SOON FIND THE AMOUNT TOO BIG TO BANKROLL." 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 SITUATION CALLS FOR US TO WALK ON THE LINE... ISRAELI (OFFICIALS) CARRY ON LIKE BULLS IN A CHINA SHOP."

8. (U) GOLAN-SHARON CLAIMS: IN AN AUGUST 23 VISIT TO A DRUZE 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

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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 422,000 SIGNATURES) ARE SUBSTITUTES FOR CONCRETE ACTIONS ON ANNEXING THE GOLAN. THE GOVERNMENT'S HESITATION TO GRANT IDENTITY CARDS TO THE DRUZE IN THE AREA IS ANOTHER INDICATION OF ITS AMEIVALENCE 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 E-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. E-2CS HAVE BEEN USED SINCE JUNE 1979 TO SUPPORT ISRAELI STRIKE AND RECONNAISSANCE MISSIONS OVER LEBANON. ISRAEL HAS THREE OTHER E-2CS IN ITS INVENTORY.

10. (U) ISRAEL-UN/USO 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 INSIDE 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. SOME MINISTERS REPORTEDLY TOOK EXCEPTION TO CURRENT ISRAELI AIR AND GROUND OPERATIONS.

HOWEVER, CABINET SECRETARY NA'OR 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'OR 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 ON 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 UPHHELD THE ACTION. (THE NUMBER OF DEPORTATIONS FROM THE WEST BANK HAS DROPPED DRASTICALLY IN RECENT YEARS BUT THE POLICY OBVIOUSLY REMAINS IN FORCE.)

13. (U) ISRAEL-BOMBING: A VOICE OF PALESTINE BROADCAST (VOP) CLAIMED THAT AT NOON (LOCAL) AUGUST 26 A BOMB EXPLODED AT AN "ENEMY PERSONNEL PICKUP POINT" (POSSIBLY A MITCHEMINKING 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 ISRAEL RADIO HAD CONFIRMED THE INCIDENT. WE HAVE NO CONFIRMATION FROM ISRAEL THAT SUCH AN ATTACK OCCURRED.

14. (C) WEIZMAN-GAZA STRIP: EMBASSY TEL AVIV REPORTS THAT WEIZMAN'S AUGUST 23 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 KATIF DISTRICT WITHIN TWO WEEKS BRINGING THE TOTAL NUMBER OF SETTLEMENTS THERE TO FOUR. WEIZMAN ADVISED THE SETTLERS TO "GO ON QUIETLY BUILDING YOUR FUTURE. THE ISRAELI GOVERNMENT...WILL STAND 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 DT

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TANKER, A RELATIVELY SMALL VESSEL (30,000 DWT) NAMED
MV CERRY DIXE, BROKE UP AND SANK ABOUT 17 MILES FROM
DAS ISLAND. PRESS REPORTS INDICATE THAT THE SHIP'S AGENTS
ATTRIBUTE 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
PARACAI 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 SUBURB 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 REPORTS THAT AUSTRIAN
CHANCELLOR KREISKY HAS IN AN INTERVIEW WITH A KUWAITI
NEWSPAPER URGED THE WORLD TO RECOGNIZE THE PALESTINIAN
PEOPLE'S RIGHT TO SELF-DETERMINATION. KREISKY SAID
PROMINENT JEWISH-AMERICAN MABUM GOLDMANN HAD EXPRESSED
THE WISH TO MEET ARAFAT AND CONDUCT A DIALOGUE WITH HIM.
KREISKY OFFERED THE VIEW THAT ARAFAT "TACKLES MATTERS

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PRACTICALLY AND OBJECTIVELY."

18. (LON) "LET THEM DRINK SEAWATER"-SADAT STRIKES AGAIN: EMBASSY CAIRO REPORTS THAT SADAT DENIED THE VALUE OF A NEW RESOLUTION ON THE PALESTINIANS AND AGAIN LAMBASTED HIS ARAB CRITICS IN A SPEECH IN SUEZ AUGUST 26. SADAT BEGAN BY SAYING THAT A NEW SECURITY COUNCIL RESOLUTION WOULD NOT GIVE THE PALESTINIANS SELF-RULE, RELEASE PALESTINIAN PRISONERS, FORCE AN ISRAELI WITHDRAWAL OR ABOLISH 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 "SHOUT 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, PRIBERY AND GAMBLING. SAUDI BEHAVIOR, HE SAID, IS RIDICULOUS, PETTY AND CHILDISH. HE RETURNED TO HIS PAST PRACTICE OF BELITTILING THE PRESENT SAUDI LEADERSHIP BY PRAISING THE REIGN OF KING FAISAL. HE DISMISSED KING HUSSEIN AS AN IMPORTUNING BROGAR. HIS ONLY KIND WORDS WERE FOR SUDAN, OMAN AND SOMALIA.

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

20. (U) YMG-LEBANON: PRESS REPORTS AUGUST 24 SAID A HAND GRENADE WAS THROWN AT THE WEST GERMAN EMBASSY IN BEIRUT. 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 WENSCHER.

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21. (C) LEBANON-PROXIMITY FUSFS: 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." CHRIS

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SECRET SECTION 01 OF 03 STATE 233359/01

P.O. 12065: ODS 9/5/95 (MONTVILLE, JOSEPH V.)

TAOS:EG, IS, PINK

SUBJECT:INTSUM 089 - SEPTEMBER 3, 1979

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

(PARAGRAPHS 1-6 SECRET)

1. SYRIA AND IRAQ: A STATUS REPORT: RECENT EVENTS SUGGEST THAT THE SYRIAN-IRAQI RELATIONSHIP HAS COOLED STILL FURTHER, WITH OLD MUTUAL ANIMOSITIES COMING CLOSER TO THE SURFACE.
 2. PRESIDENT ASSAD PUBLICLY VENTED HIS FRUSTRATIONS IN A RECENT INTERVIEW WITH THE WEST GERMAN MAGAZINE DER SPIEGEL. "WE HAVE INDEED ACHIEVED NOTHING SO FAR," ASSAD SAID, REFERRING TO THE "UNITY" EFFORT TOWARD IRAQ. HE SAID THAT IT MAY BE NECESSARY TO LET TIME PASS UNTIL OUR BROTHERS IN IRAQ WILL BE WILLING TO EMBARK AGAIN ON THE COMMON WAY." AND HE ADDED, "THIS IS SOLELY UP TO THE IRAQI LEADERSHIP."
 3. ASSAD ALSO USED THE INTERVIEW TO REITERATE SYRIAN INNOCENCE OF ANY COMPLICITY IN WHOMDODING IN IRAQ. SOME STATEMENT WAS PROBABLY NECESSARY BECAUSE IRAQI ACCUSATIONS AGAINST THE SYRIANS, THOUGH COINED IN VAGUE TERMS, HAD REACHED A LEVEL THAT DAMASCUS MUST HAVE FOUND UNBEARABLE.
- (A) PRESIDENT SADDAM HUSSEIN HAD MADE VIDEO TAPE CASSETTES OF THE CONFESSION OF A PRINCIPAL IRAQI CONSPIRATOR AND SENT THEM TO A NUMBER OF ARAB CAPITALS FOR PRIVATE SCRAMBLING.

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(4) REINFORCING THIS, AS USINT BAGHDAD NOTES, WERE WIDESPREAD REPORTS IN BAGHDAD THAT SADDAM HAD TOLD THE PARTYPARTY FAITHFUL OF THE SYRIAN PRESIDENT'S PERSONAL INVOLVEMENT IN THE PLOT AGAINST HIM.

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

5. FOR NOW, THE IRAQIS, WHO WERE THE DRIVING FORCE BEHIND THE RAPPROCHMENT WITH SYRIA, MAY BE CONTENT TO LET THE RELATIONSHIP MARK TIME WHILE THEY LOOK FOR OTHER WAYS TO MAINTAIN OPPOSITION TO EGYPT AND THE CAMP DAVID AGREEMENTS. FOR EXAMPLE, IRAQ IS NOW PURSUING ITS REJECTIONIST GOALS IN THE NON-ALIGNED MOVEMENT AND WILL PROBABLY HINE WHAT AREA FOR MAXIMUM GAIN BEFORE RETURNING TO CONCENTRATE ON THE MORE NARROW 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 KUSSEIN'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 LEFT BANK COMMUNIST, DR. NASSIE, WHO HOLDS A SEAT ON THE PALESTINE NATIONAL COUNCIL (THE PLO'S LEGISLATURE). THIS MEETING FOLLOWS AN EARLIER HIGHLY PUBLICIZED MEETING HELD WITH A LEADING PLO SYMPATHIZER IN THE G.A. STRIP. INFORMED MILITARY SOURCES TOLD THE POST THAT THE MEETING HAD THE AGREEMENT IN PRINCIPLE OF DEFENSE MINISTER WEIZMAN.

A MAARIV EDITORIAL ASKS, HOW THE ISRAELIS CAN EXPECT FRIENDLY COUNTRIES NOT TO HOLD MEETINGS WITH PLO REPRESENTATIVES WHEN THE FOREIGN MINISTER OF ISRAEL INSTITUTES A MEETING WITH A FULLY FLEDGED PLO MAN? 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. (C) 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 3 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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POLICY WITHOUT SIGNIFICANTLY ALTERING THE COURSE OF THE ISRAELI ECONOMY." HA'ARETZ WRITES THAT, THE REFERENCE IS MAINLY TO THE CONCERN THAT AT A CERTAIN POINT THE AMERICANS WILL ASK THEMSELVES AND THE ISRAELIS HOW FAR THE AMERICAN TAX PAYER WILL FINANCE THE VERY HIGH AND UNJUSTIFIED STANDARD OF LIVING OF THE ISRAELI POPULATION."

10. (C) WEST BANK-VOLUNTARY AGENCIES: A MEMBER OF THE AMERICAN CENTRAL COMMITTEE WHICH DOES AID PROJECTS ON THE WEST BANK TOLD CONSULATE GENERAL JERUSALEM THAT ISRAELI CONCERNS ITS EFFORTS TO CURTAIL VOLUNTEER AGENCY EFFORTS ON THE WEST BANK. THE MILITARY GOVERNMENT DOES NOT PERMIT ITS PALESTINIAN OFFICIALS TO HAVE CONTACTS WITH THE AGENCIES, HAS REFUSED TO GRANT CUSTOMS EXEMPTIONS FOR ONGOING PROJECTS, AND HAS DELAYED RENEWING A TEMPORARY RESIDENCE PERMIT TO AN 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 ARAB DRIP IRRIGATION PROJECTS IN THE VALLEY. ACCORDING TO THE

SETTLERS, THESE PROJECTS "ENCOURAGE ARABS TO STAY ON." THESE PROJECTS ARE SPONSORED BY THE MCC.

12. (C) ISRAEL-NORWAY-OIL: THE NORWEGIAN FOREIGN MINISTRY DIRECTOR-GENERAL TOLD AN EMBASSY OSLO OFFICER THAT ISRAELI OIL MINISTER MGDAL WOULD VISIT OSLO ON SEPTEMBER 12 TO CALL ON THE MINISTER OF ENERGY. THE DIRECTOR-GENERAL WAS UPSET WITH NORWAY'S AMBASSADOR IN ISRAEL FOR ARRANGING THE VISIT DIRECTLY WITH THE ENERGY MINISTRY SINCE IT COULD NOT BE FRUITFUL FOR EITHER SIDE.

11. (U) SADAT-HAIYA VISIT: ACCORDING TO RETURN, SADAT CALLED INTO HAIYA 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 SADAT AND BEGIN ARE PRE-

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Dicted 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.

12. (U) **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 U.N. forces.
13. (U) **Arens-Linking Sinai Withdrawal**: In a Tel Aviv Radio Broadcast, chairman of the kneset foreign affairs and security committee, Mr 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 Israel withdrawal.
14. (S) **Begin-Romanian Envoy**: According to embassy Tel Aviv signs are that the unannounced visit to **Prime Minister Begin** by a Romanian emissary was mainly informational. Vasile Pungan, 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 talk with Arafat and by his criticism of Ceausescu's statement following his sessions with Arafat and Assad.
15. (C) **Arab League**: A Tunisian official told embassy Tunis 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 action on proposals for the economic boycott of Egypt would be postponed pending examination of the progress (or lack thereof) 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 begin 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) KHALIL-US: EMBASSY CAIRO REPORTS THAT KHALIL 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 KHALIL WITH INITIAL US POLICY ON THE PALESTINIAN RIGHTS RESOLUTION.

17. (LOU) EGYPT-CRITICISM OF SAUDI ARABIA: IN MEETINGS WITH SEVERAL NEWSPAPER EDITORS, EMBASSY CAIRO OFFICERS WERE TOLD THAT EGYPTIAN EDITORS DO NOT FEEL UNDER OBLIGATION
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SECRET FINAL SECTION OF #3 STATE 233559/03

CAUTION TO AVOID ATTACKING SAUDI ARABIA DESPITE THE FACT THAT EARLIER GOVERNMENT INSTRUCTIONS TO AVOID SUCH ATTACKS HAVE NOT EXPLICITLY BEEN RESCINDED. THE EDITORS APPARENTLY ARE TAKING THEIR CUE FROM SADAT'S PUBLIC CRITICISM OF THE SAUDIS. HOWEVER, SEVERAL EDITORS INDICATED THAT THE CURRENT CAMPAIGN WILL PROBABLY NOT BE SUSTAINED AT THE PRESENT HIGH LEVEL OF RECENT WEEKS.

18. (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 26. THE AMBASSADOR CONSIDERS IT HIGHLY DESIRABLE FOR THE NEW DEPUTY SECRETARY OF DEFENSE TO ATTEND TO "GIVE NEW IMPETUS TO OUR MILITARY ASSISTANCE EFFORT" AND AS A SYMBOL OF DIRECT US/YEMEN MILITARY COOPERATION.

OTHER CONCERNS OF SALIH'S EXPRESSED AT THE MEETING WERE AS FOLLOWS:

(A) SALIH ACKNOWLEDGED THE LEGITIMACY OF SAUDI INTEREST IN ITS 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 26 ALL THE F-8U, THE TWO C-130S AND AS MUCH OTHER US EQUIPMENT AS POSSIBLE (EMBASSY SANA FEELS THAT IF FOR ANY REASON THE AIRCRAFT ARE NOT AVAILABLE SALIH MAY OWN THEIR ABSENCE AS A JUSTIFICATION FOR A NEW SOVIET ARMS DEAL.)

19. (U) EGYPT-MOROCCO: THE MOROCCAN SURRENDER OF GRATITUDE FOR EGYPTIAN MILITARY ASSISTANCE RECEIVED PROMINENT FRONT-PAGE COVERAGE IN THE CAIRO PRESS ON SEPTEMBER 4 ACCORDING TO AMERICAN EMBASSY, CAIRO. THE FIRST SHIPMENTS

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OF EGYPTIAN MILITARY EQUIPMENT REPORTEDLY HAVE ALREADY ARRIVED IN MOROCCO. THE EDITOR OF ACHFAA SPECULATED THAT THE SUDDEN VISIT OF SAUDI PRINCE ABDULLAH TO MOROCCO IS DESIGNED TO HEAD OFF EGYPTIAN-MOROCCAN RAPPROCHEMENT, DESCRIBING THE SAUDI PRINCE AS "LEADER OF THE CAMPAIGN AGAINST EGYPT," THE EDITOR WONDERED HOW ABDULLAH WAS ABLE TO APPLAUD QADHAFI'S REVOLUTION DAY REMARKS ATTACKING EGYPT, WHEN ONLY A SHORT TIME AGO THE LIBYAN LEADER WAS CALLING FOR THE OVERTHROW OF THE SAUDI MONARCHY.

20. (U) LEBANON-BOMBING: A BOMB DAMAGED THE WEST GERMAN LUFTHANSA AIRLINE OFFICE IN BEIRUT ON SEPTEMBER 4; AN UNKNOWN PALESTINIAN GROUP CLAIMED RESPONSIBILITY. THIS WAS THE FOURTH WEST GERMAN INSTALLATION BOMBED IN BEIRUT IN THE LAST THREE WEEKS. AN ANONYMOUS CALLER TOLD AL-NAHAR THAT THERE WOULD BE MORE BOMBINGS UNLESS PALESTINIANS IN WEST GERMAN JAILS WERE RELEASED WITHIN A WEEK.

21. (U) ANTI-AMERICAN DEMONSTRATION-SIDON: ACCORDING TO REUTER, SOME TWENTY ARAB AND FOREIGN DIPLOMATIC ENVOYS VISITING SIDON SEPTEMBER 4 WERE JOSTLED BY 2,000 DEMONSTRATORS SHOUTING ANTI-AMERICAN SLOGANS AS THE DELEGATION PASSED THROUGH THE CITY ON AN INSPECTION TOUR OF SOUTHERN LEBANON ORGANIZED BY THE MINISTRIES OF FOREIGN AFFAIRS AND INFORMATION, IN COOPERATION WITH THE UN INTERIM FORCE IN LEBANON. AMBASSADOR DEAN WAS PRESENT AS THE CROWD, CHIEFLY COMPOSED OF REFUGEES FROM SOUTHERN LEBANON, CALLED ON AMERICA TO STOP ALL AID TO ISRAEL AND URGED THE DEPLOYMENT OF LEBANESE TROOPS IN TYRE.

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SECRET SECTION #1 OF 03 STATE 230042/01
E.O. 12065 CDS 9/1,/85 (MONTVILLE, JOSEPH V.)

TAGS: EC, IS, PINR
SUBJECT: INTSUM 894-- SEPTEMBER 12, 1979

WADON FOR GLASPIE
PARIS VON NICHOLAS MURPHY
DOE/ISA FOR RANSOM
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
US-ISRAELI RELATIONS IN RECENT WEEKS HAS LED TO INCREASED
CRITICISM OF THE BEGIN GOVERNMENT'S HANDLING OF ISRAEL'S
FOREIGN RELATIONS GENERALLY. THE CRITICISM HAS CENTERED
IN PARTICULAR UPON THE CABINET'S POLICY OF CONTINUING TO
ESTABLISH NEW SETTLEMENTS IN THE DENSELY ARAB-POPULATED
PORTIONS OF THE WEST BANK.

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

NEWSPAPERS ASSOCIATED WITH THE LABOR 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) YADIN AND HIS DEMOCRATIC MOVEMENT ARE THE MOST
VOCIFEROUS.

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

(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.

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 RABIN 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 FAITS 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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G. NEVERTHELESS, HAMMER FINDS IT IMPOSSIBLE TO DO ANY-
THING OTHER THAN BACK SHARON WHEN THE LATTER MAKES
PROPOSALS THAT THE FORMER PRIVATELY VIEWS AS UNWISE.
HAMMER IS THE PRISONER OF HIS OWN LONG-STANDING IDEOLOGICAL
COMMITMENT. IN ADDITION, HE IS SENSITIVE TO PRESSURE FROM
MORE EXTREME ELEMENTS FROM WITHIN HIS PARTY, AND FROM
GUSH EMUNIM, WHICH HE PLAYED A MAJOR ROLE IN FOUNDING.
FURTHERMORE, HE WILL GO TO GREAT LENGTHS TO PREVENT THE
DEFECTION OF ULTRA-HAWKS TO THE NEW RIGHT-WING PARTY
RECENTLY ESTABLISHED BY PROFESSOR YUVAL NEEMAN.

10. HAMMER'S RELATIONSHIP WITH BROIN HAS ALTERED IN THE
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SECRET SECTION 02 OF 03 STATE 230942/02

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 CONSTITUTES A KEY IDEOLOGICAL HEDGEBIT FOR BEGIN. HE IS EXTREMELY SENSITIVE TO ACCUSATIONS OF IDEOLOGICAL EROSION FROM HIS OLD COLLEAGUES. WEAKENED POLITICALLY BY A SHARP EROSION IN HIS POPULARITY, BY RAMPAGING INFLATION, BY INTENSIFIED INTRA-CABINET AND INTRA-COALITION BICKERING, 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 STEP WOULD ENTAIL POLITICAL JEOPARDY. THE COALITION COULD SURVIVE A RESIGNATION BY SHARON, 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 THE 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

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

14. (U) DAYAN-BONN VISIT: ACCORDING TO REUTER, ISRAELI FOREIGN MINISTER MOHRE 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 REC 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 WORST 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 FREED FOR DELIVERY ELSEWHERE.

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MORNING NEWS

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IN AN INTERVIEW WITH A DANISH RADIO STATION SHEYKH AHMAD ZAAYI YAMANI REPORTEDLY 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. (C) ALI HAMDY AL-GAMMAL DIES: ALI HAMDY AL-GAMMAL, CHAIRMAN OF THE BOARD AND EDITOR IN CHIEF OF AL-AWRAM, CAIRO'S BEST KNOWN NEWSPAPER, DIED SEPTEMBER 18 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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17. (100) ARAB LEAGUE MEETING POSTPONED TO SEPTEMBER 16:
THE EMBASSY 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 BEUTER, BENE MOUAWAD,
EMVOY OF LEBANESE PRESIDENT ELIAS BARKIS, HAS BEEN TOURING
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. (100) LEBANON/ARMENIANS-RIGHTIST CLASH:
ON SEPTEMBER 10 NIGHTIST 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 PRO INSTALLATIONS BY AN UNKNOWN
PALESTINIAN GUERRILLA GROUP, PATAH HAS MOUNTED A 24-HOUR
GUARD ON THE PRO EMBASSY. IT HAS ALSO WARNED THAT IT
WOULD PUNISH ANYBODY WHO ATTACKED PRO INSTITUTIONS IN
BEIRUT.

20. (100) RETURN OF PROMINENT WEST BANKER URGED: THE
ACTING PRESIDENT OF BIR ZIT UNIVERSITY ON THE WEST BANK
HAS TOLD CONSULATE GENERAL JERUSALEM THAT THE UNIVERSITY
WAS EXERTING STRONG EFFORTS WITH DEFENSE MINISTER WEIZMAN
TO PERMIT EXILED BIR ZIT PRESIDENT HANNA NASIR TO RETURN
AND RESUME HIS FUNCTIONS. ACCORDING TO BARAMKI, NASIR
HAS STAYED AWAY FROM PLO POLITICS WHILE IN EXILE IN AMMAN.

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SECRET SECTION 01 OF 03 STATE 245442/01

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E.O. 12958 GDS 9/18/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, FINN

SUBJECT: ITUM 698 - SEPTEMBER 18, 1979

LONDON FOR BLASPIE
PARIS FOR NICHOLAS MURPHY
DOP/ISA FOR RA SOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-5 LIMITED OFFICIAL USE)

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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 SIGEIN, 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.

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2. CABINET SECRETARY ARYE MAOR EXPLAINED THE DECISION IN TERMS OF ENDING "DISCRIMINATION" AGAINST JEWS. HE DENIED CLAIMS THAT THE DECISION HAD BEEN ADOPTED FOLLOWING PRESSURE BY OUSEY RMUMIM, WHICH HAD RAISED THE ISSUE IN SEVERAL RECENT MEETINGS THAT IT HELD WITH THE PRIME MINISTER. MAOR 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.

3. **5** GOVERNMENT SOURCE TOLD REUTER THAT HE EXPECTED THAT

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 YAKIJ TOLD MEMBERS THAT IT ENTAILS 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 BAZA 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 SUH RUMUMIN 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 BAIRO 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 CARRIER'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:

(A) THE JERUSALEM POST CITED SEVERAL LAWYERS AS ARGUING THAT THE DECISION WAS IN ACCORDANCE WITH INTERNATIONAL LAW. OTHER LAWYERS POINTED OUT THAT IF THE LAND PURCHASES CHANGED THE STATUS OF OCCUPIED TERRITORY, THEY WOULD CONTRAVENE ARTICLE 49 OF THE GENEVA

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(B) HATZOFI 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) YEDIOT ABARONOT 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 UNREPARABLE DISGRACE TO PROHIBIT JEWS FROM BUYING LAND IN "KRETZ YISRAEL."

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SECRET SECTION 82 OF 83 STATE 245442/02

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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 GOING 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 BATTLE," BENZIMAN EXPLAINS THAT "MOST CABINET MINISTERS HAVE BEEN ACTING AS IF THEY WERE ON THE BRINK OF DISASTER, TRUS 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 JUST CEASED TO FUNCTION; IT IS A BAND OF MINISTERS LED BY THEIR UNBRIDLED URGES INTO A SUICIDAL ABYSS."

ANOTHER YEDIOF CORRESPONDENT DECLARED THAT "THE PRESENT GOVERNMENT HAS SUNK 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) KOSTYGIN ATTACKS ACCORDS: ACCORDING TO REUTERS, SOVIET PREMIER KOSTYGIN 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 THE US 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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12. (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 8:00 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.

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13. (U) MORE ON THE LITANI AFFAIR: ACCORDING TO NEUTER, 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 BITAN, WHO HAS BEEN ATTACKED IN THE KNESSET AND THE PRESS FOR REDUCING THE SOLDIER'S SENTENCE TO TWO YEARS, SAID IN AN INTERVIEW WITH MA'ARIV SEPTEMBER 17 THAT HE DID NOT INTEND TO RESIGN AND THAT THE ACCUSED LIEUTENANT STOOD ALONE AND UNWAIVED 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 DOES NOT TRY TO DEFEND HIMSELF BY BLURRING THE TRUTH. MA'ARIV SAID THAT BITAN OWED THE ISRAELIS A FULL AND CANDID REPORT.

SECRET

11. (S) ASSAD LYING LOW: ACCORDING TO EMBASSY MEMPHIS, ASSAD HAS BEEN UNCHARACTERISTICALLY OUT OF SIGHT, 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 10 FOLLOWING THE DISTURBANCES. ADDITIONALLY, THE LACK OF LOCAL PRESS REPORTING ON ACTIVITIES OF OTHER SYRIAN POLITICAL LEADERS HAS INCREASED SPECULATION THAT ASSAD HAS CLOSED HIMSELF IN ORDER TO DRAW UP A LIST OF MEMBERS FOR A NEW CABINET.

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12. (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 RESSENTFUL OF MUNICIPAL AND SECURITY AUTHORITIES FOR FAILING TO ANTICIPATE AND THEN QUASH THE VIOLENCE BEFORE IT GOT OUT OF HAND.

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

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TO RADIO BAGHDAD, 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.

1977-223-23
U.S. GOVERNMENT PRINTING OFFICE

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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U.S. GOVERNMENT PRINTING OFFICE: 1977-335-323
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DOLLARS ON REPORT SALES AVERAGING 150,000 BARRELS PER DAY (BPD) OUT OF A PRODUCTION TOTAL OF 530,000 BPD. CURRENT SALES OF SUEZ GULF CRUDE ARE BRISK AND THE MARKET IS BRINGING TOP PRICES OF DOLS 32.50 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 FOR. THE FIELD WILL BE TURNED OVER EITHER ON NOVEMBER 25 OR 28. ISRAEL IS INSISTING O' NOT PAYING MORE THAN DOLS 25.00 PER BARREL FOR THE CARGOES THAT SADAT PROMISED WOULD BE MADE AVAILABLE FOR ISRAEL IN DECEMBER. SOME BROKERS ARE ALREADY ARRANGING THE SHIPMENTS.

15. (LOC) EGYPTIAN COMMUNISTS ORDERED RELEASED: COMMENTING ON THE PRESUMABLY WHEAT 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 83 ALLEGED MEMBERS OF THE OUTLAWED EGYPTIAN COMMUNIST PARTY WHO WERE ROUNDED 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.

16. (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 POLICE PATROL. ZAIM HAD BEEN WANTED BY POLICE ON CHARGES OF CARRYING OUT SEVERAL

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55 ASSASSINATIONS THERE AS WELL AS HAVING BEEN INVOLVED IN
THE MASSACRE OF FIFTY ARMY CADETS IN ALEPPO IN JUNE.

17. (U) LEADERS OF SCLC TO MEET WITH ARAYAT: ACCORDING
TO REUTER, A GROUP OF BLACK LEADERS FROM THE SOUTHERN
CHRISTIAN LEADERSHIP CONFERENCE LEFT FOR BEIRUT SEPTEMBER
17 TO MEET WITH ARAYAT. THE GROUP INCLUDES: PRESIDENT
OF THE SCLC, THE REV. JOSEPH LOWERY, WALTER FAUNTROY,
DR. CLAUDE YOUNG OF DETROIT, AND DR. RON WATERS, A
FACULTY MEMBER AT HOWARD UNIVERSITY. DR. LOWERY SAID THE
TRIP WAS PREDICATED ON ARAYAT'S INTEREST IN PURSUING
THE PROPOSALS THE SCLC MADE IN ITS AUGUST MEETING WITH
TREPZ, PLO OBSERVER AT THE UN, WHICH INCLUDE PLO RECOGNI-
TION OF "THE NATIONHOOD OF ISRAEL, ISRAEL'S RECOGNITION
OF PALESTINIAN RIGHTS, AND AGREEMENT BY BOTH GROUPS TO
A MORATORIUM ON VIOLENCE." YANCE

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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 699 - 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.

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 EMUNIM, 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 AN LARGE CONTRACTORS INTENT ON SPECULATION. LAND PRICES IN THE AREA ARE RAPIDLY RISING. A FURTHER INCENTIVE O 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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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 PROXIES 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 MERE 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 JIDDA 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 AED AL-FATTAH 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) RUSS ON PLO WITHDRAWAL: PRIME MINISTER AL-RUSS TOLD AMBASSADOR DEAN SEPTEMBER 14, THAT HE HAD TALKED WITH SALAH KHALAF (AGU 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-RUSS 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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E.O. 12065 SDS 9/28/15 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINA

SUBJECT: INTSUM 220 - SEPTEMBER 20, 1979

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

'ARMING, NOTICE SENSITIV' SOURCE'S AND METHODS INVOLVED
NOT RELYASABLE TO FORRIG' NATIONALE

(PARAGRAPHS 1-8 CONFIDENTIAL/NOFORN)

1. THE "LITANI OFFICER AFFAIR": ISSUES OF CREDIBILITY AND MORALITY; CHIEF OF STAFF EITAN'S REDUCTION OF THE SENTENCE OF AN ISRAELI INFANTRY OFFICER CONVICTED OF MURDERING LEBANESE CIVILIANS DURING THE LITANI CAMPAIGN IN 1978 AND EITAN'S APPARENT DISSEMBLING ON THE CASE HAVE RAISED TWO ISSUES INVOLVING THE IMAGE OF THE ISRAELI DEFENSE FORCES (IDF).

(A) THE ISSUE CONCERNS THE CREDIBILITY OF THE CHIEF OF STAFF.

(B) THE OTHER TOUCHES ON THE MORAL STANDING OF THE IDF IN ITS WARFARE AGAINST AABS.

BOTH ISSUES ARE SENSITIVE BECAUSE OF THE GREAT SIGNIFICANCE OF THE MILITARY AS A NATIONAL INSTITUTION.

2. DURING ISRAEL'S MARCH 1978 INCURSION INTO LEBANON, AN ISRAELI OFFICER REPORTEDLY MURDERED AS MANY AS FOUR CAPTIVE PALESTINIANS OR LEBANESE VILLAGERS. THE OFFICER WAS CONVICTED, REDUCED TO PRIVATE, AND SENTENCED TO

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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.

3. EITAN JUSTIFIED HIS DECISION ON THE GROUNDS THAT THE PRESSURES OF COMBAT WERE MITIGATING CIRCUMSTANCES AND THAT THE OFFICER'S LOSS OF RAJK WAS THE MOST EFFECTIVE PUNISHMENT. REPORTS LEAKED TO THE ISRAELI PRESS, HOWEVER, HAVE ALLEGED THAT THE OFFICER WAS NOT IN A SITUATION OF DANGER, BUT 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 CLASS. 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 "LITANI 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 STAFF 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 LIP 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 OCCASIONALLY THE DOMINANT CONCEPT.

B. 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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OF CONDUCT AS THE DESPISED "TERRORISTS." ISRAELIS FIND IT DISTRESSING TO SEE THEIR MOST REVERED INSTITUTION REVEALED IN SUCH LIGHT.

9. (U) BOMB BLAST IN JERUSALEM: ACCORDING TO AP, A BOMB EXPLODED AT A CROWDED SHOPPING MALL IN JERUSALEM SEPTEMBER 19, KILLING ONE AND INJURING THIRTY-FOUR PEOPLE.

10. (U) WALDHEIM CRITICIZES ISRAELI DECISION ON LAND PURCHASES IN OCCUPIED TERRITORIES: ACCORDING TO OUR UN MISSION, SECRETARY GENERAL WALDHEIM ISSUED A STATEMENT CONCLUDING THAT THE REPORTS OF THE ISRAELI DECISION (ON PRIVATE PURCHASES OF LAND) IF ACCURATE, IMPLY A DECISION CONTRARY TO A NUMBER OF UN RESOLUTIONS RELATING TO THE ACQUISITION OF LAND IN THE OCCUPIED TERRITORIES AND TO THE TERMS OF THE FOURTH GENEVA CONVENTION.

11. (C) FREIJ ON KNESSET DECISION ON LAND SALES: CONSULATE GENERAL JERUSALEM REPORTS THAT DURING THE COURSE OF A CONVERSATION SEPTEMBER 18 WITH AID ADMINISTRATOR PENNET, BETHLEHEM'S MODERATE MAYOR FREIJ EMPHASIZED HIS VIEW THAT THE KNESSET DECISION PERMITTING ISRAELIS TO BUY LAND IN THE WEST BANK WAS AN EXTREMELY ALARMING STEP. HE SAID THAT IT MUST BE REMEMBERED THAT MANY WEST BANKERS WITH EXTENSIVE LAND HOLDINGS, PARTICULARLY THOSE FROM THE BETHLEHEM AND RAMALLAH AREAS, ARE LIVING ABROAD IN LATIN AMERICA AND NORTH AMERICA WITH LITTLE INTENTION OF EVER RETURNING AS LONG AS ISRAEL HOLDS ONTO THE TERRITORIES. MORE THAN EVER, THESE PEOPLE WILL BE TEMPTED TO SELL, PARTICULARLY SINCE THE MILITARY GOVERNMENT KNOWS THE NAMES AND ADDRESSES OF THE ABSENTEES AND HE EXPECTS THAT POTENTIAL JEWISH BUYERS WILL BE VIGOROUSLY CONTACTING THE ABSENTEES WITH GOOD OFFERS.

12. (U) KABANE PREVENTED FROM ENTERING ISRAELI-ARAB TOWN ACCORDING TO REUTER, ISRAELI BORDER POLICE

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

PATROIS GAVE FEYN 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 YEMENI OFFICIAL TOLD THE AMBASSADOR ON SEPTEMBER 19 THAT HE DID NOT BELIEVE SALIH WAS ACTIVELY CONSIDERING AN ARMS DEAL WITH THE SOVIET UNION. HOWEVER, DEPUTY CHIEF OF STAFF ALI MANSOUR 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 POLISE 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 ONLY SOLUTION FOR LEBANON AND THE MIDEAST 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 SCLC 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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JORDANIAN BORDER TOWN OF AL-RAMTHA. (THIS IS THE FOURTH MEETING ARAFAT HAS HELD WITH HUSSEIN 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 OMSA SESSION, PARTICULARLY SINCE THE KING WILL BE THE FIRST SPEAKER AT THE SESSION.

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IS. (LOU) PLO-RECOGNITION OF ISRAEL IN AN INTERVIEW WITH THE BEIRUT PERIODICAL MONDAY MORNNG, SENIOR PLO LEADER SAHAB KHALAF 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 KHALAF IS GENERALLY MORE RESERVED IN HIS PUBLIC STATEMENTS THAN ARAFAT. PLO 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 DUCKED JUST SUCH QUESTIONS BY ASKING INTERVIEWERS WHY THEY DID NOT ASK THE ISRAELIS IF THEY WERE READY TO RECOGNIZE PALESTINIAN RIGHTS.)

KHALAF 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. VANDR

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TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2910
RUEKJCS/DOD/ISA WASHDC PRIORITY
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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 QDS 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 WERE 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 RT #176

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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 25 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.

KSON 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 SHINON 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 25 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 25, 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 ET

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C O N F I D E N T I A L FINAL SECTION OF 83 STATE 299176/83
OF SAUDI OIL PRODUCTION OF 9.5 MBD FOR THE FOURTH QUARTER.
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U.S. GOVERNMENT PRINTING OFFICE: 1977-72-323

BT
SECRET SECTION 01 OF 03 STATE 287889/01
E.O. 12865 GDS 18/12/85 (GREENE, MYLES L.)

TAGS: VC, IS, PINK
SUBJECT: INTSUM 015 - OCTOBER 12, 1979

LONDON FOR BLASPIT
PARIS FOR NICHOLAS MORPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

CONFIDENTIAL

1. (S) ISRAEL: CABINET DISARRAY: A CIA ANALYSIS INCLUDES THE FOLLOWING: RECENT DEFECTIONS FROM PRIME MINISTER BEGIN'S DOMINANT LIKUD BLOC HAVE REDUCED HIS PARLIAMENTARY MAJORITY TO ABOUT SIX SEATS IN THE 120-MEMBER KNESSET, A DROP 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 BESET 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 WEALEN AND UNLESS PRESENT POLICIES ARE CHANGED ISRAEL COULD EASILY RUN A DEFICIT OF AROUND 700 MILLION DOLLARS BY 1981.

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3. (S) PUBLIC CRITICISM HAS FOCUSED ON FINANCE MINISTER SIMCHA ERRLICH AND HIS COLLEAGUES IN THE LIBERAL PARTY CONTINGENT OF LIKUD, WHICH HOLDS MOST KEY ECONOMIC MINISTRIES. THE PUBLIC'S CRITICISM IN TURN HAS FUELED HIGHLY PUBLICIZED POLICY DISPUTES BETWEEN THE LIBERALS AND FIGURES IN BEGIN'S HERUT PARTY, THE SENIOR MEMBER OF LIKUD, THUS REINFORCING THE PUBLIC'S PERCEPTION OF GOVERNMENT DISARRAY.

4. (S) ERRLICH 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 ERODING CREDIBILITY, LIBERAL LEADERS REPORTEDLY HAVE GAINED ERRLICH'S AGREEMENT TO SUBMIT TO BEGIN LATER THIS FALL A PLAN FOR A CABINET REORGANIZATION PLAN IN WHICH ERRLICH 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 MINISTRIES AND IF BEGIN APPOINTED A FIGURE FROM OUTSIDE THE LIBERAL PARTY TO FILL ERRLICH'S POST. BEGIN'S PRELIMINARY FAVORITE IS SAID TO BE YIGAEL ERVITZ, A FORMER MINISTER FROM THE SMALL, RIGHTWING LEAM CONTINGENT OF LIKUD AND AN OUTSPOKEN ERRLICH CRITIC.

6. THE PROLONGED ABSENCE OF CREDIBLE GOVERNMENT ACTION ON THE ECONOMY THREATENS TO ALIENATE LOWER-INCOME SEPHARDIC JEWS, WHOSE SUPPORT WAS INSTRUMENTAL IN PUTTING BEGIN OVER THE TOP IN THE ELECTION IN 1977. UNCHECKED INFLATION ALREADY HAS COST BEGIN SOME SEPHARDIC VOTES AND IS CERTAIN TO HAND THE LABOR OPPOSITION A MAJOR ISSUE 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 HERUT, AND ULTRAHARDLINE LEADERS OF THE NATIONAL RELIGIOUS PARTY, WITHOUT WHOSE SUPPORT BEGIN'S GOVERNMENT WOULD FALL, WOULD BE CERTAIN TO DESERT 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.

8. (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 PAUCITY OF INFLUENTIAL MODERATES IN THE CABINET AND BEGIN'S CONVICTION THAT EGYPTIAN PRESIDENT SADAT WILL ACCEPT FAR LESS THAN THE PALESTINIANS' PROFFERED MINIMUM ON AUTONOMY ISSUES CONTINUE TO REINFORCE HIS DETERMINATION NOT TO MAKE CONCESSIONS ON CRUCIAL SOVEREIGNTY-RELATED MATTERS.

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10. (S) SOME LEADERS OF THE ORTHODOX AGUDAT ISRAEL PARTY, WHICH HOLDS FOUR SEATS IN PARLIAMANT, HAVE THREATENED TO SPLIT THE COALITION UNLESS BEGIN FOLLOWS THROUGH SOON ON HIS PROMISE TO SECURE LEGISLATION OUTLAWING ABORTIONS ON DEMAND. IF PRESSED, THIS DEMAND IS CERTAIN TO STRAIN THE TOLERANCE OF LIKUD'S LIBERALS AND THE DEMOCRATIC MOVEMENT, THE LEADING SECULAR MEMBERS OF THE COALITION. BEGIN NONETHELESS PROBABLY REMAINS CONFIDENT OF HIS ABILITY TO KEEP SECULARIST COONTER PRESSURE WITHIN TOLERABLE LIMITS.

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11. (S) AGUDANT ISRAEL MAY NOT WITHDRAW ITS SUPPORT EVEN IF ANTIABORTION LEGISLATION IS DELAYED. PARTY LEADERS REPORTEDLY ARE DIVIDED OVER THE WISDOM OF ABANDONING THEIR IMPORTANT PATRONAGE POSITIONS, WHICH INCLUDE A DEPUTY KNESSET SPEAKERSHIP AND TWO IMPORTANT KNESSET COMMITTEE CHAIRMANSHIPS. IF THE PARTY DOES WITHDRAW, BEGIN'S COALITION WOULD RETAIN A RAZOR-THIN MAJORITY.

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11. (S) LABOR'S GROWING APPEAL IS DUE PRIMARILY TO THE RETURN OF ERSTWHILE LABOR SUPPORTERS FROM DEPUTY PRIME MINISTER YADIN'S FOUNDERING DEMOCRATIC MOVEMENT AND TO A LESSER EXTENT TO PUBLIC DISCONTENT WITH THE BEGIN GOVERNMENT. IF SUSTAINED, LABOR'S GAINS WILL ENABLE THE PARTY TO OFFER BEGIN STIFF COMPETITION IN THE ELECTION IN 1991.

12. (S) A SIZABLE PERCENTAGE OF VOTERS REMAINS UNDECLARED AND AT THIS POINT PROBABLY IS SCEPTICAL THAT LABOR COULD ESTABLISH AND MAINTAIN A MORE EFFECTIVE COALITION. GAINING SIGNIFICANT SUPPORT FROM THIS GROUP--OVER A THIRD OF THE VOTING POPULATION--WILL BE CRUCIAL TO LABOR'S PROSPECTS.

13. (S) LABOR HAS MADE SOME PROGRESS IN REVAMPING ITS

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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. (S) 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 YITZKAR 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 SEPHARDICS 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 QADDUMI WILLINGLY EVACUATED THE AREA LATE ON OCTOBER 10. THE ISRAELI DEFENSE FORCE WAS DISMANTLED THE BUILDINGS ERECTED BY THE SETTLERS IN THE OLIVE GROVE.

16. (U) ISRAEL-ERLICH: 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 EHRlich WHOSE POST IS AT THE CENTER OF THE CABINET REORGANIZATION CONTROVERSY. THE JERUSALEM POST FELT THAT EHRlich WILL CERTAINLY RETAIN A SENIOR CABINET POST IN THE RESHUFFLE. RADIO JERUSALEM SAID OCTOBER 11 THAT EHRlich 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: REUTER REPORTS THAT ARYE ELIAY, FORMER MK AND A LEADING ISRAELI LEFTWINGER, AND ISSAM SARTAWI, A MEMBER OF THE PLO AND A CLOSE CONFIDANT OF ARAFAT, WILL BE AWARDED PEACE PRIZES IN VIENNA ON OCTOBER 19, BY CHANCELLOR KRHSKY FOR THEIR EFFORTS TO FIND A PEACEFUL SOLUTION TO THE MIDDLE EAST CONFLICT.

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18. (U) IRAQ-BAHRAIN: RADIO BAGHDAD REPORTS THAT BAHRAINI PRIME MINISTER KHALIFA SAID ON OCTOBER 3, AFTER MEETING WITH IRAQI PRESIDENT SAEDAM 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 BT

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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 BEERSHEVA 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. VANCE
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E.O. 12865 5DS 10/16/85 (MONTVILLE, JOSEPH V.)

TAGS: HQ, IS, PIMR

SUBJECT: INTSUM 016 - OCTOBER 15, 1979

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

(PARAGRAPHS 1-10 CONFIDENTIAL)

1. ISRAEL: 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. THE PRESENCE IN THE CABINET BOTH OF HAVES, 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 HAMMER OF THE NATIONAL RELIGIOUS PARTY (NRP). DAYAN AND WEIZMAN HAVE LED THE EFFORT TO REDUCE THE PACE, SCOPE, AND OSTENTATION OF WEST BANK SETTLEMENT ACTIVITIES.
2. THE LATEST CONTROVERSY CENTERS ON PROPOSALS FOR REQUISITIONING PRIVATELY OWNED ARAB LAND IN THE WEST BANK IN ORDER TO PROVIDE EXISTING SETTLEMENTS WITH "BREATHING SPACE." SETTLEMENT ACTIVISTS OF THE BOSS BHUNIN HAVE TAKEN UNAUTHORIZED STEPS TO EXPAND THE LANDHOLDINGS.
5. IN TRYING TO FIND THE PROPER RESPONSE TO MOUNTING BOSS-INSPIRED PRESSURES, THE CABINET FINDS ITSELF CAUGHT BETWEEN 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 BUSH EHMUNIM.

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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 ENHANCED BY THE RECENT ESTABLISHMENT OF THE ULTRA-NATIONALIST TETIYA (RENEWAL) PARTY, WHICH WILL HAVE CONSIDERABLE APPEAL TO HAWKS WITHIN BOTH THE NRP AND THE LIKUD. THE PRESSURE FROM TETIYA WILL PREVENT HAMMER FROM WANDERING FROM THE HAWKISH PATH.

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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.

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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 HERUT AND RISK HEAVY ELECTION LOSSES AND POSSIBLE EXILE TO THE POLITICAL FRINGE. THE LIBERALS ARE DEEPLY CONCERNED ABOUT THE NEGATIVE IMPACT OF BHARON'S SETTLEMENT SHERMANICANS ON DE PUBLIC OPINION, BUT THEY HAVE LITTLE INFLUENCE WITH BEGIN ON THIS ISSUE.

9. THE ULTRA-ORTHODOX AGUDAT YISRAEL IS IN THE MAIN A

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DOVISH PARTY, BUT IT REDEMMS THE POLITICAL I.O.U.S. THAT IT HOLDS FOR CONCESSIONS ON RELIGIOUS ISSUES OF PARAMOUNT IMPORTANCE 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 LIAUD COULD FREE BEGIN FROM THE CONSTRAINTS THAT THE NRP CONTINUES TO IMPOSE. IN THE ABSENCE OF SUCH A DECISION, THE BEGIN ADMINISTRATION'S SETTLEMENT POLICY WILL CONTINUE TO BE GOVERNED BY THE LIMITS IMPOSED LARGELY BY THE NRP.

11. (U) EGYPT-ISRAEL: DUTRUS SHALI TOLD A FRENCH PRESS GROUP ON OCTOBER 11 THAT, EVEN IF NEGOTIATIONS ON BY
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PALESTINIAN AUTONOMY FAIL, HE DOES NOT BELIEVE THAT THERE WILL BE FURTHER HOSTILITIES BETWEEN EGYPT AND ISRAEL. HE SAID THAT THE TREATY WILL BE HONORED, AND ON FEBRUARY 28, 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 LAND;
- (C) GRANT GENERAL AMNESTY TO POLITICAL DETAINEES; AND
- (D) TRANSFER ISRAELI MILITARY OUT OF ARAB CITIES.

12. (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 TETHY 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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13. (C) NEW ISRAELI PARTY: EMBASSY TEL AVIV HAS LEARNED THAT THE OBJECTIVES OF THE NEW FAR-RIGHT TERIYA PARTY WILL INCLUDE A HALT IN THE ISRAELI WITHDRAWAL FROM SINAI; ABANDONMENT OF AUTONOMY; IMMEDIATE ANNEXATION OF THE WEST BANK, THE GOLAN HEIGHTS, AND THE GAZA STRIP; A REVISION OF THE ISRAELI-EGYPTIAN PEACE TREATY. POLLS INDICATE THAT TERIYA CAN EXPECT TO WIN 4 TO 5 KNEBSET 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 UNLV DURING THE ISRAELI WITHDRAWAL FROM SINAI.

17. (LOU) SHARON TO VISIT EGYPT: EMBASSY CAIRO HAS BEEN INFORMED BY EGYPTIAN MINISTER OF AGRICULTURE MAHMOUD DAWOOD THAT ISRAELI MINISTER OF AGRICULTURE SEARCH 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 LEBANESE PREMIER AL-HUSS ANNOUNCED OCTOBER 11 THAT AN ARAB SUMMIT CONFERENCE DEALING PRIMARILY WITH SOUTHERN LEBANON WILL BE HELD IN TUNIS ON NOVEMBER 29. AL HUSS SAID THE AGREEMENT WAS REACHED THROUGH SAUDI CONTACTS WITH TUNISIAN LEADERS. ALL ARAB LEBANON COUNTRIES EXCEPT EGYPT ARE EXPECTED TO ATTEND.

19. (U) JORDANIAN PRESS REACTION: THE WEEKEND EDITION OF AL-JAZHAR PRAISED BRITISH MINISTER HURD'S CONDEMNATION OF ISRAEL'S SETTLEMENT POLICY DURING HIS MEETING WITH

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PRINCE HASSAN. AR-RA'Y 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. (D) 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 SPEECH OF EC PRESIDENT O'KENNEDY DOES INDICATE THAT THE COMMUNITY IS SLOWLY EDGING 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 HARSHER CHINESE STATEMENT IS NOT A MISQUOTE, IT COULD BE ONE MORE REFLECTION OF A RECENT, MORE PESSIMISTIC CHINESE TONE 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 APPEARS TO BE THE FIRST PUBLIC CHINESE ADMISSION THAT THE PRC IS SELLING ARMS TO EGYPT. BEIJING WAS EMBARRASSED BY, AND REFUSED TO CONFIRM, JUNE PRESS REPORTS OF ITS ARMS DEALS WITH CAIRO.

22. (LOU) PLO-CRASSFIRE; EMBASSY BEIRUT REPORTS THAT THE PLO IS TRYING TO CLARIFY ITS POSITION IN THE WAKE OF CONFUSION 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" CRASSFIRE IN SOUTHERN LEBANON IS MERELY 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-ARAFAT: REP. FAUNTROY HAS WITHDRAWN HIS INVITATION TO ARAFAT 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 PATAH INVITED ABOLWASSAN BANI SADR A LEADING MEMBER OF IRAN'S REVOLUTIONARY COUNCIL TO VISIT SOUTH LEBANON, ACCORDING TO PALESTINIAN SOURCES. BANI SADR SAID HE WAS RESPONSIBLE FOR ASSESSING THE NEED FOR IRANIAN ASSISTANCE TO THE PALESTINIAN REVOLUTION.

25. (C) IRAQ-PDNY: US INTERESTS SECTION, BAGHDAD, REPORTS THAT IRAQ AND PDNY HAVE SUCCESSFULLY NEGOTIATED THE REOPENING OF THEIR DIPLOMATIC MISSIONS IN BAGHDAD AND ADEN, FOLLOWING THE RELEASE OF PRISONERS TAKEN IN LAST JUNE'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-105 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-105 AND THEIR DESIRE TO GIVE F-4, MIRAGE, AND EFIR 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 FRANCHISE'S FORCES DESPITE HIS RELEASE OF 100 PRISONERS LAST WEEK IN RESPONSE TO THE POPE'S REQUEST. THESE SOURCES AND THE LEBANESE PRESS ALSO INDICATE THAT PHALANGISTS ARE STILL HOLDING 20 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 FRANJIIE'S RELATIVES; AND

(C) REPLACEMENT OF SYRIAN MILITARY WITH LEBANESE MILITARY IN THE NORTH. VANCE

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E.O. 12065 GDS 10/16/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINR

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. ISRAELI 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 BROADWHEEL SUPPORTERS. IT WAS A DRAWING FOR DECISIVE LEADERSHIP THAT LED MANY DEPHARDIC ISRAELIS TO SUPPORT BEGIN IN 1977.

4. BEGIN'S HANDLING OF FOREIGN POLICY ISSUES HAS ALSO
EXACERBATED WIDESPREAD DISMAY WITHIN ISRAEL.

~~5. BEGIN'S POLITICAL MANEUVERING HAS BEEN SUBSTANTIALLY
LIMITED BY HIS CONCESSIONS TO SAADAT AND BY THE AUTOCRATIC
PLAN.~~

(B) DOVES REMAIN REPELLED BY HIS APOCALYPTIC STYLE AND
BY THE WEST BANK SETTLEMENT PROGRAM THAT THEY BELIEVE
ENDANGERS THE PEACE AGREEMENT WITH EGYPT AND BECLOUDS
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 BITTERED 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, DISARRAY
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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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 13 ISRAELI TROOPS BEGAN EVICTING GUSH ENUNIM SETTLERS FROM THE 31 TEMPORARY CAMPS THAT THEY HAD SET UP OVERNIGHT IN REACTION TO THE CABINET DECISION ON WEST BANK SETTLEMENTS. GUSH ENUNIM 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 LIBYA, 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 15 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 15,
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 IRANIAN
FOREIGN MINISTER YAZDI ANNOUNCED ON OCTOBER 18 THAT THE
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PLO WOULD NOT BE PERMITTED TO OPERATE AN OFFICE IN AHWAZ, KHUZESTAN. THAT SAME DAY, THE COMMANDER OF IRAN'S REVOLUTIONARY GUARD, ABOU SHARIF, AND THE MILITANT ISLAMIC GROUP, MOJAHEDDEEN, 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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E.O. 12065 GDS 12/14/85 (MONTVILLE, JOSEPH V.)

TAGS: EC, IS, PINR

SUBJECT: INTSUM 919 - OCTOBER 16, 1979

LONDON FOR CLASPIE
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 ADMIT
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 RELA-
TIONSHIP 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 EMMONIM
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) 4 BEETHLEHEM MAYOR FREIJ NOW SAYS THAT HE WILL
OPPOSE ANY AUTONOMY AGREEMENT AND THAT NO CREDIBLE

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PALESTINIANS WILL PARTICIPATE. FREIJ TOLD 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.

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(F) MAYOR SHAHWA 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 SHAM AUTONOMY ON GAZA SIMPLY BY WITHDRAWING THE MILITARY GOVERNMENT.)

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(G) 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.

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(D) AZIZ SHIBADIE 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.

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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.

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5. HOWEVER, ARAFAT CANNOT MERELY DICTATE TO THE MANY VARIOUS 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.

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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 INCREASINGLY APPEARS THAT IF HE CHOOSES ARAFAT'S WEST REPRESENTATIVE CANDIDATES FROM EMERGING AND PALESTINIAN PROMOTING. HE WOULD HAVE THE APPROVAL OF SYRIA, IRAQ.

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 PEREAPS CAUSE THE AGREEMENT
TO COLLAPSE. WHATEVER PATH HE CHOOSES, IT WILL LIKELY
CONFIRM THE PLO'S CONSIDERABLE STRENGTH ON THE WEST BANK.

8. (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
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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 WILL NOT CARRY OUT ITS THREAT.

10. (U) CAIRO REACTION TO SETTLEMENTS: THE EGYPTIAN PRESS HIGHLIGHTED KHALYL'S INTERVIEW WITH YEDIDY ABARONOF 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 OPTIMISM."

11. (U) CABINET DENIES SETTLEMENT PLANS: ON RADIO JERUSALEM OCTOBER 17 CABINET SECRETARY ABYE NA'OR DENIED REPORTS IN THE JERUSALEM POST THAT THE ISRAELI GOVERNMENT PLANS TO ESTABLISH SIX NEW SETTLEMENTS AS DEFENSIVE BARRIERS LINKING THE JORDAN RIFT VALLEY WITH THE GAZA STRIP.

12. (U) DAYAN ON THE PALESTINIANS: ANOTHER 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.

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13. (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 'STRAW MEN'.
- HOWEVER, CONSULATE GENERAL JERUSALEM IS WITHHOLDING JUDGMENT. IT NOTES THAT PALESTINIANS LIKE BETHLEHEM'S MAYOR FREIJ FEAR THE EFFECTS OF THE DECISION. WE BELIEVE THAT ITS EFFECTS COULD BE PARTICULARLY TROUBLESDOME 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 22.90 A BARREL IN THE NEXT TWO WEEKS.
16. (S) SYRIA/USSR ON IRAQ AND PLO: ACCORDING TO A UNTESTED CLANDESTINE SOURCE, SYRIAN FOREIGN MINISTER KHADRAM TOLD GROMYKO LATE IN SEPTEMBER THAT PRESIDENT SADDAM FUSSEIN 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 FUSSEIN. KHADRAM 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 WAS 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 FUSSEIN OCTOBER 17 IN WHICH HE DENIED STATEMENTS BY US OFFICIALS ON THE PRESENCE OF CUBAN SOLDIERS IN IRAQ.

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19. (C) PFALANGIST HOSTAGES: EMBASSY BEIRUT REPORTS THAT THE HOSTAGE SITUATION IN NORTH LEBANON REMAINS UNCHANGED. PFALANGE 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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SUBJ: USEUCOM INTELLIGENCE SUMMARY SHEET (DISC) 071-79. (U)

THE 14 OCTOBER DISC 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)

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1. (S/NOFORN - ALL PARAS) ISRAEL: FOREIGN MINISTER DAYAN'S RESIGNATION SUNDAY IS CERTAIN TO DAMAGE THE GOVERNMENT'S ALREADY SACROSANCT CREDIBILITY, AND MAY AFFECT THE LIKED COALITION'S ABILITY TO RETAIN POWER. PRIME MINISTER BEGIN'S MOST PRESSING PROBLEM IS TO REPLACE DAYAN, WITHOUT PROVOKING WIDER DIFFICULTIES WITHIN THE COALITION. HAGLING HAS ALREADY BEGUN OVER REORDERING CABINET POSTS. THE PRIME MINISTER WILL ATTEMPT TO PRESERVE AN ACCEPTABLE DISTRIBUTION OF CABINET POSTS, AND TO COMPLETE THE REAPPOINTMENT QUICKLY TO HEAD OFF INTERNAL PARTY FEUDING. IN THE INTERIM, 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 COULD BE OVER 100 PERCENT FOR THE YEAR.

IN RECENT MONTHS, THE GOVERNMENT'S POPULARITY HAS STEADILY DECLINED, IN PUBLIC OPINION SURVEYS, WHICH HAVE SHOWN A MAJORITY PREFER THE OPPOSITION LABOR PARTY.

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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, THEY WERE SATISFIED. REFLECTING THIS INCREASING DISSATISFACTION HAS BEEN THE WINDING OF LIKUD'S PARLIAMENTARY MAJORITY FROM 17 TO 5 SEATS.

OPPOSITION LABOR PARTY LEADER, SIMON PERES, PREDICTABLY APPLAUDED 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 LIKELY 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 LIKUD COALITION THAT WERE PRESENT VOTED FOR THE GOVERNMENT. THIS VOTE INDICATES THAT BEGIN IS IN NO IMMEDIATE DANGER OF LOSING POWER. (MR KOEFFEN, PM 6264) (SOURCE: USEUCOM J2, VARIOUS)

(S'NOFORN - 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 CONFEREEES 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, WHERE 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 HAS 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 OML. 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 WAS SET UP TO IMPROVE UNDERSTANDING AND COOPERATION AMONG THE LIKE-MINDED REGIMES OF THE ARABIAN PENINSULA. (MAJ RYAN, PM 8254)

(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)

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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)

REVW 23 OCT 99

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CN: 3470

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VV ESA549ESA533BRA061
PP RUQMHR
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RUEKJCS/DOD/ISA WASHDC
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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 EMUNIM. 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 BITTERLY 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.

(L) 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 PRESSURED 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 MOREH SETTLEMENT. A CONFRONTATION WITH GUSH EMUNIM 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 HERZL 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 TREMENDOUS 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 PRESERVATION OF THE RULE OF LAW -- WOULD APPEAL TO A MAN OF HIS STRIPE.

9. YET, BEGIN MAY ALSO DECIDE TO SOLDIER ON, DESPITE THE PRECARIOUSNESS OF HIS POSITION. HE PROBABLY HAS NOT

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RUEKJCS/DOD/ISA WASHDC
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C O N F I D E N T I A L SECTION 02 OF 03 STATE 284960/02

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) DAYAN-WEST BANK AUTONOMY: THE ISRAELI PRESS NOW SAYS, EMBASSY TEL AVIV REPORTS, THAT THE "REAL" REASON FOR DAYAN'S RESIGNATION WAS A CABINET DECISION, PROBABLY 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. DAYAN 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," ALLOWING 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 BONN HAVE THREATENED TO TAKE SOME SORT OF RETALIATORY ACTION AGAINST WEST GERMANY.

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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
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S E C R E T SECTION 01 OF 02 STATE 286132/01

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E.O. 12065 GDS 11/1/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 929 - NOVEMBER 1, 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 1-8 CONFIDENTIAL)

1. ISRAEL: THE CABINET RESHUFFLE: THE OCTOBER 29 CABINET REORGANIZATION, WHICH LEFT BEGIN AS ACTING FOREIGN MINISTER, SHOULD SLIGHTLY STRENGTHEN THE COALITION'S BASE IN THE KNESSET WHILE BUYING TIME FOR BEGIN TO FIND A NEW FOREIGN MINISTER. IT DOES NOT RESOLVE THE PROBLEMS TRIGGERED BY THE ELON MOREH DECISION AND DOES NOT BY ITSELF GUARANTEE A LONG LIFE FOR THE CABINET. IN OUR JUDGMENT, BEGIN WILL NOT BE ABLE TO RUN THE FOREIGN MINISTRY IN ADDITION TO DISCHARGING HIS DUTIES AS PRIME MINISTER.

2. THE TWO KEY ASPECTS OF THE RESHUFFLE WERE THE FAILURE TO NAME A REGULAR FOREIGN MINISTER AND THE COOPTION OF HORONITZ INTO THE CABINET. BEGIN'S INABILITY TO FIND A SUITABLE REPLACEMENT FOR DAYAN ATTESTS TO THE INTENSITY OF INTRA-COALITION DIFFERENCES, AS WELL AS TO BEGIN'S GROWING INABILITY TO EXERCISE STRONG LEADERSHIP.

3. BEGIN REPORTEDLY APPROACHED BOTH YADIN AND BURG ABOUT BECOMING FOREIGN MINISTER. YADIN REPORTEDLY DEMANDED THAT HE CONDUCT THE AUTONOMY NEGOTIATIONS IF HE BECAME FOREIGN MINISTER. HE FURTHER INSISTED THAT MINISTER OF LABOR KATZ, A MEMBER OF HIS DEMOCRATIC MOVEMENT (DM), BE ALLOWED TO RETAIN HIS PORTFOLIO.

4. BEGIN COULD NOT ACCEPT THESE DEMANDS. THEY WOULD HAVE ALLOWED THE DM TO HOLD THREE SUBSTANTIVE CABINET PORTFOLIOS DESPITE THE FACT THAT IT HAS ONLY SEVEN KNESSET MEMBERS, A SITUATION THAT THE NATIONAL RELIGIOUS PARTY (NRP) WOULD NOT COUNTENANCE. THE NRP HAS FREQUENTLY COMPLAINED THAT THE DM IS OVERREPRESENTED IN THE CABINET. MOREOVER, THE AUTONOMY NEGOTIATIONS ARE OF CRUCIAL IMPORTANCE TO THE PEACE AND THE PARTIES WILL NOT RELINQUISH IT ANYWHERE IN THE NEAR FUTURE.

5. AS FOR BURG, HE WAS MOST RELUCTANT TO RELINQUISH THE INTERIOR MINISTRY, AN IMPORTANT SOURCE OF POWER AND PATRONAGE FOR THE NRP AS A WHOLE AND FOR BURG'S LAMIFNEH FACTION IN PARTICULAR. MOREOVER, BURG UNDOUBTEDLY REALIZES THAT HE IS CURRENTLY PERFORMING AN IMPORTANT SUBSTANTIVE ROLE WHICH NORMALLY WOULD BELONG TO THE FOREIGN MINISTER -- CONDUCT OF THE AUTONOMY NEGOTIATIONS.

6. THE FOREIGN MINISTRY AS AN INSTITUTION HAS NEVER PLAYED A DOMINANT ROLE IN THE FORMULATION OF ISRAELI FOREIGN POLICY. THE MINISTRY'S EXPERTISE HAS BEEN NOTABLY LACKING IN THE AUTONOMY NEGOTIATIONS. THE SIGNIFICANCE OF THE CABINET RESHUFFLE INSOFAR AS THE FOREIGN MINISTRY IS CONCERNED IS THE DEPARTURE OF DAYAN, A MAN WHO HAS ENJOYED GREAT INFLUENCE OVER BEGIN, AND CONSEQUENTLY OVER ISRAELI FOREIGN POLICY.

7. THE COOPTION OF HOROWITZ INTO THE CABINET IS A SIGNAL ABOUT THE FUTURE COURSE OF THE GOVERNMENT'S FOREIGN POLICY. HOROWITZ IS AN ADAMANT HAWK, WHO RESIGNED FROM THE GOVERNMENT IN PROTEST OVER THE CONCESSIONS ENTAILED IN THE CAMP DAVID ACCORDS. MERUT AND THE NRP HAVE PUSHED HARD FOR HOROWITZ. (THE LIBERALS WANTED HOROWITZ BECAUSE

HE IS EXPECTED TO PROVIDE FIRM LEADERSHIP IN ECONOMIC AFFAIRS, AND BECAUSE THERE WAS WIDESPREAD LIBERAL ANTAGONISM TOWARD EARLICH.) HOROWITZ WILL BE LIKELY TO STIFFEN THE CABINET'S NEGOTIATING POSITION ACROSS THE BOARD. HIS PRESENCE IN THE CABINET ALSO INSURES BEGIN THE SUPPORT OF THE THREE-MAN RAFI FACIION THAT HOROWITZ LEADS.

8. IF THE BEGIN GOVERNMENT SURVIVES ITS CURRENT CABINET CRISIS, THERE IS A FAIR CHANCE THAT BEGIN MIGHT NAME KNESSET MEMBER YEHUDA BEN-MEIR DEPUTY FOREIGN MINISTER WITH RESPONSIBILITY FOR THE DAY-TO-DAY MANAGEMENT OF THE MINISTRY. BEN-MEIR IS AN AGGRESSIVE, HAWKISH NRP FIGURE. HIS PRESENCE AT THE FOREIGN MINISTRY WUD STRENGTHEN FURTHER THE HOLD OF THE HAWKS OVER THE FOREIGN POLICY OF THE BEGIN GOVERNMENT.

9. (U) NEW ISRAELI POLL: A PUBLIC OPINION POLL PUBLISHED BY HAARETZ SHOWS THAT IF AN ELECTION WERE HELD NOW, LABOR WOULD RECEIVE 38.5 PERCENT OF THE VOTES; LIKUD 16.5; AND THE NEW ULTRA-RIGHT TEHIYA PARTY, 3. OTHER RESULTS ARE AS FOLLOWS:

(A) 84 PERCENT ARE GENERALLY DISSATISFIED WITH THE
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GOVERNMENT'S PERFORMANCE;

(B) ONLY 30.8 PERCENT ARE SATISFIED WITH BEGIN'S PERFORMANCE AS PRIME MINISTER; AND

(C) 50 PERCENT ARE PREPARED TO MAKE "TERRITORIAL CONCESSIONS" IN EXCHANGE FOR PEACE, ALTHOUGH 82 PERCENT OPPOSE "SHARING" JERUSALEM WITH ANY OTHER GOVERNMENT.

10. (U) NEW SETTLEMENTS: ACCORDING TO RADIO JERUSALEM, THE DIRECTOR OF THE JEWISH AGENCY'S SETTLEMENT DEPARTMENT ANNOUNCED OCTOBER 31 THAT ISRAEL WILL ESTABLISH THREE NEW SETTLEMENTS ON THE GOLAN HEIGHTS THIS YEAR.

11. (U) IRAQ-VIETNAM: REUTER REPORTS THAT VIETNAM WILL SEND IRAQ 75 COMBAT PILOTS IN RETURN FOR AN IRAQI LOAN OF 70 MILLION DOLLARS.

12. (S/NF) YAR PRIVATE ARMY: EMBASSY SANA REPORTS THAT RECENT ORGANIZATIONAL CHANGES IN YAR MILITARY AND PARA-MILITARY FORCES SUGGEST THAT PRESIDENT SALIH MAY BE FORMING A PRIVATE ARMY TO KEEP HIMSELF IN POWER. INDICATIONS ARE THAT SIGNIFICANT AMOUNTS OF US EQUIPMENT DELIVERED IN THE PAST SIX MONTHS HAVE BEEN USED TO ARM THIS FORCE. TO INSURE THE LOYALTY OF THE FORCE, SALIH HAS ASSIGNED MEMBERS OF HIS IMMEDIATE FAMILY TO KEY POSITIONS.

13. (C) EGYPT-SUBSIDIES: EMBASSY CAIRO REPORTS THAT IN AN OCTOBER 29 MEETING WITH UNDER SECRETARY COOPER AND A US BUSINESSMAN, EGYPTIAN MINISTER OF ECONOMY NAMED AL-SAYIH SAID THAT THE EGYPTIAN CABINET HAD AGREED ON THREE ALTERNATIVES PERTAINING TO THE SUBSIDY ISSUE WHICH WOULD BE PRESENTED TO SADAT:

(A) ABOLISHING THE SUBSIDIES OVER A THREE-YEAR PERIOD;

(B) KEEPING THE ALLOCATION TO SUBSIDIES UNCHANGED IN THE 1980 BUDGET (THUS, EFFECTIVELY DECREASING THEM); AND

(C) INCREASING THEM BY 10 PERCENT.

SURPRISINGLY, AL-SAYID DID NOT MENTION "RATIONALIZING" SUBSIDIES TO INSURE THAT THOSE MOST IN NEED, RATHER THAN ALL EGYPTIANS, QUALIFIED FOR THEM.

14. (U) PLO-WEST GERMANY: WEST GERMAN SECRET SERVICE CHIEF MANFRED SCHUELER STATED ON OCTOBER 30, ACCORDING TO REUTER, THAT THE WEST GERMAN GOVERNMENT "COULD NOT RULE OUT FURTHER COOPERATION WITH ISRAELI INTELLIGENCE." REUTER ALSO REPORTED THAT THE AMBASSADORS OF SYRIA, IRAQ, AND KUWAIT CALLED ON THE WEST GERMAN FOREIGN MINISTRY ON OCTOBER 30 TO DISCUSS THE INTERROGATION OF JAILED PALESTINIAN GUERRILLAS IN WEST GERMANY BY ISRAELI AGENTS AND PLO CHARGES THAT THE INTERROGATION WAS PART OF A PLOT TO ASSASSINATE A SENIOR PLO LEADER.

ACCORDING TO THE CLANDESTINE VOICE OF PALESTINE RADIO STATION, FATAH CENTRAL COMMITTEE MEMBER SALAH KHALAF (ABU IYAD) HELD A PRESS CONFERENCE ON OCTOBER 30 IN WHICH HE SAID THAT IN THEIR RESPONSE TO THE ACTIONS OF THE WEST GERMAN GOVERNMENT, THE PALESTINIANS "WILL NOT RESORT TO ILLEGAL METHODS." CHRISTOPHER

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 RA RUGMHR
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 ZNY SSSSS
 RUMNZXB T USS OUREPSOBEACH
 RHTMMSS T USS AYLWIN
 RHTMMSS T USS JULIUS A FURER
 RULYMTZ T USS NIMITZ
 RUCLFEA T USS ELMER MONTGOMERY
 RUMNNUL T AIRANTISUBRON THREE EIGHT
 RUWFAAA T HELANTISUBRON TWELVE
 RULYOWA T CG FOURTH MAB
 RULYALA T USS SARATOGA
 RUGZFF T AIRANTISUBRON TWO ONE
 RULYHOV T USS SAIPAN
 RUGOAA T USS BLUE RIDGE
 RUMNNUL T USS CONSTELLATION
 RUEELBA T USS JOHN F KENNEDY
 RUMDXAA T USS NEW ORLEANS
 RUMNHA T USS TARAWA
 RUMDXAA T USS ENGLAND
 RUHJHNA T USS TUSCALOOSA
 RULYIKE T USS DWIGHT D EISENHOWER
 RUGZFF T USS KITTY HAWK
 RULYEHA T COMCRUDESGRU TWELVE
 RULYXXG T CTG SIX TWO PT TWO
 RULYAHA T CTG SIX TWO PT ONE
 RUGOXA T CTG SEVEN SIX PT THREE
 RUMNROP T CTG SEVEN SIX PT FOUR
 RUGPBA T CTG SEVEN SEVEN PT THREE
 RUGPBA T CTG SEVEN SEVEN PT FIVE
 RUGPBA T CTF SEVEN SEVEN
 RUGPBA T CTG SEVEN SEVEN PT ONE
 RUGPBA T CTG SEVEN SEVEN PT SIX
 RUGOHA T CTG SEVEN NINE PT FOUR
 RUYNSDF T CTG SEVEN NINE PT FIVE
 RHMPMDD T CTU SEVEN NINE PT FOUR PT ONE
 RUWFAAA T HELANTISUBRON LIGHT THREE ONE
 RUWFAAA T HELSUPPHON ELEVEN
 RUWFAAA T HELANTISUBRON TWO
 RUMDXAA T USS ANCHORAGE
 RHCFMDD T USS AUSTIN
 RUMBWA T USS ENTERPRISE
 RUGIIV T USS MIDWAY
 RUEOHUA T USS MOUNT WHITNEY
 RUMNHKG T USS RAH ER
 RULYMKA T CTF SIX TWO
 RUMDFVA T COMPHIBGRUEASTPAC
 RULYUSA T USS AMERICA
 RULYOSA T COMCARGRU SIX
 RHHMBRA T USS JOSEPH STRATTS
 R 014537Z NOV 79
 FM DIA WASHINGTON DC//JSI-7//
~~D-DIA~~ INTEL
 AIG 7011
 AIG 7633

-1
S E C R E T NOFORN 2966
DIADIN 304-2A (AS OF: 1500 EST 31 OCT 79)
SUBJ: DIA DEFENSE INTELLIGENCE NOTICE (DIN) (U)
)
ISRAEL: NEW TANK. (U)
)

1. (S/NOFORN) ON 29 OCTOBER, THE ISRAEL DEFENSE FORCE (IDF) FORMALLY ACCEPTED THE MERKAVA TANK. THIS WAS THE CULMINATION OF AT LEAST 6 YEARS OF INTENSIVE R&D TO FIELD A MAIN BATTLE TANK TAILORED TO ISRAELI DOCTRINAL AND TACTICAL CONCEPTS. THE FIRST COMPANY OF 12 MERKAVA TANKS WAS ASSIGNED TO THE CRACK 7TH ARMORED BRIGADE, 36TH ARMORED DIVISION, ON THE GOLAN HEIGHTS.
2. (S/NOFORN) IN A CEREMONY CELEBRATING THIS EVENT, MAJ GEN

PAGE 2 RUEKJCS 1437 S E C R E T
ISRAEL TAL, DESIGNER AND DIRECTOR OF ISRAEL'S TANK PROGRAM, TOLD THE TROOPERS, "THE MERKAVA IS A VERY GOOD TANK."
3. (S/NOFORN) THAT TANK'S STRONG POINTS ARE: 1) A PROVEN MAIN GUN; 2) GOOD PROTECTION FOR THE CREW; 3) PALLETIZED AMMUNITION; 4) EASY ACCESS THROUGH REAR DOORS; 5) INFANTRY PERSONNEL CAN BE CARRIED; 6) SMOOTH RIDE; AND 7) FORWARD PLACEMENT OF THE ENGINE. THE TANK IS LIMITED BY THE FACT THAT IT IS UNDERPOWERED BY NORMAL TANK STANDARDS AND HAS A RELATIVELY HIGH SILHOUETTE. THE NEW TANKS ARE SCHEDULED TO BE PRODUCED AT A RATE OF UP TO 10 PER MONTH, WHICH WILL BUILD THE TEL AVIV ARMORED INVENTORY TO APPROXIMATELY 435 MERKAVAS OVER THE NEXT 4 TO 5 YEARS. THIS NEW MODEL WILL ENHANCE THE IDF ARMORED FORCE'S CAPABILITY BY THE MID-1980S, WHEN IT IS MORE WIDELY INTEGRATED INTO THE IDF INVENTORY.
)

ISRAEL'S TANK OF THE 1980S

MERKAVA ("CHARIOT")

)
)
CREW 4
WEIGHT 56 MT (UNLOADED)
SPEED 50 KM/HR

PAGE 3 RUEKJCS 1437 S E C R E T
CRUISING RANGE 500 KM (EST)
ENGINE 900-HP DIESEL
FIRE CONTROL LASER RANGE FINDER AND BALLISTIC COMPUTER
ARMAMENT 105-MM MAIN GUN (60-100 ROUNDS)
TWO X 7.62-MM MACHINEGUNS (1 COAXIAL, 1 TURRET)
ARMOR PROTECTION SPACED ARMOR, BOTH HULL AND TURRET
)
PREPARED BY: MAJ J. HOBBLE, USA, JSI-5
(REVW 31 OCT 85)
BT
#1437

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March 1979

Israel

Foreign Intelligence and Security Services



secret

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and Methods Involved
(WNINTEL)

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Subject to Criminal Sanctions

Dissemination Control Abbreviations	NOFORN (NF)	Not Releasable to Foreign Nationals
	NOCONTRACT (NC)	Not Releasable to Contractors or Contractor/Consultants
	PROPIN (PP)	Caution—Proprietary Information Involved
	NFIBONLY (NO)	NFIB Departments Only
	ORCON (OC)	Dissemination and Extraction of Information Controlled by Originator
	REL...	This Information Has Been Authorized for Release to...
	FGI	Foreign Government Information
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GLOSSARY

ABBREVIATION	FOREIGN	ENGLISH
Haganah	<i>Irgun HaHagana</i>	Defense Organization
Herut	<i>Tnu'at HaHerut</i>	Freedom Movement
Histadrut	<i>Histadrut Haklalet shel Ha'oodim Be'eretz Yisra'el</i>	General Federation of Labor in Israel
IDF	<i>Tzva Haganah LeYisra'el (Zahal)</i>	Israel Defense Forces
ILP	<i>Miflegat Ha'Avodah HaYisra'elit</i>	Israel Labor Party
Irgun	<i>Irgun Tsaw'it Le'Umi</i> <i>Machleket Hachaker</i> <i>Machleket Medintit</i>	National Military Organization Research Division Political Intelligence
MAKI	<i>Miflegat Komunistit Yisra'elit</i>	Israel Communist Party
MAPAI	<i>Miflegat Po'ale Eretz Yisra'el</i>	Israel Workers' Party
MAPAM	<i>Miflegat Po'olim Me'uhedet</i>	United Workers' Party
MI	<i>Agaf Modtin (Sherut Modtin)</i>	Military Intelligence
Mossad	<i>Mossad Letafkidim Meyuchadim</i>	Secret Intelligence Service (Literally Central Institute for Intelligence and Special Duties)
Palmach	<i>Plugot-Hahatz</i> <i>Rashut</i>	Spearhead Group Clandestine Collection and Production
RAFI	<i>Reshimat Po'ale Yisra'el</i>	Israel Workers' List
RAKAH	<i>Reshima Komunistit Hadasha</i>	New Communist List
Shay	<i>Sherut Yedioth</i>	Information Service
SIAH	<i>Smot Yisra'el Hadash</i>	New Israel Left
Shin Beth	<i>Sherut Bitachon Sladi</i> <i>Sherut Modtin Shel Mate Artzi</i> <i>Sherut Modtin ce Betachon Kohot Ha Yam</i>	Counterespionage and Internal Security Service Police Branch of Military Intelligence Naval Intelligence and Security Service
Va'adat	<i>Va'adat Rashet Hasherutim</i>	Committee of the Heads of Services

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Intelligence and Security

A. General

Israel's principal intelligence and security authority is the *Va'adat Rashed Hasherutim* (the Committee of the Heads of Services), generally known as Va'adat. It coordinates the operations and activities of its members. *Mossad Letafkidim Meyouchadim* (the Secret Intelligence Service) or Mossad, its common name, has the primary responsibility for foreign operations and is subordinate to the Prime Minister. *Sherut Bitachon Klali* (Counterespionage and Internal Security), popularly known as Shin Beth, is responsible for security and is directly subordinate to the Prime Minister. *Agaf Modiin* (Military Intelligence) has the main responsibility for strategic military intelligence and communications intelligence and is under the command of the Chief of Staff of the Israeli Defense Forces. The Ministry of Foreign Affairs provides support in research and political planning to the Israel intelligence community. The Ministry of Interior assists the National Police with police investigations and the maintenance of border security.

1. Background and development of services

In 1948, when the British Mandate ended, the Jewish population of Palestine established the State of Israel. Among the agencies of government to emerge was the intelligence and security unit known as the Information Service (*Sherut Yedi'oth*—popularly known as Shay). This organization, which was the intelligence arm of the Zionists' underground resistance force, the Haganah, during the years of the British Mandate, had begun to engage in operations on a worldwide scale with the founding of the Jewish Agency in 1929 at the Zionist Congress in Zurich, Switzerland. At that time, the Jewish Agency was composed of both Zionists and non-Zionists, including a strong American participation. The Jewish Agency, which was created to aid and support distressed Jews and to sustain the Palestine Jewish community, has been effectively under Zionist control over the years.

All information in this survey is classified Secret, Noform, Nocontract, Orcon.

It has also served as a cover for Shay, which extended its covert operations into Western Europe and the United States.

From 1923 to 1948, Shay's objectives were to promote the establishment of an independent State of Israel, infiltrate Mandatory installations in order to apprise Zionist leadership of British attitudes and proposed actions; collect political intelligence that could be used in Zionist propaganda; penetrate Arab and anti-Zionist factions in Palestine and peripheral nations; monitor and control all extremist groups—left and right—among Jewish communities in Palestine and abroad; provide security for the arms smuggling and illegal immigration programs of the Haganah; and finally collect information on Nazi Germany to guarantee the security of the Jewish underground and escape channels throughout Europe before, during and after World War II.

Shay consisted of the following components: Political Intelligence (*Machlakit Medinit*); Counterespionage and Internal Security (*Sherut Bitachon Klali*); Military Intelligence (*Sherut Modiin*); Police Branch of Military Intelligence (*Sherut Modiin Shel Mate Artzi*); and Naval Intelligence and Security (*Sherut Modiin ve Betachon Kohot Ha Yam*). These services worked independently on behalf of the different ministries to which they were individually responsible. This intelligence and security community was competitive and frequently acted on its own, a product of the general postwar chaos which required the accomplishment of many urgent tasks wherever and whenever they might arise. In some of the West European capitals all services were represented and competed for the same agents and sources.

By April 1951, the Prime Minister and cabinet, seriously alarmed by the atmosphere of mutual jealousy and mistrust prevalent among the services at the increasing cost of their uncoordinated efforts in the field, decided to reorganize completely the basic

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structure of Israel's intelligence and security community. The dynamic force behind the plan was the late Reuven Shiloah, who reorganized the services according to functions and responsibilities and established a mechanism to coordinate their activities. Shiloah was chairman of this authority, the Committee of the Heads of Services (*Va'adat Rashi Hasherutim*, called *Va'adat*). He integrated the Naval Intelligence and Security Service and the embryonic air intelligence unit into Military Intelligence (*Agaf Modiin*). The Political Intelligence Service was made independent of the Ministry of Foreign Affairs and reorganized as the Secret Intelligence Service (*Mossad Letafkidim Meyouchadim* or Mossad). The Ministry of Foreign Affairs retained Research Division (*Machleket Hackker*). Shin Beth remained intact except for internal changes. The Special Tasks Division in the Investigation Department of the police became a part of the new apparatus. Shiloah's reorganization of the intelligence and security structure produced an efficient and well-coordinated community.

The Israeli intelligence and security services retained this structure relatively unchanged throughout the Arab-Israel War in October-November 1956, the Six-Day War in June 1967 and the Yom Kippur War in October 1973. During the early and mid-1960s, however, the Israeli Government had considered changes in the structure and duties of the components of the intelligence and security community. Despite Shiloah's earlier reorganization, much of what happened in the Israeli services at this time depended on the personal relationships between Ben Gurion and the directors and chiefs. In early 1963, just before his retirement, Ben Gurion appointed a committee to review the situation. He was concerned that the intelligence and security establishment which, by virtue of his serving both as Prime Minister and Minister of Defense, usually functioned satisfactorily, might deteriorate when he left office. He also was reported to be dissatisfied with the lack of clarity in the community's chain of command and functions and ordered the committee to define the subordination and tasks of these bodies.

In July 1963 the committee submitted its report to a new Prime Minister, the late Levi Eshkol. The committee stated that, while the functions of Prime Minister and Minister of Defense did not necessarily have to be concentrated in the hands of one person,

the Prime Minister must know about all the activities of the national intelligence and security services and be given objective intelligence evaluations balanced and based on different viewpoints from more than one source. To accomplish these aims the committee recommended that the Ministry of Foreign Affairs Research Division be strengthened so that it would be capable of presenting independent political evaluations, both on Middle East issues and other political subjects. By upgrading the Research Division, the committee believed that a certain balance would be created for security and political evaluations, which were handled almost solely by the Military Intelligence Production Department. The committee also observed that the existence of Mossad, which controls secret foreign information gathering assets, facilitated to some extent the possible formulation of another independent evaluation unit. The committee also regarded as a matter of vital importance the appointment of a special adviser, subordinate only to the Prime Minister. He would be a person of high caliber who would aid the Prime Minister in keeping in touch with and monitoring the activities of the intelligence and security services. The committee's principal recommendations were not implemented at the time except for the establishment of the adviser position and the shift of responsibility for Shin Beth from the Minister of Defense to the Prime Minister. There was a brief interlude from September 1965 to July 1966 when Isser Harel, the former Chairman of the *Va'adat* and Director of Mossad, served as a special adviser to Prime Minister Eshkol on intelligence and security matters. Harel resigned as a result of internal policy disputes within the community and he was not replaced at the time.

Following the alleged "intelligence failure" in the Yom Kippur War, the Israeli Government established the Agranat Commission in November 1973 to investigate matters relating to the hostilities and the performance of the intelligence and security services. The commission in its *Partial Report* in April 1974 proposed reactivating and strengthening the post of special adviser to the Prime Minister on intelligence and security matters. The commission also recommended changes in the intelligence and security forces through the establishment of a research and evaluation unit in Mossad and the elevation of the Research Division in the Ministry of Foreign Affairs. The object

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of this modification was to avoid relying exclusively on Military Intelligence for major estimates and assessments. The commission also emphasized the need for better operational coordination in the field of collection between the services but it opposed the coordination of their finished intelligence judgments. A full or final commission report, if there ever was one, was never made public.

From 1974 to 1976 the recommendations of the *Partial Report* of the Agranat Commission were implemented. The Prime Minister appointed Reserve General Rehavam Zeevi as his intelligence adviser, a position that was purely advisory and carried no executive authority. Zeevi assumed this new job in addition to serving as the Prime Minister's adviser on counterterrorism. Zeevi was also to be the Prime Minister's liaison with the Director of Military Intelligence and was also to keep the Prime Minister alerted to differences of views among the intelligence and security services. In October 1976, however, Zeevi resigned from this post and was replaced by Brigadier (Ret.) Yehoshafat Harkabi, a former Director of Military Intelligence. The Research and Political Planning Center of the Ministry of Foreign Affairs came into operation in January 1975. Changes in the Military Intelligence structure were being carried out. A new research and evaluation unit for assessing information was established within Mossad. New appointees had taken over in most of the intelligence and security components. In June 1977 the Israeli Government established a Ministerial Committee on Security Affairs.

2. Objectives and structure

The principal targets of the Israeli intelligence and security services are: (1) the Arab states—their capabilities and intentions toward Israel, their relations with the USSR and other powers, their official installations and representatives throughout the world, their leaders, internal and inter-Arab politics, morale, military preparedness and other order of battle; (2) collection of information on secret US policy or decisions, if any, concerning Israel; (3) collection of scientific intelligence in the US and other developed countries; (4) determination of government policy toward Israel in the USSR and East European nations and the problem of Jewish emigration from these areas; (5) close monitoring of anti-Zionist activity

throughout the world; and (6) collection of political, and economic intelligence in other areas of interest to them, such as Africa. The Israeli services also make special efforts to counter Arab propaganda and to neutralize anti-Zionist activity. Within recent years the Israelis have devoted much operational activity to combating Arab terrorism, which has grown over the years from isolated cross-border raids by Palestinian Fedayeen to daring and deadly attacks, often international in scope, on Israeli personnel and property. The Israelis also have undertaken widescale covert political, economic and paramilitary action programs—particularly in Africa.

Authorization for foreign intelligence and internal security organizations, while not defined by specific charter, is in Israeli legislation. Paragraph 29 of the Basic Law states: "The Government is authorized to carry out on behalf of the State, in accordance with any law any act whose implementation is not lawfully entrusted to any other authority." This implies that the government is entrusted with the management of intelligence and state security affairs since no other authority is empowered to act in this sphere by any other law. Attempts have been made over the years by officials within the government and the community to have an act passed defining the status of foreign intelligence and security organizations and their operations, but nothing has come of these efforts.

Internal security, on the other hand, is more clearly defined in law. The Defense (Emergency) Regulations of 1945 (established during the British Mandate), the Military Law of 21 June 1955 and the Penal Revision (State Security) Law of 31 July 1957, the Israeli equivalent of the British Official Secrets Act, all are concerned with internal security. The Emergency Regulations of 1945 gave the military administration the power to arrest and deport troublesome elements and to designate certain locations as "closed areas," thus requiring local inhabitants to possess travel permits to transit such places. While the regulations originally applied to both Jews and Arabs in Palestine, they are now used largely to monitor the Arab community in Israel. Administration of the regulations was transferred from the military to the police in 1966. Internal security organs reportedly increased their agent activity to meet this responsibility.

Israeli laws require severe punishment ranging from the death penalty or life imprisonment for treason or

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assistance to the "enemy," to terms of incarceration from three to 15 years for espionage, contact with foreign agents, aiding and abetting a crime against state security and unauthorized disclosure of information by a public servant. There is no statute of limitations regarding the unauthorized disclosure of classified information.

The central body in Israel's intelligence and security community is the Va'adat, which has as its primary function the coordination of all intelligence and security activities at home and abroad. The Va'adat consists of the Director of Mossad, the Director of Military Intelligence, the Director of Shin Beth, the Inspector General of Police, the Director General of the Ministry for Foreign Affairs, the Director of the Research and Political Planning Center of the Ministry for Foreign Affairs, and the political, military, intelligence and antiterrorist advisers of the Prime Minister. The Head of the Special Tasks Division in the Investigations Department of the Police also occasionally attends the meetings with, or in place of, the Inspector General of Police. Meetings must be held biweekly but may be held more frequently. At these meetings each director usually provides a briefing on the key activities of his service during the preceding two weeks. The Director of Mossad chairs Va'adat and in this capacity is directly responsible to the Prime Minister. The members of Va'adat are quasi-equal in status and the term *memune* referring to the Director of Mossad as chairman is designed to denote a concept of preeminence among equals. In actuality, however, the Director of Military Intelligence now overshadows the Director of Mossad in power and importance. This development resulted from the continuing Israeli reliance on military preparedness for national survival.

Mossad is charged with the collection of foreign intelligence and the conduct of covert action programs outside Israel.

Shin Beth is responsible for counterintelligence and internal security. It functions as the governmental authority on personnel security matters. It is also responsible for the personal safety of the Prime Minister and other high ranking Israeli officials. Shin Beth is in charge of physical security for ports, airports and key military/industrial installations in Israel and for Israeli missions and El Al operations outside Israel.

Shin Beth does not have the power of arrest, this function being performed by the Special Tasks Division of the Investigations Department of the Police, which works in close collaboration with Shin Beth in Israel. Within the Administered Territories, which are controlled by the Israeli Defense Forces, Shin Beth applies to the military to undertake arrests and searches. A special component under the Inspector General of Police is the Border Guard, whose mission is that of guarding the cease-fire lines against Arab infiltration and of detecting and running down Fedayeen terrorists. In recent years Border Guard units have been used increasingly to control and suppress riots and demonstrations in the West Bank area.

Military Intelligence, in addition to its responsibility for strategic and tactical intelligence, prepares the national intelligence estimates and evaluates all information dealing with the Arabs. It also is responsible for developing and protecting communication codes and ciphers for all the services and the Ministry for Foreign Affairs and for communications intelligence.

The Research and Political Planning Center, which was formerly the Research Division of the Ministry for Foreign Affairs, analyzes raw intelligence from various sources for officials on the policymaking level.

Other Israeli Government organizations that provide support to the intelligence and security community are the Ministries of Finance (Customs and Excise, Investment and Securities) and Tourism, the national airline, El Al, and the national shipping line, Zim. Unofficial Zionist organizations based in Israel and Jewish communities throughout the world also give aid to Israel operations when needed.

There are between 1,500 and 2,000 personnel in Mossad, of whom about 500 are officers. Shin Beth has about 1,000 members of whom some 550 hold officer rank. In Military Intelligence there are about 7,000 personnel, of whom 450 are officers, the others being enlisted personnel and civilian clerks. The number of officials in the Research and Political Planning Center of the Ministry for Foreign Affairs ranges between 75 and 100. The police number about 12,000 and the Border Guards around 6,000.

Since the financing of the intelligence and security services is a closely held secret, it is very difficult to

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get accurate information on the total amounts expended for these purposes. The funds are concealed in the defense budget, and known to the Prime Minister, the Minister of Defense, one or two of their top assistants, the Minister of Finance, the State Comptroller and his Defense Services Inspectorate. The Comptroller deals directly with the directors of the services, who request funds at the beginning of the fiscal year in April. The estimates of expenses by the directors, who have established reputations for honesty and integrity, are usually acceptable as a starting point for budget negotiations. The Ministry of Finance, however, does require a 10-year projection of expended financial needs (an impossible task which is not taken seriously). The Comptroller holds a series of meetings with the various service directors and their staffs, reviewing their programs in detail. These sessions continue throughout May and result in a careful redefinition of the entire intelligence and security effort and its cost. By October, the determination of specific budget needs is completed, based on the program analysis completed in May. This is then submitted for higher approval and the planning and budgeting cycle is, upon budget approval, completed just in time to begin again.

Much of the administrative support for the services is handled by the Ministry for Defense. Various types of cover are provided for and funded by the Israeli Defense Forces (IDF). There is close professional cooperation between the civilian intelligence and security services and military intelligence. These services, like all government offices, are subject to inspection by the State Comptroller's office. An Assistant Director-General is in charge of inspecting the defense and security services, the Ministry for Foreign Affairs, and the police. The annual inspection covers bookkeeping, financial management and handling of administration. The Comptroller is required to see that the services are operating economically, efficiently and with irreproachable morality.

Israeli governmental offices and departments are continuously borrowing money, personnel, equipment and material from one another and salaries are paid by the office to which the individual is assigned. An intelligence officer or a Ministry for Foreign Affairs official stationed in New York and assigned to the Jewish Agency is paid salary and allowances by the

Agency but loses neither seniority nor retirement status while serving in that capacity.

3. Political aspects

a. RELATIONSHIP BETWEEN THE GOVERNMENT AND THE SERVICES—The intelligence and security community enjoys a strong position in the government, and their affairs are well integrated into more general operations. Members of the generation which worked for the establishment of the state were companions of longstanding and joint veterans of such enterprises as illegal immigration and arms-running. Many of the current leaders came up through the ranks of the military in a series of wars with the Arabs and entered politics through affiliation with one of the major political parties. All of them had some experience in clandestine matters and have been personally convinced by stern lessons of the value of good intelligence and security.

The intelligence and security services receive excellent support from the Ministry for Foreign Affairs. Many senior diplomats are former intelligence officers and therefore conversant with intelligence problems and operations. With their experienced observations and manifold talents, they serve as valuable auxiliaries to their covert colleagues, whose diplomatic cover is diligently sustained by the Ministry for Foreign Affairs. Furthermore, almost every Israeli diplomat abroad has good foreign language and area knowledge or some specialization which enables him to pursue a much broader social life, with its resultant contacts, than is the case in most foreign services. In many instances, embassy officers, including chiefs of diplomatic missions, were former citizens of the countries to which they are accredited. Information developed by Israeli diplomats is made available to the intelligence and security community for immediate use of operational intelligence or inclusion in archives. As a final boon to covert intelligence personnel, the vigor and variety of a normal Israeli diplomat's life outside his installation usually renders detection of intelligence officers by the host country extremely difficult. The same kind of effective support regarding operations is given by the Ministry of Defense and the Jewish Agency.

The Israeli intelligence and security services play an important role throughout the government and private

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sector. Many leaders in both the civil service and industry have at some time in their careers been directly or indirectly involved with the intelligence community. Service assignments are not regarded as the end of a career, as persons with intelligence and security backgrounds frequently are selected for other jobs in the government. Thus the services are supplemented by persons who know and continue to relate their missions to intelligence and security responsibilities, in senior posts in both the public and private sectors. Officially, the services are nonpolitical and members of the community are not encouraged to enroll in any party or engage in political activity. The Defense and Foreign Affairs Committee of Knesset is normally the government's point of discussion for the review and resolution of sensitive policies and activities. The Director of Mossad and the Director of Shin Beth are often present at sessions which are of concern to them.

b. **RELATIONSHIP BETWEEN THE SERVICES AND THE POPULACE**—The current state of relations between the services and the populace is good as a result of the present position of the services as protectors of the Israeli state and people in the forefront of the struggle against Arab terrorists and military forces. Most Israelis are acutely aware of this situation and therefore support the services and their operations. The historical development of Israel and the long continuing struggle against the Arabs have contributed to this harmonious atmosphere.

At times in the past as a result of political rivalries and disagreements on the kind of order that was to prevail in Israel, there have been occasional verbal and journalistic attacks against the services as instruments of a police state. In several instances, service representatives had to appear in closed court sessions to defend the intelligence and security community against accusations of kidnapping, brutality and illegality. Although debates in the Knesset occasionally have reflected probably illegal practices or procedures by the services, the intelligence and security community is completely loyal and if the government requested the execution of a certain task, legal and illegal, it would be accomplished.

Confidence in the intelligence and security community also received a boost after the Six-Day War in

1967. The part played by Military Intelligence, Shin Beth and the police in contributing to the victory and controlling the newly-occupied Arab areas taken by Israel was followed by a plethora of praise in all Israeli media. The so-called "intelligence failure" in the Yom Kippur War in 1973, however, weakened popular trust in the services. The subsequent work of the Agranat Commission, undertaken to evaluate the community and its shortcomings and to improve cooperation among its members, contributed to a partial renewal of public confidence. The continuing battle by the services against terrorism has also kept Israelis loyal to the community. The Entebbe raid in July 1976, which resulted in the rescue of hijacked Israeli hostages, was one action in recent years which fired the public imagination and served as an example of a well-coordinated and well-executed Israeli operation. This raid and its success buoyed up the moral of the Israelis as nothing else has in recent years and certainly showed the intelligence and security community in a good light.

4. Professional standards

a. **INTEGRITY**—The directors and senior staff members of the intelligence and security community conform to the highest professional standards of integrity and honesty and impose these standards on the lower echelons. There is relatively little difference between the basic salary of a new employee and the staff member who enjoys a top position. The insignificant disparity has resulted in the granting of compensatory amenities and privileges such as expense accounts, purchasing of foreign goods that enter the country through devious tax-free channels, and "protektzia," a magic word in Israel, which means that one can get items, housing or privileges at low cost through influential governmental connections. This is common practice throughout the government establishment, however. Because the intelligence and security services, especially Shin Beth, maintain a very tight cover within their own community, information on personnel, budgets and accounts is closely held by a few top people in the government and not subjected to widespread bureaucratic perusal and control. The higher echelons scrutinize the expenditure of funds by the lower ranks, and if financial dishonesty is discovered, the guilty individual receives very severe treatment.

b. **EFFICIENCY**—Israel's intelligence and security services are among the best in the world. Their expert personnel and sophisticated techniques have made them highly effective, and they have demonstrated outstanding ability to organize, screen and evaluate information obtained from recruited agents, Jewish communities, and other sources throughout the world. Israel's intelligence capabilities give it a significant advantage over the Arab states—an advantage which was an important factor in the 1967 war.

Those members of the intelligence and security community who were identified with the Information Service and other components of the Haganah, before and during World War II, developed a high standard of efficiency and level of competence. The organizations succeeded in recruiting a core of capable and highly-educated individuals from Europe and the Middle East whose equal has been difficult to find, let alone attract, since the founding of the state. The corps of the "old guard," for example, is fluent in four or five languages, an accomplishment which alone raises their general average of efficiency. The younger generation has been given intensive training, including study abroad, to assist them in gaining these qualifications. It is not uncommon for students to engage in clandestine operations while pursuing their course of studies.

Israeli signal intelligence successes against the Arabs in the past were of such high order that the Israelis had less need than at present for good agent operations against the enemy. Part of this success was due to poor Arab communications security. The Israelis now face some problems since Arab communications security is gradually improving. The Yom Kippur War intelligence failure is an example of inadequacies in their communications intelligence capability at that time. In recent years, as well, there also have been indications that Israeli intelligence on the Arabs, other than communications intelligence, has been somewhat inadequate in quality and their agent operations lacking in success.

One of the principal weaknesses of Israel's intelligence and security system appears to be that the production of most finished intelligence and the preparation of national estimates is done by Military Intelligence rather than by an independent service. Inherent in such an organizational arrangement is the

danger that the armed services will not be objective in observing and reporting foreign developments and in making national intelligence estimates—a major problem in the Yom Kippur War—and their vested interest in military operations will influence intelligence assessments. The Agranat Commission has recognized this problem and recommended changes.

c. **SECURITY**—The physical security of the civilian and military intelligence and security headquarters in Tel Aviv is reported to be excellent. Two services—Mossad and Military Intelligence—were formerly located within a general army compound in the heart of the city. The buildings were protected by high wire fences and military guards. Military Intelligence remains in this location but Mossad now occupies a wing of a multistory commercial office building across the street from the compound. Shin Beth, which was formerly located in a rundown building in Jaffa, occupied new quarters just north of Tel Aviv in June 1970. This new building, which was designed for their use, is fenced in and contains a technical laboratory as well as regular offices. Guards control the entrance and badges bearing a photograph of the employee are worn within the compound.

There is an elaborate protected government "guest house" for the training and accommodation of visiting foreign intelligence officers, foreign dignitaries and sensitive agents.

There are a little over 1,000 persons working as staff officers for Mossad and Shin Beth, all of whom have been given a long, thorough security check. If there is the slightest doubt raised against an individual, the application is rejected. Personnel with leftist backgrounds generally are not trusted by leading members of the intelligence and security services. This attitude did not always apply to former members of European Communist parties, some of whom were eminently qualified for clandestine service, especially if they had renounced their Communist ideology and affiliated with the Israeli Labor Party. This exemption, however, has not applied since the exposure of several high-level espionage cases in governmental and political circles in the late 1950s and early 1960s. The cases of Aharon Cohen, a MAPAM party expert on the Middle East, and Israel Beer (Figure 1), a Defense Ministry contract employee and IDF Reserve lieutenant colonel, who spied for the USSR, and Dr. Kurt

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Figure 1. Soviet Agent Israel Beer

Sitte, a Gentile professor of physics at Haifa Technion, who worked for the Czech Service, caused Shin Beth to reconsider its own security procedures while stimulating considerable doubt about the reliability of recanted Marxists. The services have devised internal security systems to expose ideological weaklings by more thorough periodic security checks. The Israelis believe such individuals constitute a possible long-term security threat. Israeli citizens are subjected to stringent registration requirements and must carry identification papers. Within the intelligence and security community great pains are taken not to reveal the identities of personnel even to the average Israeli employed in the government at large. Compartmentation is strictly maintained between services with only designated individuals, usually members of the "hard-core," crossing lines. Intelligence and security personnel widely use and frequently change pseudonyms. The national practice of Hebraicizing European or Yiddish birth names also makes the identification of some Israelis difficult. Visiting foreign officials and agents never use the same car twice when meeting

clandestinely with Israeli officers within the country. Certain unlisted official and personal telephone numbers are known only to relatively few people. This type of professional demeanor at home provides excellent daily training for intelligence and security personnel before receiving foreign assignments.

Classified information may not be discussed over the telephone. Despite their relatively high standards of security, however, Israeli officials reportedly are occasionally careless in observing this restriction. They also have "an old boy network" much like the British. Israelis in the "network" are willing to discuss classified subjects whether or not there is a need to know. The Israelis also have problems dealing with overseas Jewry whose support they need but whose security is questionable because of the possibility of divided loyalty.

Installations and storage containers must conform to rigorous security standards. Classification terms Top Secret, Secret, Confidential and Restricted (comparable to For Official Use Only) are used. Top Secret and Secret documents are transmitted by courier only in double envelopes and two receipts are required—one for the package and one for the contents. These documents are logged in and out by date, document number, title or subject, and the office accepting responsibility for them. At least three periodic inventories are held each year. A registry produces a computer printout four times a year listing all Top Secret material for which each unit is responsible. Electrical communication is handled entirely by teleprinter and other communication security devices. A record is made of documents to be destroyed and security officers must witness the destruction of all Top Secret and Secret material.

All personnel requiring a clearance must complete a personal history statement and undergo a routine investigation. For higher clearances the investigations could include the applicant's entire family and a full field investigation. New immigrants from the USSR and East European countries are normally denied access to classified information for a minimum of four or five years. This ruling is not always possible to enforce because of "protektsia." Within the IDF security risks are reported to Shin Beth and are closely supervised by the unit security officer, who is required to make periodic reports on the individual's activities. To stimulate and evaluate the security consciousness of

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the IDF cadre. Field Security personnel circulate among the troops and attempt to elicit military information.

d. **MORALE AND DISCIPLINARY METHODS**—Mossad and Shin Beth are components of the Israeli civil service structure and applicants must pass a civil service examination. Those in their twenties with a university degree are preferred, although other individuals who have especially desirable qualifications are accepted. The intelligence and security services, in direct competition with the Ministry for Foreign Affairs and the rapidly expanding business community, are at a disadvantage. Most young Israelis do not like the anonymity of the secret service and prefer the more remunerative pay scales of the business world.

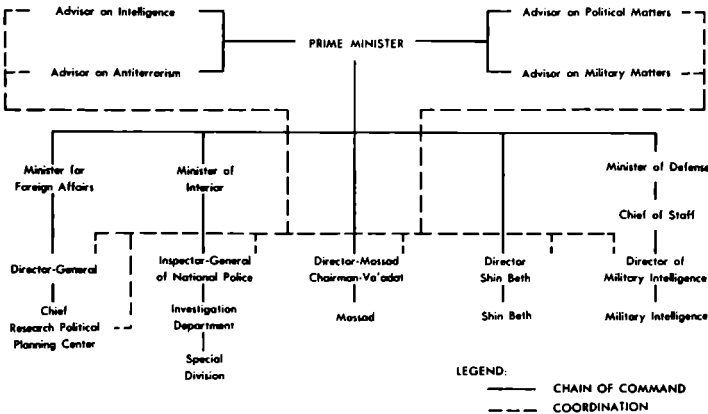
Intelligence and security personnel who do not or cannot subscribe to the circumscribed life limited by security restrictions and operational considerations are either dropped or, if their actions should jeopardize the service or the state, are severely punished. To boost the morale of staff intelligence officers, the services in the early 1960s sought and secured from the Knesset a

30 percent annual bonus for their personnel to compensate for the risks and the anonymity involved (Figure 2).

B. Mossad—Secret Intelligence Service

1. Functions

Mossad is responsible for foreign intelligence collection, political action and counterterrorism. In carrying out its mission to collect positive intelligence, the principal function of Mossad is to conduct agent operations against the Arab nations and their official representatives and installations throughout the world, particularly in Western Europe and the United States, where the national interests of the Arabs in the Near East conflict with Israeli interest. Mossad collects information on the disposition, morale, armaments, equipment and state of leadership of every Arab Army that could be called into action in the case of another round of fighting; and all the information that illuminates Arab internal politics and relationships among the principal Arab leaders and the diplomatic activity of all countries in the Arab world. Mossad



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Figure 2. Organization of Israeli Intelligence and Security Services, 1977

monitors Arab commercial activity, particularly in the field of arms purchases in the West, and attempts to counteract Arab recruiting of military, economic and political experts. In this case the principal desire is to recruit these persons as intelligence agents, or failing that, either to dissuade them from aiding the Arabs or to discover their precise functions. Mossad also is charged with inciting disturbances calculated to create mutual distrust among the Arabs and to draw Western sympathy away from the Arab cause, and monitoring and counteracting Arab propaganda and detecting and countering Arab terrorism. In the area of counterterrorism, at times the Israelis have carried the fight to Arab terrorists by taking executive action against them, especially in parts of the Near East and Western Europe. In particular, the fact that Lebanon has a mixed Christian, Druze and Moslem population has made that country attractive for intelligence projects. The Israelis have covert assets and run operations in their northern neighbor. In the past they have mounted paramilitary and executive action operations against Palestinian terrorist leaders, personnel and installations in Lebanon. They have also provided support to Christian rightists in the Lebanese civil war.

In addition to running operations against the Arabs, Mossad collects political, economic and scientific intelligence in both the Eastern and Western worlds for the protection of the State of Israel, Zionism and Jews generally. Their collection efforts are especially concentrated in the Soviet Union and the United States, as well as at the United Nations, where policy decisions could have repercussions on Israel and Zionist goals.

Intelligence objectives in the USSR and East Europe consist of determining governmental policy toward Israel and the problem of Jewish emigration; recruiting persons strategically located in Soviet and East European bureaucracies who, motivated either by conviction or corruption, are willing to assist Zionist action in those countries; and ascertaining the degree and quality of assistance made available to Near Eastern groups, whether in Israel or the Arab nations, by Soviet and East European Governments.

Objectives in Western countries are equally important to the Israeli intelligence service. Mossad collects intelligence regarding Western, Vatican, and UN policies toward the Near East; promotes arms deals for

the benefit of the IDF; and acquires data for use in silencing anti-Israel factions in the West.

2. Organization

Mossad has eight departments: (1) Operational Planning and Coordination; (2) Collection; (3) Political Action and Liaison; (4) Manpower, Finance, Logistics and Security; (5) Training; (6) Research; (7) Technical Operations; and (8) Technology (Figure 3).

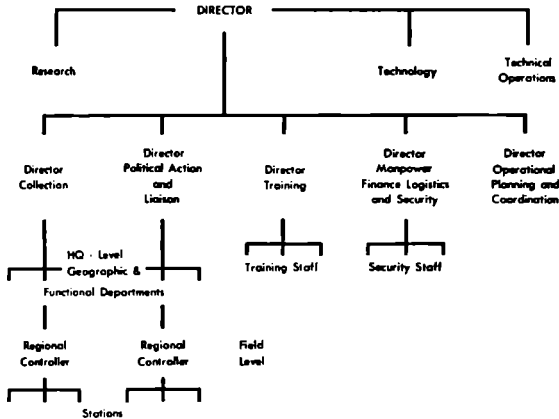
The Operational Planning and Coordination Department is concerned with the management of Mossad resources and responsible for interdirectorate operational and administrative coordination within the organization and interservice liaison within the Israeli intelligence and security community. This department also deals with requirements and the development of overall collection plans.

The Collection Department is responsible for foreign covert operations and the processing and production of reporting from clandestine sources. This component is the largest unit in Mossad. The department has offices abroad under Israeli diplomatic and nonofficial cover and is active mainly in Europe, where it concentrates on Arab targets through third-country operations.

The Political Action and Liaison Directorate is in charge of political action and relations with friendly foreign services. This component also maintains contact with those nations and political groups with whom Israel does not have normal diplomatic relations (that is, African countries, Lebanon and/or Lebanese Christian rightist factions and Indonesia).

There is also a Psychological Warfare or Special Operations Division, probably in the Political Action and Liaison Directorate, which runs highly sensitive covert action operations against Arab terrorists and ex-Nazis, and sabotage, paramilitary and psychological warfare projects, such as character assassination and black propaganda.

In the absence of the Director of Mossad, the Director of the Operational Planning and Coordination Department now becomes acting Director, whereas in past years the Director of the Collection Department acted for the Director of Mossad. With the drive for greater and improved coordination within the intelligence and security community, the



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Figure 3. Organization of Mossad, 1977

Director of the Operational Planning and Coordination Department has apparently taken precedence over the Director of the Collection Department.

In headquarters, the department directors direct the various area, functional, administrative, and financial controllers. The area departments under the control of the Collection and Special Political Action and Liaison Departments are: (1) Central America, (2) South America, (3) Eastern Europe including the USSR, (4) Africa, (5) Asia and Oceania, (6) the Mediterranean and Near East areas, (7) Europe, and (8) North America. Under each controller there are branches or desks which are responsible for one or more countries.

Positive intelligence and counterintelligence reports are sent back to Mossad headquarters in Tel Aviv, evaluated by the Research Department, and disseminated to various government offices. Intelligence

reports on the Arabs are forwarded by Mossad to the Research Department of the DMI while counterespionage reports are sent through Mossad to Shin Beth, where they are given special processing by counterintelligence investigative departments.

Mossad controls Israeli foreign intelligence activities except for operations launched from Israel against military objectives in peripheral areas of surrounding Arab countries, which are under the jurisdiction of DMI. Mossad operations abroad fall into two principal categories: those in the Near East, as a first line of defense, and those elsewhere. The Israelis have designated Egypt as the main target area for establishing intelligence networks. In 1970 the Israelis estimated that about 50 percent of their operational effort was directed against Egypt. The next priority is Syria. Much of this activity against the Arabs in the Near East is based on deep cover operations by Israeli

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illegals or the recruitment of Arabs in third countries followed by their dispatch or normal rotation back home to an Arab area. Two good examples of Israeli deep cover illegal operations are the Cohen and Lotz cases.

Eliahu Ben Shaul Cohen was an Egyptian-born Jew who was involved in Israeli sabotage operations against American and British installations in Egypt in 1952. Cohen succeeded in escaping detection, when most members of the ring were arrested by the Egyptians, and went to Israel. Eventually, Mossad recruited Cohen for an illegal operation designed to develop intelligence networks and acquire political and military information in Syria. He received intensive training, adopted the identity of the late Kamil Amin Thabet, a Syrian-born merchant, and emigrated to Argentina, where he became an active member of the Arab emigre community. Cohen eventually went to Syria, where he was assisted by two Arabs who had previously been recruited by the Israelis. From 1961 until 1965 Cohen was active as an illegal in Damascus, where he succeeded in making numerous contacts with political and military personalities in the Syrian establishment. He made occasional trips to Europe and Israel for extensive debriefings. Eventually, in January 1965, the Syrians did detect and locate Cohen while he was in the act of transmitting information to Tel Aviv. One cause of his downfall was that he was using hand morse radio equipment and had been on the air for an hour when he was caught (Figure 4). A Syrian court tried Cohen and found him guilty of espionage. He was publicly hanged in Damascus in May 1965.

Johann Wolfgang Lotz (also known as Zeev Gur Arie), was an officer in Military Intelligence. In 1959 during a Va'adat meeting, Mossad announced its need for a man to be a new illegal resident agent in Cairo under cover as a former Nazi officer. Lotz accepted the assignment, which was directed primarily against special weapons activity by German scientists in Egypt. He received intensive training in Israel, including equestrian instruction, and in early 1960 he went to Germany and surfaced as an East German refugee and former African Corps officer. Although Lotz had a wife in Israel, he eventually married a German woman to develop his legend. In 1961 he went to Cairo, where he opened a riding academy. Through his activities Lotz made a variety of contacts in the German community in the Egyptian capital and

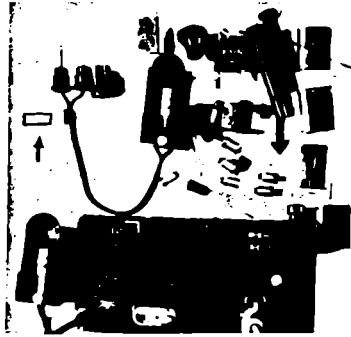


Figure 4. Eliahu Ben Shaul Cohen's transmitter on display in Damascus, 1965

in time made the acquaintance of a number of prominent and well-placed Egyptians. He made a number of trips from Egypt to Western Europe for debriefings. Finally, in 1964 Lotz began to mail threatening letters to selected German experts in Egypt. In February 1965, he was arrested by the Egyptians, who tried and imprisoned him. Eventually he was released and returned to Israel in 1968. The Israelis have stated that the operation cost them about \$250,000. They have also admitted that errors by Lotz in handling his communications and his use in executive action operations may have led to his downfall. During his captivity Lotz was also forced to reveal the whole operation (Figure 5).

Mossad stations outside of the Arab areas in the Near East are generally under diplomatic cover within the embassies and consulates of Israel. There are stations in the United States, most of the European capitals, Turkey, Iran and strategic centers in Latin America, Africa and the Far East. Operations range from formal liaison exchanges with host services through unilateral projects to special executive actions directed against Arab terrorists. There are also smaller stations, which run mostly unilateral operations and handle local liaison on such matters as Arab terrorists.

The Collection Directorate and the Political Action and Liaison Directorate are separate components of



Figure 5. Johann Wolfgang Lotz illustrates the use of a transmitter during his trial in Cairo, July-August 1965

Mossad and are carefully compartmented at headquarters. Collection and Political Action and Liaison maintain separate permanent staffs outside Israel in larger stations. There are thus either two Mossad stations or two compartmented components in each station in some countries—one for unilateral clandestine collection and one for liaison. For example, at present in Paris the Israelis have an Embassy, Consulate-General and Ministry of Defense Mission. Under embassy cover, Mossad has a Collection Directorate regional controller and a Political Action and Liaison Directorate regional controller in the French capital, which has more or less over the years remained the fulcrum of Israeli intelligence activity on the continent of Europe.

In Switzerland the Israelis have an Embassy in Bern and a Consulate-General in Zurich which provide cover for Collection Department officers involved in unilateral operations. These Israeli diplomatic installations also maintain close relations with the Swiss on a

local level in regard to overt functions such as physical security for Israeli official and commercial installations in the country and the protection of staff members and visiting Israelis. There is also close collaboration between the Israelis and Swiss on scientific and technical matters pertaining to intelligence and security operations. Swiss officials have made frequent trips to Israel. There is a continual flow of Israelis to and through Switzerland. These visits, however, are usually arranged through the Political Action and Liaison regional controller at the Embassy in Paris directly with the Swiss and not through the officials in the Israeli Embassy in Bern, although the latter are kept informed.

In Spain, on the other hand, there is no known official or semi-official Israeli installation. There have been contacts, however, between Political Action and Liaison Directorate officials of Mossad and the Spanish service for some time. The original meeting apparently occurred in Paris in the late 1960s, since then there have been contacts in Madrid and Paris. There is a possibility that Mossad may also have a clandestine Collection Department station in Spain. In January 1973, Baruch Asher Cohen, a Mossad officer, was assassinated in Madrid by Arabs.

Special operations are mounted on an ad hoc basis. Headquarters directs the effort from Israel and employs Mossad officers and agents on special temporary duty. In July 1973, an Israeli assassination squad of 16 was involved in the murder of a Moroccan Arab in Lillehammer, Norway. Norwegian authorities captured, tried and imprisoned six of the group, the rest escaped. It became clear in the course of the trial that the squad, which was composed of Israelis, who were Mossad officers, and European Jews, who were recruited for the mission, did much of its preparatory work in Paris and entered Norway on a specific assignment—the elimination of Arab terrorists. After the murder, two of the squad sought refuge with an Israeli Embassy security officer. The Norwegians declared the officer persona non grata, although he apparently was not privy to the operation.

3. Administrative practices

The Israeli Prime Minister appoints the Director of Mossad. The Prime Minister does not need the approval of the cabinet or the Knesset for this appointment.

Chiefs of station and their staffs are Mossad career officers but they function abroad on behalf of all the intelligence and security services. If a member of Shin Beth or the IDF is considered the most qualified individual in the community to do a particular foreign job, he still belongs to his parent organization, but he is assigned to, and subject to the control of, Mossad as long as he remains outside the borders of Israel. This rule does not apply, however, to military attaches (army, air, navy) who remain subordinate to the Director of Military Intelligence.

Mossad does not have a logical career progression program. The organization promotes case officers who have been successful in the field to top managerial jobs. The results of this arrangement are mixed as some of the successful operators are often not necessarily the best managers or administrators.

a. **TRAINING**—The Mossad training cycle encompasses a Basic Operations course for recruits and lower ranking personnel, and Operations course and a Field Operations course. All new officer candidates are required to take the four-month Basic Operations course before actually entering on duty. The entire training cycle takes almost two years and is generally given to classes of 12. Most of the training takes place in the Tel Aviv area. The instructors in these Mossad courses are teachers on permanent assignment, intelligence officers on temporary tours of duty, and headquarters personnel, including the Director of Mossad and department directors, who give occasional lectures on their specialties.

The three services run a joint advanced school in Jerusalem that offers specialized courses of two to three months' duration on world political affairs, Israel's political and economic objectives, new technical operational aids, and the latest information on foreign intelligence services. All officers who are midway in their careers are required to attend this advanced school upon their return from a foreign assignment. As many as 40 to 50 students are reported to have been enrolled in a single running of this course. The faculty is composed of representatives of the three services and is directly subordinate to the Director of Mossad. The Prime Minister or some other high official has addressed graduating classes.

Some younger Mossad officers, who may be weak in certain fields of higher education or languages, are

sent to universities abroad, where their pursuit of an advanced degree simultaneously serves as cover for their extracurricular operational activities. One of the established goals of the intelligence and security services is that each officer be fluent in Arabic. A nine-month, intensive Arabic language course is given annually in the Tel Aviv area to students from each service. The Ministry of Foreign Affairs also sends two or three officials to each course. Mossad officers who are going into Arab operations take the same Arabic language training as Shin Beth officers. As further training, these Mossad officers work in the Administered Territories for two years to sharpen their language skills before being posted abroad. During this period they usually serve in the Sinai and often run Bedouin agents into Egypt in conjunction with Military Intelligence.

All Mossad officers are trained in the use of small arms and required to fire them at regular intervals.

b. **FUNDS AND SALARIES**—The Director of Mossad is a civil service Class 1 officer. He receives generous expense and entertainment allowances. There are reported to be several Class 2 and Class 3 officers in Mossad as well. The monthly take home pay of a ranking Mossad officer, after taxes but including bonuses and cost-of-living and family allowances, is about IL4,000 per month (US\$460). They also receive expense and entertainment allowances and are provided with a car and gasoline allowance as well. Higher academic degrees place intelligence officers in a higher pay bracket, thus a directorate director with an advanced degree makes the same as the Director. A middle-ranking officer with allowances for a large number of dependents would receive more than his seniors. In general, higher-grade civil service salaries are roughly comparable to those of higher-ranking military officers. The rather insignificant differential between grades is compensated by fairly impressive perquisites, especially in the senior ranks. Officers abroad are given generous cost-of-living allowances that conform to the allotments of the regular Foreign Affairs officers. For cover purposes these are paid by the Foreign Affairs Ministry. If, however, an intelligence officer needs a larger apartment or house for representation, operational purposes, or family requirements, his service quietly pays the difference.

Officers and their families usually travel tourist class on Israeli carriers whenever possible but the absence of

a firm rule permits them to travel on any air or steamship line at their discretion. Clerical employees travel tourist class.

Each station abroad is granted funds for operational and entertainment expenses. Responsible individuals do not entertain any more than is necessary but when they do, it is done lavishly. Efforts to extend hospitality unstintingly are made at headquarters in Israel when favored agents or ranking foreign intelligence officers are guests.

4. Methods of operation

Mossad over the years has enjoyed some rapport with highly-placed persons and government offices in every country of importance to Israel. Within Jewish communities in almost every country of the world, there are Zionists and other sympathizers, who render strong support to the Israeli intelligence effort. Such contacts are carefully nurtured and serve as channels for information, deception material, propaganda and other purposes. Mossad directs clandestine operations throughout Europe, including the USSR and East European countries; North and South America; the Near East; Africa; and the Far East, including South East Asia. Mossad activities are generally conducted through Israeli official and semiofficial establishments, deep cover enterprises in the form of firms and organizations, some especially created for, or adaptable to, a specific objective; and penetrations effected within non-Zionist national and international Jewish organizations.

The function of intelligence officers under cover of diplomatic establishments is to arrange information exchanges with officials of local services, manage communications, serve as accommodation addresses and funding channels, and direct agents toward targets of interest. Official organizations used for cover are: Israeli Purchasing Missions and Israeli Government Tourist, El Al and Zim offices Israeli construction firms, industrial groups and international trade organizations also provide nonofficial cover. Individuals working under deep or illegal cover are normally charged with penetrating objectives that require a long-range, more subtle approach, or with activities in which the Israeli Government can never admit complicity.

Many Israelis have come from Arab countries where they were born and educated and appear more Arab

than Israeli in speech, demeanor, and attitude. By forging passports and identity documents of Arab and western countries and providing sound background legends and cover, Mossad has successfully sent into Egypt and other Arab countries Israelis disguised and documented as Arabs or citizens of European countries.

There are numerous persons in Israel who have a thorough area and language knowledge of any area of interest to the intelligence services. These area experts can render extremely valuable assistance in analyzing intelligence information and formulating country requirements, thus contributing to the total operational potential since they enable Israeli intelligence officers to estimate rapidly the efficiency and reliability of their agents and informants. These persons are also useful for their ability to pass completely for a citizen of the nation in question. The Israeli talent for counterfeiting or forging passports and documents ably supports the agent's authenticity.

The Israeli intelligence service depends heavily on the various Jewish communities and organizations abroad for recruiting agents and eliciting general information. The aggressively ideological nature of Zionism, which emphasizes that all Jews belong to Israel and must return to Israel, had had its drawbacks in enlisting support for intelligence operations, however, since there is considerable opposition to Zionism among Jews throughout the world. Aware of this fact, Israeli intelligence representatives usually operate discreetly within Jewish communities and are under instructions to handle their missions with utmost tact to avoid embarrassment to Israel. They also attempt to penetrate anti-Zionist elements in order to neutralize the opposition. Despite such precautions, the Israelis frequently experience setbacks and there have been several cases where attempted recruitments of Americans of the Jewish faith have been rejected and reported to US authorities.

Israel's program for accelerating its technological, scientific and military development as rapidly as possible has been enhanced by exploiting scientific exchange programs. Mossad plays a key role in this endeavor. In addition to the large-scale acquisition of published scientific papers and technical journals from all over the world through overt channels, the Israelis devote a considerable portion of their covert operations to obtaining scientific and technical intelligence.

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This had included attempts to penetrate certain classified defense projects in the United States and other Western nations.

The United Nations is a major target for Mossad penetration because it is a major sponsor of international exchanges in all fields and because of its importance in settling disputes between Israel and the Arab states. Israeli agents operate at the UN under diplomatic and journalistic cover.

Mossad recruitment, training and control of agents varies widely, depending upon the target, area of operation and the desk in headquarters. While there is a certain amount of standardization in the handling of operations, Israeli intelligence officers appear to have considerable freedom in running operations. There is no hard rule requiring specific headquarters' approval prior to the recruitment of an agent except in the case of Communist countries. Name traces are requested of headquarters' voluminous files but this is not a consistent routine. Contemplated operations against the USSR and the East European countries, however, are approached very cautiously, and entail a great deal of headquarters planning and control and a special branch composed of area experts is responsible for authorizing and directing this activity. Mossad is especially interested in early warning regarding such developments as the dispatch of Soviet military units from the USSR to the Near East. There also exists within, or affiliated with, Mossad a small unit whose sole objective is to remind the Soviets through propaganda and contacts about the Jewish question at any point throughout the world. All sorts of people, even Cyrus Eaton, have been stimulated to raise the subject. Israeli efforts must at times be effective because the Soviets often attack the Israeli service in their propaganda with detailed revelations of Israeli plots against allegedly innocent Soviet citizens.

The Israelis select their agents almost exclusively from persons of Jewish origin. However, there are security hazards involved in cases of divided allegiance between dedication to the Zionist State of Israel and loyalty to a homeland. The recruitment of Gentiles is comparatively rare.

Many Arabs, especially walk-ins, have directly or indirectly helped the service, usually as a result of monetary inducements, but the Israelis do not consider these Arabs good sources of reliable information. More

often, they recruit Palestinians over whom they may have more control because of bank assets frozen in Israel since the war in 1948. In certain cases these bank assets have been released for intelligence services rendered.

The Israelis are prepared to capitalize on nearly every kind of agent motivation. A substantial effort is made to appeal to Jewish racial or religious proclivities, pro-Zionism, dislike of anti-Semitism, anti-Soviet feelings (if applicable) and humanitarian instincts. Blackmail is also used. Other recruiting techniques include the proffer of money, business opportunities, or release from prison. Among the Arabs, money has been especially effective. Appeals have also been made successfully to other Arab vulnerabilities such as jealousy, rivalry, fear and political dissension.

The Israelis have used false-flag recruitment pitches extensively and successfully. In several cases they approached citizens of Western European nations under the cover of a national NATO intelligence organization for operations in Arab target countries.

While intelligence officers in the field recognize the importance of security, they tend to be careless. Although otherwise well trained, Israeli intelligence officers occasionally have been lax in their use of the telephone abroad. Also, they often have given away a considerable amount of information by confiding in agents and contacts with whom they have had only a slight relationship. Nonetheless, they periodically recall the basic principles of their profession, and for awhile complicate the lives of their agents with a welter of security regulations that they themselves eventually transgress. Occasionally a rendezvous arranged between an officer and an agent, is countersurveilled by two or more officers, both to spot possible surveillance of the meeting and to protect the officer. In the recruiting process, the officer generally uses a fictitious name, executes a secrecy agreement with the prospective agent, and provides him with a pseudonym or alias. Whenever money or other gratuity is given to an agent, an attempt is made to secure a signed receipt in the agent's handwriting.

Although an agent occasionally may be sent to Israel for special training, this course of action is neither easy nor inexpensive to accomplish. Therefore, the intelligence officer himself is usually responsible for training the agent in the fundamentals of tradecraft, security

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measures, and the use of radio and code communications. If the exigencies of the situation demand special training, the Israelis rent an apartment for this purpose in places like Paris and New York. Agents who have been so trained were taught to mix and use secret ink; conceal documents and letters on the person; deliver information to secure hiding places; and to communicate otherwise with the case officer and/or headquarters.

The methods of communication vary greatly depending on locations and circumstances. Personal meetings between the agent and his case officer are arranged by secret writing, open mail, or oral message by couriers. The cities or towns to be used have code names and the meeting places are at specified times with alternative times and places. In case of emergency, the agent can alert the intelligence officer by use of a prearranged open code in cables or letters, or if time permits, by secret writing or courier.

The Israelis place considerable emphasis on personal relationships with their agents. They have been known to be exceedingly generous in granting personal concessions and monetary assistance to keep their agents happy. One such individual, a journalist in Paris who recruited French officials and elicited information from witting and unwitting informants in the French political world, was paid the equivalent of US\$1,000 per month. After years of steady employment and a succession of Israeli case officers, his services were gently but peremptorily terminated. Severance pay was calculated at the rate of one month's salary for each year of service to assuage any hard feelings. On the other hand, the Israelis can be absolutely ruthless to both the intelligence officer and the agent if the latter's disaffection or treachery should threaten a sensitive operation or endanger the security of the state. There are several cases of Jews in Europe who, while or after working for the Israeli service, trafficked with the Egyptians for substantial sums of money. These Jews were enticed into traveling to Israel or abducted, tried in camera, and given stiff prison terms of 10 to 14 years.

Mossad headquarters controls the acquisition, flow and dissemination of reports in a rigid manner, which contrasts with the considerable freedom allowed in running operations. An Israeli intelligence officer abroad must accept all information reported by an agent and may not change a single word. The

intelligence officer receives detailed, prepared questions from headquarters and is allowed little leeway in terms of what he submits. In a meeting with an agent many of whom are low-level, the intelligence officer debriefs him on the basis of headquarters questions. The intelligence officer must then forward all the agent says, even overt information. The intelligence officer may if he wishes add his own remarks to the report.

Mossad headquarters does not disseminate agents reports to all customer agencies. The overwhelming bulk of the reports goes to one specific analytical unit, for example, usually reports on Arab affairs are sent to Military Intelligence, counterintelligence reports to Shin Beth. However, an exceptional agent report is disseminated to Israeli policymakers. The Mossad intelligence officer abroad does not show copies of his reports to the Israeli Ambassador, but sends them only to Mossad headquarters in Tel Aviv.

The Israeli services have a very keen interest in the use and development of technical equipment. As far back as 1947-1948, the Information Service conducted technical surveillance operations against Arab and British delegates to the UN. Mossad, with assistance from Shin Beth, has provided technical training to the Turkish and Ghanaian security and intelligence services. Exchanges of technical equipment and information have also been carried out with the Japanese intelligence and security services. Mossad receives support in external technical operations from Shin Beth and Military Intelligence. The technical capabilities of the Israeli services are adequate for normal demands. Moreover, the very close coordination existing between the services and the industrial concerns of the country ensure that technical equipment to support continuing audio operations is supplied and developed as needed. The existence of a limited research program, coupled with high Israeli competence in technical matters, indicates that the Israelis intend to remain abreast of advances in autiosurveillance and countermeasures.

a. RELATIONSHIP WITH OTHER SERVICES—Mossad has good relationships with Shin Beth, Military Intelligence, the Research and Political Planning Center of the Ministry for Foreign Affairs, and the Special Tasks Division of the police. Successes like the Entebbe raid are illustrative of well-coordinated

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planning and execution—a testimonial to good relations among the services.

The Agranal Commission advocated greater coordination between the services and revived the post of intelligence adviser to monitor interdirectoriate disputes. The exchanges between Mossad and the other services through the coordinating mechanism of the Va'adat and the use of ad hoc committees, however, continue to ensure coordination and cooperation between the services.

b. **LIAISON WITH FOREIGN SERVICES**—Mossad has liaison relationships with many of intelligence and security services throughout the world. With a few exceptions, the Directorate of Foreign Liaison and Political Action is responsible for relations with most foreign organizations. In most instances the point of contact is abroad in foreign capitals, although some foreign services insist on liaison in Israel.

At present Mossad, in coordination with Shin Beth, maintains liaison with foreign intelligence and security services through membership in the Kilowatt group, an organization which is concerned with Arab terrorism and is comprised of West Germany, Belgium, Italy, the United Kingdom, Luxembourg, Netherlands, Switzerland, Denmark, France, Canada, Ireland, Sweden, Norway and Israel. The Israelis also have informal connections regarding terrorism with other European nations, including Spain, Portugal and Austria.

The Israelis have over the years made efforts to break the Arab ring encircling Israel by involvement with non-Arab Moslem nations in the Near East. A formal trilateral liaison called the Trident organization was established by Mossad with Turkey's National Security Service (TNSS) and Iran's National Organization for Intelligence and Security (SAVAK) in late 1954. Since the original agreement there has been an addition to Mossad's bilateral relationship with each service. The Trident organization involves continuing intelligence exchange plus semiannual meetings at the chief of service level.

The general terms of the original agreement with the Turks, aside from legitimizing Israeli liaison with Turkey, stated that Mossad would furnish information on the activity of Soviet agents in Turkey and those working against Turkey throughout the Middle East. In return, the Turks agreed to supply Israel with

information on the political intentions of the Arab countries which could affect the security of Israel, and the activity and identifications of UAR agents working against Israel. The Israeli service has also given the Turks counterespionage and technical training.

The main purpose of the Israeli relationship with Iran was the development of a pro-Israel and anti-Arab policy on the part of Iranian officials. Mossad has engaged in joint operations with SAVAK over the years since the late 1950s. Mossad aided SAVAK activities and supported the Kurds in Iraq. The Israelis also regularly transmitted to the Iranians intelligence reports on Egypt's activities in the Arab countries, trends and developments in Iraq, and Communist activities affecting Iran.

Israeli liaison in Africa has varied considerably from country to country, depending on the exigencies of the situation. Israeli intelligence activities in Africa have usually been carried out under the cover of military and police training, arms sales to national military forces, and aid and development programs. The Arab nations, in conjunction with the Organization of African Unity, have brought great pressure to bear on most African nations to break all formal ties with Israel. Despite the break in diplomatic relations between Israel and many of the African nations, the Israelis still maintain good intelligence liaison with certain African services. The Israelis also have relations with the Kenyan Service. In Central Africa the Israelis are still active in Zaire. In West Africa the Israelis trained the Liberian Security Service and police. They also helped establish the Ghanaian Military Intelligence Service. In southern Africa the Israelis have a relationship with the South African intelligence and security services.

The Israelis have been very active in Latin America over the years. One of the greatest intelligence coups, the capture of Adolph Eichmann, the former Nazi leader, occurred in Argentina. Recently, much of their liaison activity in Latin America has centered on training and antiterrorist operations. The Israeli Consulate in Rio de Janeiro, for example, provides cover for a Mossad regional station responsible for Brazil, Argentina, Chile, and Uruguay. Officers from this post have gone to Buenos Aires to give training to the Argentines; in the course of these contacts the Israelis recommended greater involvement in joint antiterrorist operations. The Israelis also maintain

liaison with security services of Mexico, Nicaragua, Costa Rica, and Panama, the Dominican Republic, Venezuela, Colombia, Ecuador, and Peru. Caracas is the Regional Center for north and western Latin America and Central America.

The Israelis have operated for sometime in East Asia. They have provided intelligence training to the Government of the Republic of China and maintain liaison with it. The Israelis also have relations with the Japanese, Thai, Indonesian, and South Korean services, especially on terrorist matters. The major Mossad regional center in East Asia is in Singapore. The Israeli station chief there frequently travels throughout the area and conducts business with services in the neighboring nations. Indonesia as a Moslem nation does not have formal diplomatic ties with Israel. The Mossad-Indonesian relationship, therefore, is very discreet. The Mossad representative in Singapore is accredited to the Indonesian service. There are also Mossad officers in Jakarta under commercial cover. The primary reason for the Indonesian liaison is to gain aid in counterterrorist efforts. The Israelis, on the other hand, are not only engaging in antiterrorist operations but also have an opportunity to collect information and engage in political action in another Moslem power.

C. Shin Beth—Counterespionage and Internal Security Service

1. Functions

Shin Beth has the responsibility in Israel for counterespionage and internal security and the service is basically internally oriented. Shin Beth is primarily responsible for collecting information on foreign intelligence organizations, both hostile and friendly, and their activities; protecting the security of Israeli officials and installations abroad; and investigating all forms of subversion directed by either internal or external forces, including sabotage and terrorism in Israel and abroad. Shin Beth evaluates all information developed, collates it with other material routinely and overtly available from both Israeli and foreign sources, and submits evaluated reports to the appropriate government agencies for action. Shin Beth operates to combat two main adversaries: the Arabs and the Soviet and Eastern European intelligence and security services.

Shin Beth at one time engaged in positive intelligence operations and immigration affairs in the Balkan countries, particularly in Romania, Bulgaria, Yugoslavia, and in Hungary, but no longer does. Shin Beth is the government's authority on personnel and physical security matters, is responsible for the personal security of the President, the Prime Minister, and the Minister of Defense.

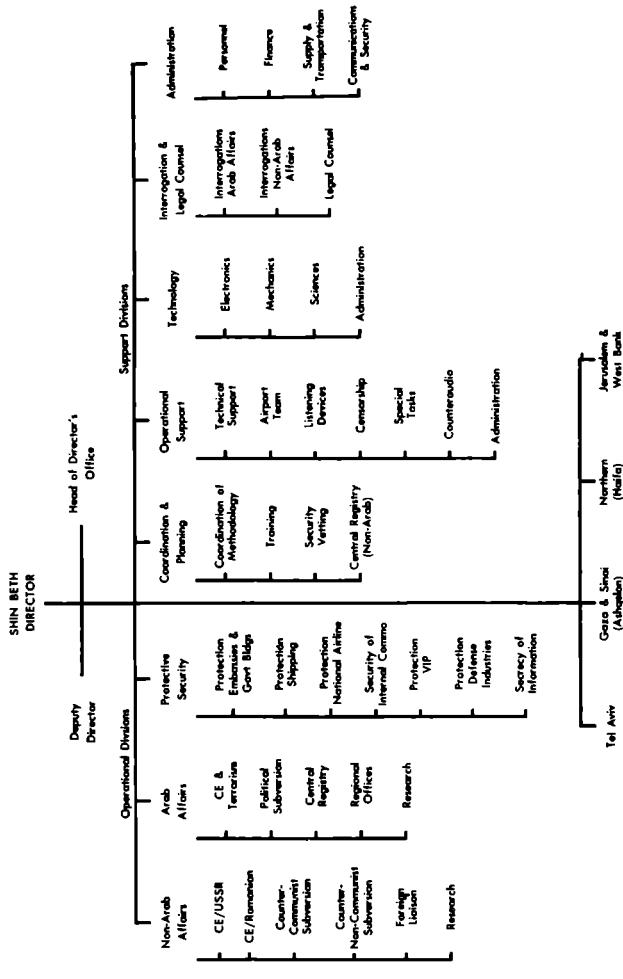
Shin Beth does not have the power of arrest, which is the right only of the Special Tasks Division of the Investigations Department of the Israeli Police, a national force with headquarters in Jerusalem. When an arrest is desired, Shin Beth submits a detailed report on the case plus a request for an arrest warrant to the Ministry of Justice. The Legal Department transmits the request to the Special Tasks Division, which issues the warrant and makes the arrest. When more expeditious handling is justified, Shin Beth directly notifies the Special Tasks Division, which is empowered to take the suspect into temporary custody pending receipt of the warrant. On occasion a Shin Beth officer will sit in court with the prosecution staff as a special consultant.

2. Organization

Shin Beth is organized into eight operational and functional departments: (1) Arab Affairs; (2) Non-Arab Affairs; (3) Protective Security; (4) Operational Support; (5) Technology; (6) Interrogation and Legal Counsel; (7) Coordination and Planning; and (8) Administration. Regional departments in the field are located in the Gaza/Sinal area with headquarters in Ashqelon; the Northern area with headquarters in Haifa; and the West Bank area with headquarters in Jerusalem. A unit within Shin Beth national headquarters in Tel Aviv serves as the fourth regional department. These regional departments are broken down into subdivisions identical to but smaller than those of the parent organization (Figure 6).

The Arab Affairs Department is responsible for counterespionage, antiterrorist operations, control of political subversion, research and the maintenance of a counterintelligence index on Arabs. The components handling these activities are organized into offensive and defensive sections. This department operates through field offices controlled by regional officers. These officers report to the regional commanders but rely on the Arab Affairs Department for guidance and

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Figure 6. Organization of Shin Beth, 1977

support, which includes aid in counterespionage, countersabotage and surveillance as well as research and records support. The overall headquarters function is that of determining doctrine, systematizing work and supervising.

The Non-Arab Department handles counterintelligence operations dealing with all other countries, countersubversion (one component dealing with Communist subversion, the other with non-Communist New Left subversion), foreign liaison and research. Each unit dealing with these activities has offensive and defensive sections. The Non-Arab Department investigates and counters espionage activity by foreign powers, both hostile and friendly, by all known methods, including the penetration of their intelligence services and diplomatic installations in Israel. Operations against foreign missions within Israel were formerly conducted by Military Intelligence, but with the evolution towards greater centralization and professional specialization since the reorganization of 1951, this function has been the responsibility of Shin Beth.

The Non-Arab Affairs Department engages in the penetration of extremist political parties such as MAKI (the Communist Party of Israel); RAKAH (the New Communist List), a largely Arab-supported splinter group; SIAH (the New Israel Left); and anti-Zionist and extreme rightist organizations. The Department also investigates counterfeiting, blackmarketing, the smuggling of money and goods in and out of the country, and violations of the economic control laws. It is responsible for tapping telephone lines and intercepting domestic and diplomatic telephone conversations.

The Non-Arab Affairs Department is responsible for foreign liaison and handles all correspondence by Shin Beth with other foreign intelligence and security services. The interrogation of immigrants from the USSR and Eastern European nations is also undertaken by this department.

The Protective Security Department is responsible for the protection of Israeli Government buildings and embassies, El Al and Zim installations and craft, defense industries and scientific establishments, and leading personalities. This department is also charged with the security of all important industrial plants, especially those of actual or potential military value,

and is engaged in the prevention of leakage of industrial secrets such as patents, processes, statistics, etc. It also carries on liaison with security officers throughout the Israeli Government. Although guards and security officers are paid by the institutions to which they are assigned, their recruitment, training, and control is a Shin Beth responsibility. The Protective Security Department controls the security of internal communications and the secrecy of information. A small unit within the department, for example, handles all matters concerning espionage with the Office of Mail and Telegraph Censorship.

The Protective Security Department directs Shin Beth security activities overseas including the protection of Israeli personnel, diplomatic and transport offices, facilities and equipment. Although Mossad has responsibility for unilateral operations and liaison on intelligence matters and Military Intelligence controls the attache system and military liaison, Shin Beth handles protective security and liaison with local security services abroad to safeguard Israeli personnel and property. For instance, there is a regional Protective Security office in Paris which is concerned primarily with El Al and Zim security.

The Operational Support Department is responsible for assisting the operational departments with surveillance, observation, airport security, censorship, listening devices, special tasks and counteraudio support. This department has tactical components, which aid in counterintelligence operations, VIP protection and telephone taps. The Department provides support in running a highly developed intercept operation from a switchboard installed in Shin Beth offices. This enables the service to avoid having to make taps either across pairs in a local box or even in the telephone centrals under the jurisdiction of the Ministry of Communications Telephone Services; and also avoids any possible compromise by leftist employees of the Telephone Services.

The Technology Department lends support to the operating departments in electronics, mechanics, and chemistry. It provides technical support to operations in the following areas: audio and visual surveillance, communications, photography, surreptitious entry, telephone taps, mail censorship, security devices, etc.

The Interrogation and Legal Counsel Department handles all counterintelligence and security interroga-

tions for Shin Beth operating departments not handed over to the Special Tasks Division of the police. This department makes selective use of the polygraph. It also checks the reliability of Mossad sources, fabricators, and suspect double agents. Personnel in this component travel to the field as required to give polygraph tests and conduct interrogations. The department also assists in preparing cases for trial and provides other legal assistance to operating departments as needed.

The Coordination and Planning Department has responsibility for coordination of counterintelligence and security methodology, training, security recruitment and the central registry. This department maintains the Shin Beth card files, with the exception of those on Arabs. In addition to ordinary carding procedures, there is an entry on every individual in the country who has a police record. This enables all government offices to make a quick check on the police record of present or potential employees through Shin Beth. All tracing procedures are channeled into this department, from name checks through neighborhood investigations. This registry uses a military computer. The registry on Arabs is not yet computerized because of the difficulty with Arabic names.

The Administration Department performs the usual functions of personnel management, finance, supply, transport, communications, and security.

A policy body within Shin Beth is called the Directorate of the Service. It normally meets once a month. Membership consists of department directors (including the regional directors), all of whom are of equal rank.

3. Administrative practices

The Director of Shin Beth is appointed by the Prime Minister who may seek advice for the appointment but needs no approval from either the cabinet or the Knesset.

Shin Beth is responsible for the security of all civilian intelligence and security personnel. Furthermore, it also recruits and selects personnel, according to specific requirements based on loyalty to the state, education, capability and potential, and subject to the approval of the individual civilian service. The military is somewhat more autonomous in regard to

security procedures relating to their personnel because military security components handle most of these cases. Shin Beth, however, sets the policies and standards for military security controls.

Among the 500 officers in Shin Beth are some 100 individuals who have been selected, screened, and trained to serve as security officers throughout the governmental structure. These officers are stationed in the Prime Minister's office, intelligence and security components including Mossad, scientific institutes, El Al installations, and foreign service posts.

Most career employees, a few of whom are women, have broad educational backgrounds and experience. About one-third of Shin Beth officers are assigned abroad early in their careers as security officers where they come under the operational and administrative control of Mossad. Upon return to Israel from foreign assignment, Shin Beth officers revert to the internal security service. Because senior Mossad and Shin Beth officers are given identical training in a combined advanced operational school, their *modus operandi* is similar.

There is a certain amount of personnel exchange among the services. Shin Beth may accept an army major or colonel on temporary assignment or recruit a retiring officer on a permanent basis. All recruits are subject to a thorough background security investigation culminating in a physical examination, polygraph tests, and psychiatric screening. Security checks on native born Israelis are relatively easy to do, for the young Israeli, whose life is well documented, rarely enjoys the luxury of privacy. Police files, school records, university professors, army records, youth movements, political affiliations, voting records, family history, political persuasions, and friends are scrutinized. If the applicant is foreign born, detailed immigration records may reveal pertinent information which can be cross-checked. Loyalty to Israel is the principal criterion. If the subject was a Zionist from early youth, he belongs to a special category; if he has never belonged to the leftist parties, MAPAM, MAKI and RAKAH, or to Herut, a rightist party, his employment opportunities are considerably enhanced. It is almost impossible for a Jew to disguise his past when he is once in the hands of the authorities since there are in Israel many thoroughly reliable persons from every country which has or had a Jewish

community, who can be consulted for information on potential recruits.

The Director of Shin Beth is a civil service Class I officer. He has an expense and entertainment allowance. There is a rather insignificant differential between grades which is compensated by fairly impressive perquisites, including living quarters, transportation and travel, especially in the senior ranks.

4. Methods of operation

Shin Beth operations within Israel can be broken down into the four following categories: against foreigners in general, against Arabs, against Communists, and against Israelis. There appears to be little difference in the application of techniques, but a greater deal in intensity, much of which is directed against the Arabs.

The activities and opinions of diplomats both within and outside their diplomatic establishments in Israel are of primary interest to Shin Beth. Generally, the Israeli Government tends to regard diplomats as being there to ferret information rather than to promote cordial relations.

The degree of suspicion and intensity of operations against diplomats is conditioned by the prevailing relations between countries and their long-term diplomatic objectives. Shin Beth operations with the police and Military Intelligence are well coordinated. The Israeli police work very closely with Shin Beth in guarding foreign installations such as embassies and consulates, and in surveilling diplomats, foreign journalists, and tourists of special interest. Police officers maintain a 24-hour watch in front of all embassies, legations, consulates, and ambassadorial residences. They record the comings and goings of foreign personnel, especially diplomatic officers who appear after regular office hours or on weekends. They also record the license numbers of vehicles in which the officers arrive and depart. Diplomatic license plates differ in color from civilian plates and carry a numerical prefix which identifies the country represented.

The security of the border areas and the occupied territories is mainly the responsibility of Military Intelligence, the Border Guard and Shin Beth. Through the use of informants, who may be local Arabs or Oriental Jews posing as Arabs, Shin Beth has

penetrated subversive Arab elements including Communist cells and Arab nationalist groups. They have also picked up local Arab espionage agents on their way back to neighboring countries and doubled them in coordination with Military Intelligence. Shin Beth is continually active in the fight against terrorism.

Aside from the Arab target, Shin Beth is primarily concerned with the subversive elements of the left. MAKI and RAKAH owe their allegiance to the USSR but being legal parties, they have had representatives in the Knesset. Shin Beth has thoroughly penetrated the cells of the Communist apparatus, following its activities through informants, surveillance, and technical operations. Shin Beth agents attend many international Communist front meetings.

Since all foreigners, regardless of nationality or religion, including Jews, are considered potential threats to the State of Israel, Shin Beth employs a large number of informants among local Israelis who are in contact with foreigners by reason of their employment or activities. In this category are bartenders, hotel clerks, telephone operators, secretaries, taxi drivers, caterers, maids, prostitutes, chauffeurs, and waiters. It also includes trade unionists, scientists, and others in the educational field.

There is an Israeli law that authorizes the police and the security services to pick up and detain for questioning any Israeli citizen who is in contact with a foreigners without official permission or obvious reason such as employment or business. Since diplomats are subject to surveillance, Shin Beth soon becomes aware of their contacts with Israeli citizens. When a pattern develops, and suspicion is aroused, attempts are made to develop further information using wire tapping and other technical aids. It is not uncommon for representatives of Shin Beth to call on the Israeli and attempt to enlist his cooperation. If the individual refuses, the Penal Revision Law (State Security) is cited to him and he is threatened with dire consequences. This usually evokes compliance. The Israeli security authorities also seek evidence of illicit love affairs which can be used as leverage to enlist cooperation. In one instance, Shin Beth tried to penetrate the US Consulate General in Jerusalem through a clerical employee who was having an affair with a Jerusalem girl. They rigged a fake abortion case against the employee in an unsuccessful effort to recruit him. Before this attempt at blackmail, they had

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tried to get the Israeli girl to elicit information from her boyfriend.

Two other important targets in Israel are the US Embassy in Tel Aviv and the United Nations Truce Supervision Organization (UNTSO) with headquarters in Jerusalem. There have been two or three crude efforts to recruit Marine guards for monetary reward. In the cases affecting UNTSO personnel, the operations involved intimidation and blackmail.

In 1954, a hidden microphone planted by the Israelis was discovered in the Office of the US Ambassador in Tel Aviv. In 1956, telephone taps were found connected to two telephones in the residence of the US military attache. In 1960, a microphone was discovered behind the wall plaster in what had been the office of the Operations Officer in the Jordan-Israel Mixed Armistice Commission Office.

Recently, the Director of the Shin Beth, in testimony before a judicial committee of the Knesset, stated that Shin Beth makes entries and taps telephones in Israel with some frequency. Reportedly, the only concern of the committee members was with the disposition by Shin Beth of acquired information which did not bear on national security. It is noted that these activities have no basis in law and are conducted on the authority of the Director of Shin Beth alone.

The Israelis have shown themselves to be most adept at surveillance and surreptitious entry operations. Men and women frequently are used together on surveillance teams in order to allay suspicion. If a person under surveillance stops to use a public telephone, the surveillance team reports the situation to the control center which immediately notifies the telephone tapping unit and an attempt is made to intercept the call. The conversation or pertinent information is then relayed to the team on street. Shin Beth personnel are experts at entering private quarters where they go through visitors' luggage and personal papers. Special portable camera equipment is used for this purpose and the results are processed in the Shin Beth laboratory. Shin Beth technicians have concealed radio transmitters in phonograph cases, in the false bottoms of coffee cans, and in the bottoms of portable cooking stoves which can be used as stoves without removing the communication equipment.

D. Military Intelligence

1. Functions

Military intelligence is charged with the collection, production and dissemination of military, geographic and economic intelligence, especially on the Arab nations, and security in the Defense Forces and Administered Territories. This component is an element of the Israeli Ministry of Defense and a part of the Defense Forces General Staff. The Director of Military Intelligence (DMT) is a member of Va'adat. Although Air Force and Navy Intelligence officers are subordinate to their respective commanders, they are members of the DMI's staff and attend his staff meetings.

2. Organization

Military Intelligence headquarters consist of the following departments: (1) Production; (2) the Intelligence Corps; (3) Foreign Relations; and (4) Field Security and Military Censorship. The DMI also directs Field Security Units, Territorial Command Combat Intelligence and Air Force and Navy Intelligence through coordination with their respective area commanders (Figure 7).

The Production Department is responsible for preparing the national intelligence estimates (versions of which appear as the *Middle East Review* or *Survey* for distribution to friendly liaison services). This department also produces daily finished intelligence reports and daily bulletins, which contains raw or partially analyzed information. Estimates are now prepared by Military Intelligence, Mossad and the Research and Planning Center of the Ministry for Foreign Affairs. The Production Department has about 40 percent (approximately 2,800) of the personnel in Military Intelligence. About 600, of whom 150 are officers and analysts, are involved in intelligence production. The number of analysts, however, varies, as specialists are coopted by the department for special studies in technical and economic matters. This department is under the command of a deputy director of Military Intelligence.

The Production Department is divided into the following units: (1) Geographical (or Regional) Division; (2) Functional (or Technical) Division and (3) Documentation (or Registry and Records) Division.

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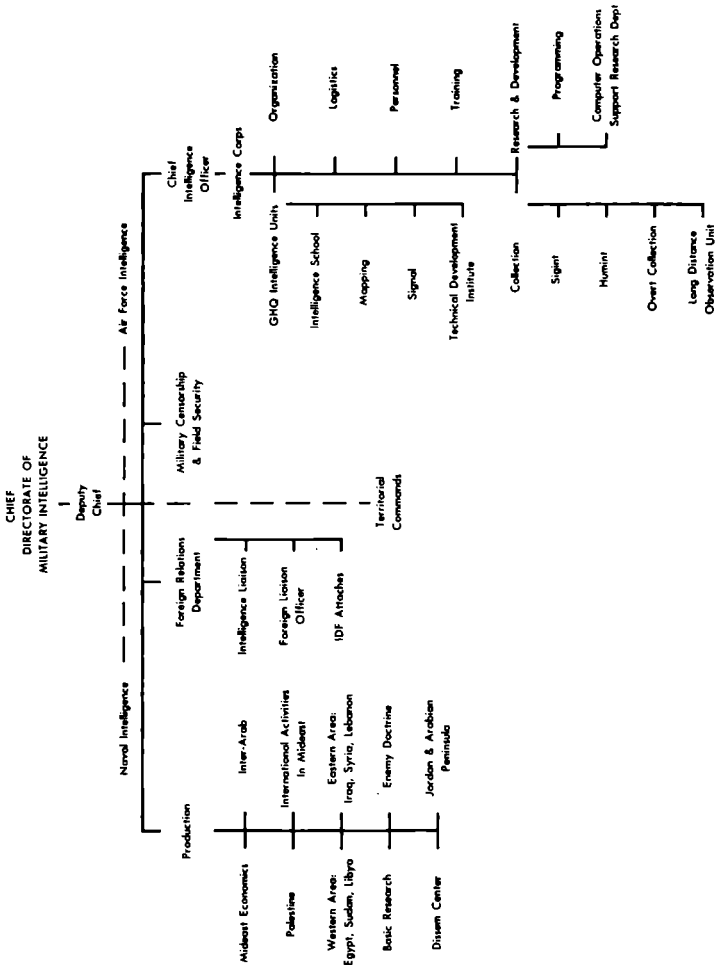


Figure 7. Organization of Military Intelligence, 1977

The Geographical Division evaluates information and compiles target studies on the Arab countries. It is divided into three area desks: the Western, consisting of Egypt, Sudan and Libya; the Eastern, consisting of Iraq, Syria and Lebanon; and the Southern, consisting of Jordan and the Arabian Peninsula. Every effort is made in this division to create the narrowest type of specialist—a man who can devote himself to his material for over a period of years. For example, in the middle 1960s the Jordanian Desk Chief had held his job for 15 years and probably knew more about the Jordanian military than most Jordanian Army officers.

The Functional Division is broken down into substantive units which deal with such subjects as Near Eastern economics, inter-Arab relations, Palestinian affairs and international activities in the Near East. The division produces intelligence on technical and economic matters, including weapons and electronics and production, and area developments. The unit draws heavily on the knowledge of the IDF technical services. There is close cooperation between the geographical and functional divisions in producing accurate and timely intelligence. The existence of a desk concerned with international activities in the Near East, including Soviet affairs, indicates that the functional division deals with the policies of other nations as they affect the area.

The Documentation Division actually employs over half of the personnel in the Production Department. All reports are sent first to this component, which keeps a permanent record copy and numbers, cards, indexes and cross-references documents as necessary. It then forwards copies to appropriate offices. The Documentation Division reportedly has now installed computers to aid in the dissemination and research support process. The registry component of this unit services the entire Military Intelligence establishment. This Division is the repository for all Military Intelligence reports and publications and is responsible for the dissemination of finished intelligence and also supervises the intelligence operations center, which operates 24 hours a day. This center is the terminal for all direct access field communications and presumably is designed to provide rapid review and dissemination of information in a crisis situation.

The Intelligence Corps is responsible for overt and covert collection operations, including all signal intelligence activities for the Israeli intelligence

community, and for operational support functions. The Corps is subordinate to the DMI and is under the command of the Chief Intelligence Officer. This unit consists of a large headquarters staff which supervises subordinate operational field elements. Although it has no authority over area command assets, the Corps may levy requirements on these field elements. The Corps supervises the use of technical devices in operations. All requirements levied on the Corps must be validated by the Deputy Director of Military Intelligence.

The Corps is broken down into the following divisions: (1) Collection, responsible for signals intelligence, agent operations, overt sources and long distance observation units; (2) General Headquarters which is in charge of the military intelligence school, the Technical Development Institute, communications and cartography; (3) Training; (4) Organization, Logistics and Personnel; and (5) Research and Development.

The Signals Branch of the Collection Division, which includes communications and electronic intelligence and landline operations, collects communications intelligence for the entire intelligence and security community. The actual collection operation is performed by the IDF Signal Corps. The Israeli Air Force also participates and maintains liaison with other service components on electronic warfare. The Israelis have been very successful in their COMINT and ELINT operations against the Arabs. During the Six-Day War in 1967 the Israelis succeeded in intercepting, breaking and disseminating a tremendous volume of Arab traffic quickly and accurately, including a high-level conversation between the late President Gamal Abd-Nasser of the UAR and King Hussein of Jordan. Over the years the Israelis have mounted cross-border operations and tapped Arab landline communications for extended periods. The Israelis have also on occasion boobytrapped the landlines.

The Agents Branch is in charge of all agent operations run by Military Intelligence. The Branch is not permitted to run agent operations abroad but it has sole jurisdiction over agent operations across the borders of Israel into neighboring states. The Agents Branch has executive authority over Shin Beth operations which are run against the intelligence service of a neighboring Arab State. Egypt and Syria are the prime operational targets. The Interrogation

Unit of the Agents Branch controls POW interrogation teams which are especially trained and prepared to accompany any major IDF military operation beyond the ceasefire lines. These teams are keystones in Military Intelligence tactical operations. Interrogators use a variety of deception techniques in questioning prisoners. Although prisoners are usually treated well, interrogators may give the initial impression that other prisoners have been mistreated or even executed for failure to cooperate. Arabic-speaking IDF interrogators sometimes pose as Arab officers and circulate among prisoners to elicit information. These techniques usually produce a large quantity of information from captured enemy personnel.

The Open Sources Division collects and collates all material from overt sources. This component, however, does not evaluate the information.

The Long Distance Observation Units are primarily concerned with visual sightings of Arab activity along the borders and armistice lines. These units also provide support to agent cross-border operations and leads to signal intelligence units based on observations of Arab movements across the borders.

The General Headquarters Division runs the Military Intelligence School and the Technical Development Institute and is in charge of communications and cartography. DMI has the largest technical capability of any of the Israeli intelligence services. It has a highly competent RD&E component which produces equipment needed for military intelligence operations. Because it is the largest, and at one time the only, engineering shop in the Israeli intelligence community, it takes on some projects from other services.

The Communications Branch handles all matters involving wireless communication for agent operations. Officials in this branch train agent operators, draw up signal plans, and maintain radio contact with agents in place. From time to time this branch also provides support for Mossad and Shin Beth.

The Cartographic Branch has responsibility for map production and works in close cooperation with the Director of the Survey Department in the Ministry of Labor. There are approximately 300 personnel assigned to the Map Survey Office (Survey of Israel). Offices are located near the intersection of Lincoln and Yehuda Halevi streets in Tel Aviv.

The Training Division is responsible for the intelligence doctrine taught in the Military Intelligence School and in troop units. It has evidently absorbed the training responsibilities of Field Security and Combat Intelligence units. The Military Intelligence School curriculum includes combat intelligence, strategic intelligence and "special studies." The school may provide some training for personnel of other Israeli intelligence and security services.

The Organization, Logistics and Personnel Division is responsible for administrative tasks. The head of this division functions as the DMI's designee on all logistical and personnel matters. The division consists of three components: Logistics, Personnel and Finance.

The Research and Development Division is primarily concerned with computer operations and programming in support of Military Intelligence production, operations and requirements.

The Foreign Relations Department is responsible for liaison between the IDF and foreign military organizations and for Israeli Defense Attache affairs. This department is reportedly divided into two companies: the Foreign Intelligence Liaison Division and the Attaches' Division. The Foreign Intelligence Liaison Division conducts liaison with representatives of foreign intelligence services which have agreements with Military Intelligence. This division also has control over visits by officers and training of troops from foreign countries in Israel. Foreign Intelligence Liaison is also the official point of contact for all foreign defense attaches in Israel. Activities such as visits to installations, exchanges of routine information, briefing sessions, etc. must first be cleared with Field Security and submitted to the DMI for a policy decision, if necessary. Attaches accredited or otherwise working in Israel on intelligence matters can expect to receive select information concerning other Near East and foreign nations within perimeters set by the DMI; thus an attache seeking information on specific questions of Israeli capabilities and materials would receive the data through this division. It is considered a "violation" of IDF "unwritten" policy for foreign military personnel in Israel to collect this type of information in any other way. In the past, Military Intelligence has provided much information on technical equipment supplied to other Middle East nations by the Soviet Bloc. This was especially true in

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the wake of the Arab-Israeli War in 1967, when the Israelis captured vast quantities of Soviet material from the Arabs. It is believed that Foreign Intelligence Liaison may be divided into at least two components: General Intelligence and Technical Intelligence.

Within or attached to the Foreign Intelligence Liaison Division is a Secret Liaison unit which handles all operations outside the normal charter of activities previously described. This unit may be involved either directly or indirectly in bilateral intelligence operations conducted by Military Intelligence with other services. Thus when a special relationship between a foreign military establishment and the IDF is arranged, this unit supplies the officers and controls the activities. This unit was involved in the excellent liaison relationship which at one time existed with France. Further, if Mossad decides that an Israeli military officer is in the best position to carry out a specific foreign operation, this unit will handle the matter. Operations controlled from this office in all cases are coordinated with Mossad.

The Foreign Relations Department directs the activities of Israeli Ministry of Defense Missions and Defense Attaches abroad through the Attaches' Division. Ministry of Defense Missions and Israeli Defense Attaches are located in Washington, New York City, London, Paris, Bonn, Rome, The Hague, Ankara, Tehran, Bangkok, Buenos Aires, Tokyo, Brasilia and Caracas. Several of these attaches are also accredited to adjacent countries. The true role of most defense missions and attaché posts is to sell Israeli defense industry products and purchase defense equipment for the IDF. There are few posts which are actually attaché offices in the traditional sense, the principal ones being in Washington, London, and Paris. Israeli defense attaches abroad advise their respective ambassadors, report on host country military matters, keep abreast of all research and development in the host country and in general, represent the IDF abroad. Attaches also do operational support work for Mossad. Israeli military missions have been sent to some countries for training and support purposes, but those missions have not been officially accredited to the country concerned.

The Field Security and Military Censorship Department is responsible for counterintelligence within the IDF, and conducts physical and personnel security investigations. Field Security is also responsible for

security clearances of all personnel assigned to Military Intelligence. This Department conducts daily liaison with Shin Beth, which is responsible for IDF reserve personnel on inactive status and has final responsibility in counterintelligence and security cases. In the middle 1960s the Security Department included a Personnel Security Division to assign personnel, supervise and coordinate clearances and conduct surveillance. A Counterintelligence Division had the responsibility of ensuring security regarding communications, documents and installations. An Education and Training Division was responsible for troop security indoctrination. A computerized document checking office was set up in the early 1960s to control distribution and disposal of all Top Secret documents originating within the IDF. The Field Security Department coordinates and monitors the activities of Field Security units attached to the IDF territorial commands to maintain order. Each territorial commander is responsible for security in his area and uses Field Security units to preserve law and order. Israel is divided into Northern, Central and Southern commands plus the Jerusalem, Tel Aviv and Haifa districts. Both Tel Aviv District and the Central Command, also located there, are separate from IDF General Headquarters which is located in Tel Aviv. The Gaza Strip, although not contiguous to the Central Command, has been placed under that Command because pacification and antiterrorist operations in the past few years have succeeded in bringing relative stability to the area. Sinai is under the Southern Command, which has two Field Security units. In the mid-1960s the Northern Command has three Field Security units.

Field Security officers serve in the territorial commands where they direct the activities of the various Field Security units and serve as points of contact for the Commands Security Departments and the territorial commanders. Field Security units are responsible for implementing and supervising security directives, including instructions, guidance and inspections. In the Administered Territories, Field Security Units cooperate with Shin Beth and the Border Guard to preserve security, combat terrorism and run counterintelligence operations. At brigade level in the three area commands, Field Security has military intelligence majors serving as security officers (and known as such) under the command of the Operations

Section (G-3). Security officers at battalion and company level are "cooped" from the infantry but are known as security officers only to unit commanders on the battalion level. At the company level, security personnel are sergeants.

The Military Censorship Office within the Field Security and Military Censorship Department is responsible for all censorship. In addition this component, by law, has extremely wide powers in dealing with the Israeli press and other mass media. In practice, the IDF has found it advisable to operate on a gentleman's agreement basis and depend largely on the good intentions of editors and the like to refrain from publishing stories about Israeli military secrets. This office operates on behalf of the entire IDF. Directors of Military Intelligence in the past have referred to Military Censorship as part of the "ballast" that they would prefer to see in the Chief of Staff's own office. The Chief of the Censorship Office is a member of the "Committee of Three" which acts as a Board of Appeal and final arbiter in all matters relating to censorship. The two other members are a representative of the press and a representative of the public at large. The last named must be agreed upon by both other parties. In effect all information is broken down into three categories: (1) items that are permitted without question, (2) items that are not permitted under any circumstances, and (3) items that must be cleared before publication. Blank spaces are found only infrequently in the press owing to a regulation which forbids this practice; for example, an entire page must be reset if a single item must be withdrawn from publication. All IDF publications and press releases must be coordinated with and approved by the Censorship Office. All information media, foreign and domestic, must submit any item having a security or significant political implication to the Censorship Office prior to its release. Most press organizations have a teletype link with the IDF to expedite this process; others must handcarry their items to the office. In the mid-1960s, this office was staffed largely by female soldiers.

The Censorship Office is in charge of monitoring outgoing communications from Israel to ensure that no information of military value is transmitted. If the monitor hears a discussion involving matters of military importance, he will cut off the conversation. On one occasion a monitor reportedly listened in on a

private conversation and reported gleefully to his colleagues in the room what he heard. The monitor was fired on the spot. Monitoring activity concentrates largely on international telephone calls from foreign media personnel in Israel to their home offices abroad.

The Public Relations Office of Military Censorship has responsibility for all IDF press releases and all official contacts with the public. The Office handles relations with the press and the public in coordination with the Censorship Office. The Office also hosts foreign defense attaches in Israel in conjunction with the Foreign Intelligence Liaison Division. As in the case of the Censorship Office, Directors of Military Intelligence would prefer to see the Public Relations Office directly under the command of the Chief of Staff.

The intelligence process within Military Intelligence operates largely by means of three regularly scheduled meetings of the key intelligence officers. First, there is a meeting twice a week or every three days at which the Director of the Production Department holds a briefing for the DMI and other top officers. Depending on the nature of the intelligence discussed, other production officers may also be present. On the basis of this meeting, the DMI issues instructions for action or levies requirements for information to the assembled staff officers. One half day after each of these biweekly meetings, the directors of Production and the Intelligence Corps meet to work out detailed planning and tactics on what each should do to follow up the DMI's broad directives. Immediately after this, the Director of the Intelligence Corps gathers together his own division chiefs and gives them guidelines for carrying out their immediate responsibilities. The liaison officer assigned to Mossad sits in on this meeting.

The DMI is always given finished intelligence. Individual items are summarized in not more than half a page and broken down into three paragraphs: (1) the facts, (2) comments, and (3) evaluation. These are put together on a "reading board" for selected top Israeli Government officials with appropriate marginal comments from the DMI. There are in addition daily, weekly, and monthly intelligence summaries which are designed to provide a continuing insight into the development of events or trends of interest to the government. These summaries, together with spot reports on separate items, furnish much of the DMI's

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responsibilities as the Prime Minister's staff officer for intelligence. The Production Department may also generate special research or "think" pieces. Special reports are also written in response to requirements levied by Israeli agencies other than military intelligence.

One of the DMI's most important functions is to present the annual intelligence estimate during the latter part of December. While a precis is drawn up beforehand, the presentation is oral and is attended by senior government officials headed by the Prime Minister. The DMI uses the weekly summaries to a great extent in preparing his material. At the end of his formal remarks, the DMI opens the floor to questions. The minutes of the meeting are then put into finished form and circulated to key government officers on a need-to-know basis.

The DMI's major aid in doing his job is a progress report drawn up every three months by each of his department directors. He also reads raw intelligence reports from time to time for the purpose of getting the actual flavor of information presented to him in the special item reports or to evaluate the usefulness or nature of agent operations.

Although the DMI has an elaborate computer capability to assist in collating information, there is a need for more effective automatic data-processing equipment for the storage and retrieval of information.

The DMI assigns intelligence officers to the three Area Commands, where they are attached to the various intelligence staffs down to brigade level. Territorial commanders direct the collection of intelligence in their geographical areas and for some distance across the border. The Northern Command is responsible for operations against Lebanon and Syria while the Central Command controls operations against Jordan, Egypt and perhaps Saudi Arabia. Information is collected through border observation, reconnaissance patrols and cross-border operations.

Air Force and Navy Intelligence are small, highly specialized units concentrating on items of immediate concern to only the Air Force and Navy commands. The Directors of Air Force and Navy Intelligence attend the staff meetings of the DMI. Officers from each of these services are detailed to attend the regular meetings of the Research Department in order to

coordinate reporting responsibility. Officers from both services are also permanently assigned to the Collection Department to coordinate requirements which are of particular concern to them.

a. AIR FORCE INTELLIGENCE—Israeli Air Force Intelligence is a relatively small but efficient organization. Its main functions are to conduct intelligence operations necessary to support air activities and to coordinate with the DMI regarding its collection efforts. Air Force intelligence is concerned almost exclusively with Arab air order of battle and the collection of Arab aerial target data. This information is largely collected by aerial reconnaissance and SIGINT, with supplementary information provided by agent reports and prisoner interrogations in hot war situations. The IDF relies heavily on photoreconnaissance for order of battle information. The Air Force has two photointerpretation facilities, but probably does not have more than 20 imagery interpreters. In 1970, all Air Force Intelligence facilities were permanent, although the Israelis planned to acquire several mobile facilities. While Air Force Intelligence does not produce estimates, it does prepare intelligence studies on air order of battle, threats and capabilities. The Air Force administers its own attaches abroad.

Air Force procedures for handling imagery intelligence are highly centralized yet flexible. Israeli photoreconnaissance capabilities, however, are limited. Photographic coverage is not possible below 7,000 feet, and camera systems are not capable of revealing, for example, whether SAM (surface to air missile) sites are occupied. Additionally, Air Force photolaboratory quality control is almost nonexistent. Air Force Intelligence, despite its high standards, did not have enough imagery interpreters at the time of the Yom Kippur War and the overall skill level of those few was rather low.

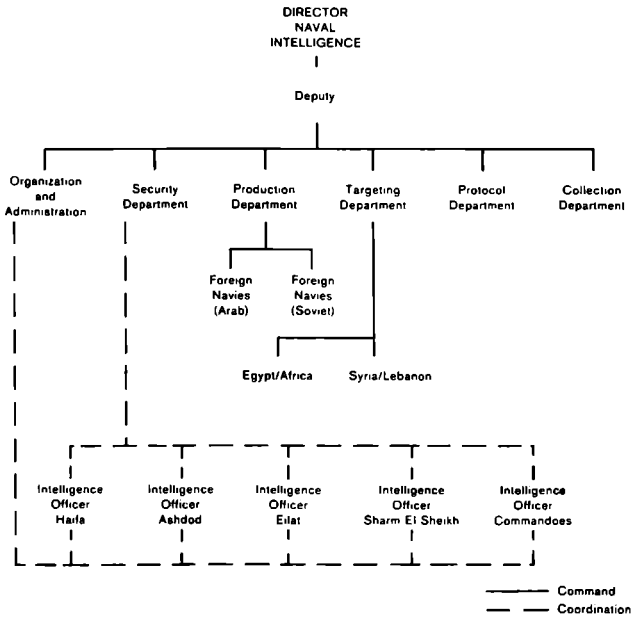
b. NAVAL INTELLIGENCE—Naval Intelligence is a small, centralized service of approximately 110 people operating in support of Navy units. Most of the personnel are located in the Navy headquarters building in Tel Aviv. The service deals mostly with naval order of battle, foreign capabilities and seaborne threats. Naval Intelligence operates as a semiautonomous unit of Military Intelligence and is not obliged to provide personnel at the national intelligence level. Naval Intelligence personnel are not subordinate to the

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DMI except to give consultative assistance in naval matters. In the table of organization, the Director of Naval Intelligence falls under the Officer Commanding the Navy for operational and reporting matters and supports the top navy commands. The service is patterned after the Military Intelligence structure but is geared to the requirements and scope of navy functions and missions. The organization has a deputy director and Collection, Targeting, Production (Research) and Security Departments. It assigns officers to the naval bases at Haifa, Ashdod, Elat, Sharm el

Shaykh and a commando unit based in southern Sinai. There is also a Protocol Department, which deals with foreign naval attaches in Israel, and a small organization and administration department (Figure 8).

The Collection Department, with about 17 personnel, is one of the smaller components in the Naval Intelligence structure. It has few integral operational resources and support for most of its collection efforts must come from or be coordinated through the DMI. Exceptions to this arrangement are Collection Depart-



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Figure 8. Organization of Naval Intelligence, 1974

ment control of Israeli naval attaché activities abroad, small boat coastal operations, COMINT, ELINT and aerial reconnaissance in cooperation with Air Force Intelligence, and a merchant marine program. The post-World War II Israeli endeavor in clandestine arms procurement and illegal immigration developed important commercial and shipping contacts, some of which may still be handled by or at least coordinated with Naval Intelligence.

The Targeting Department, with about 20 personnel, is divided into two divisions: Syria/Lebanon and Egypt/North Africa. These divisions are responsible for: (1) preparing coastal studies for naval gunfire missions; (2) preparing beach studies for amphibious assaults; (3) preparing special target studies to support commando operations; and (4) preparing and maintaining target folder on Lebanese, Syrian and Egyptian ports. The Department has access to all sources of information available to the DML. In addition to levying requirements for collection on the Military Intelligence Collection Department, the Director of Naval Intelligence is on regular distribution for information obtained by the DMI related to naval affairs.

The Production Department, with a staff of about 40, is the largest component of Naval Intelligence. This unit is divided into two divisions: (1) Arab Navies; and (2) the Soviet Navy. The Production Department handles research, analysis, production and dissemination of information on all mobile forces associated with Arab Navies and the Soviet Navy in the Mediterranean. This component is the primary user of all source material which flows into Naval headquarters, especially SIGINT information. The work of this department is mainly in support of units operating out of the four naval bases and the commando unit in southern Sinai. Production is limited largely to studies on enemy order of battle and special weapons. Those studies and others, including target folders, identification manuals and enemy tactics outlines, are disseminated to operational commanders and crews through the base intelligence officers. The base intelligence officer disseminates such information by briefing crews or updating a ship's intelligence library through additions, updates and changes.

The Security Department, which has a staff of about 12, performs a limited counterintelligence function within Navy headquarters at all naval bases.

Security Department personnel are navy officers and enlisted men who have been specially trained by the Field Security Department of Military Intelligence. They perform basic countersubversion and counter-sabotage tasks at headquarters and at subordinate bases. They do not, however, carry out base security or personnel investigations, which are done by Military Intelligence Field Security units.

The Organization and Administration Department with about six personnel assigned, provides secretarial support for the Director of Naval Intelligence. These personnel handle routine administrative duties.

Naval Intelligence, although small, is a well-trained and evidently highly efficient service. Recruiting of personnel into Naval Intelligence is done by means of a very efficient, informal system which identifies individuals and matches them to the needs of the Director of Naval Intelligence. (This system is apparently in force throughout Israeli military intelligence organizations.) Naval Intelligence officer personnel are recruited through several different channels. Most younger junior officers enter directly from the universities while others transfer within the Navy from naval operations units to the intelligence service. A third source is enlisted personnel who have displayed the necessary qualities and have indicated an interest in following a career in naval intelligence. Once identified, such people are sent to a university at Navy expense. Upon completion of their training they are commissioned and pursue careers in Naval Intelligence. Israeli Navy enlisted personnel, both male and female, are mostly volunteers who have been screened by the Director of Naval Intelligence. The Naval Intelligence women serve 20 months, while the men serve 36 months.

There are no special naval intelligence schools in Israel, and naval intelligence officers and key enlisted personnel are trained at the Military Intelligence School. In general women receive only on-the-job training; however, if a woman shows an interest in a naval intelligence career, she will be enrolled in the enlisted course of the Military Intelligence School. Naval Intelligence enlisted men attend an abbreviated course, enrollment in an expanded course depending on motivation and intended utilization. There appears to be very little problem with the retention of naval intelligence personnel. The primary constraint on the Director of Naval Intelligence is the total number

(officer and enlisted) of slots assigned. The centralized system combined with primary area of intelligence interest lends itself very well to the Naval Intelligence personnel structure. The close knit intelligence support system also works well considering the lack of integral collection assets.

Intelligence, prior to and during the Yom Kippur War, was received in the Operations Center at Naval headquarters. During the war, the Director of Naval Intelligence worked very closely with the Officer Commanding the Navy in the Center during ongoing operations. Information from SIGINT and other sources was received in the Center as raw data. Correlation of all information was then done on the spot by the Chief of Naval Intelligence and passed on to the Officer Commanding the Navy. The information was disseminated in the form of orders or reports to operational commanders and units. Processing and dissemination of naval intelligence was accomplished in a highly professional manner with no major deficiencies or Arab naval surprises in the Yom Kippur War. Naval Intelligence also revealed a built-in flexibility when the service shifted quickly to a hot war situation and handled support for active naval operations including shore bombardment missions. One major area where Naval Intelligence has problems is the limited number of personnel. In case of continuous operations, similar to the Yom Kippur War, quality naval intelligence work would probably degenerate after a month of steady operations.

3. Administrative practices of the Directorate of Military Intelligence

There are approximately 450 officers plus a larger number of NCOs, enlisted personnel and civilian clerical personnel in the DMI. The service has priority in the selection of qualified military personnel for intelligence assignments. Military Intelligence prefers to bring individuals into intelligence work while they are young and move them upwards as they acquire experience and can assume greater responsibility. Recruiters seek promising young people who are studying foreign languages or other subjects of interest to the service in secondary school. Prior to graduation, Military Intelligence officers contact selected young students—males and females—and offer them positions as interpreters during the two years of compul-

sory military service which follows at the completion of secondary education. Those who accept are assigned to Military Intelligence when they join the IDF. Promising young army personnel are then sent to the Military Intelligence School, following which they may be commissioned and assigned as assistants to intelligence officers in the field. When they attain the rank of captain, having served as intelligence officers, some are assigned to an area command headquarters or to the Directorate of Military Intelligence to expand their experience and qualify them for more responsibility and eventual promotion to higher rank. Thus, many of the officers now serving with Military Intelligence entered as young men and moved up through the ranks.

Most Military Intelligence personnel are regulars, not reservists because the IDF requires career intelligence officers. All personnel, including conscripts, join Military Intelligence voluntarily. Female enlisted members, who often serve as translators, usually serve only 20 months whereas male enlisted personnel serve 36 months.

Military Intelligence training is professional and extensive. Officers and analysts are well-trained and competent in their fields. The Military Intelligence School is located north of Tel Aviv on the road to Sde Dov airport. This school trains both officers and noncommissioned officers. Approximately 150 instructors and 90 support personnel train between 2,000 and 3,000 students annually. The school's usual course runs from September through February. This arrangement has been made to take advantage of new groups of high school graduates. This center is a relatively new facility which was established in the late 1960s. It was formerly part of the IDF Infantry School.

The commander of the Military Intelligence School is responsible to the DMI for intelligence instruction and to the Intelligence Corps for training in general. Course content is the responsibility of the DMI. The training staff supervises training aids and instruction methods. A Combat Intelligence Branch provides instruction for operational personnel and a General Subjects Branch trains specialists. The General Subjects Branch, for example, teaches courses in field security, censorship, military drafting, photo interpretation, research for order of battle analysis, collection, and aerial observation. Other special courses are taught as needed. Field Security counterintelligence personnel,

Air Force and Navy students also take courses at the Military Intelligence School and Military Intelligence instructors are responsible to the DMI for intelligence training at the schools of other IDF branches. They are charged by the DMI for quality of intelligence teaching. These instructors usually have wartime assignments with tactical units. Military Intelligence personnel staff intelligence positions down through brigade level; line officers with intelligence training at the Infantry School staff the lower echelons.

Field Security personnel are selected on the basis of strict criteria regarding personal security and loyalty to Zionism and the Israeli State. They are trained by Shin Beth.

In general, Military Intelligence, although it has a good training program and tries to offer career inducements, has difficulty in retaining competent personnel because of low wages and slim opportunities for advancement.

4. Methods of operation

Military Intelligence is responsible for cross-border operations into the neighboring Arab states. Its operations rely heavily on the exploitation of: Arabs within Israeli and the Administered Territories; Arab students, who though residents of Israel, attend universities in the Arab nations; Arab travelers and visitors; Arabs in Israeli prisons; and Arab military deserters, defectors, Bedouins and smugglers.

Military Intelligence collection requirements cover political and economic subjects as well as military information and uses the information acquired both for policymaking purposes and as basic intelligence. Military Intelligence is also active in collecting information from sources outside Israeli terrorist and subversive organizations and activities. Although SIGINT sources acquire some information on these subjects, Military Intelligence officers believe that only agent sources can really obtain the data needed on various terrorist groups' policies and plans, methods of operation, equipment, training and relations with other groups. Primary Israeli interest in terrorism is to obtain early warning of impending operations.

In each regional area of Israel, local citizens, in some cases Arabs, who are Israeli agents, act as spotters for Military Intelligence. Most of these spotters have long worked for Military Intelligence, which alerts them to

the type of sources desired. Once a spotter has reported a potential source, he steps aside and leaves the rest to Military Intelligence officers. Military Intelligence contacts the potential source, assesses him and, if appropriate, attempts to recruit him as an agent. This is described as the "direct method" of recruiting agents for Military Intelligence. The "indirect method" refers to recruiting sources by or through agents outside Israel. Both Field Security and the police investigate the backgrounds of potential agents for Military Intelligence.

The motives of the spotters and local support people are either monetary or a desire for services in the form of aid in reuniting families or representation on behalf of the spotter in some problem with the Israeli Government. The basic agent motivation is generally economic gain in the form of salaries, loans (which are seldom repaid), and gifts. Another common incentive is a wish to move to Israel and rejoin relatives who reside there. In some cases the agent may be a Palestinian refugee, who believes that he still has a claim to property in Israel and wants either recompense or a guarantee of the eventual return of his property. Other agents are members of Arab minority groups or opponents of Arab regimes.

Military Intelligence officers do have problems in handling Arab agents, who tend to exaggerate and often fail to report accurate details. Therefore, the Military Intelligence officers encourage their Arab agents to provide photographs, maps, and other corroborating documents. Military Intelligence officers also cross-check reports often by using other agents in the same region. Despite Israeli warnings during training, Arab agents tend to tell other members of their family about their association with Military Intelligence. Occasionally an Arab agent may recruit all the members of his immediate family as subagents and try to get his case officer to pay them salaries. The Israelis refer to these family subagents as "nonfunctionalist." These subagents sometimes compromise a whole operation as a result of boasting about their activities. Occasionally the Military Intelligence case officer will order these unwanted "nonfunctionals" across the border into Israel for security briefings but Military Intelligence has not solved this problem completely.

Military Intelligence trains its agents in tradecraft, collection methods, security and reporting procedures.

Military Intelligence runs its agents in networks or as singletons; the latter are referred to as "lone wolves." For security reasons, Military Intelligence prefers that an agent with good access remain a "lone wolf." Agent networks consist of a primary source and subsources. Military Intelligence does not refer to sources as such, instead calling both primary and subsourc "agents." Military Intelligence officers try to meet and train each agent personally on the Israeli side of the border. Networks usually include a radio operator and in some cases, a courier.

When possible, Military Intelligence case officers prefer direct meetings with all agents inside Israel in order to receive their reports personally, to check requirements and to formulate future plans. One aspect of the relationship between Military Intelligence officers and agents is unique when compared to the techniques employed by other services. In many operations Military Intelligence headquarters analysts accompany case officers to personal agent meetings, in order to clarify certain details of the agent's reports and give him guidance on certain points or problems. These meetings are usually held in safehouses with both the case officer and the analyst present but if an agent is pressed for time, the case officer and analyst may meet him during darkness at a prearranged spot along the border.

Military Intelligence also communicates with its agents by S/W⁴ letters posted in third countries, by agent radio and by deaddrops.⁴ Military Intelligence operations have been marked by flexibility, economy in the use of assets and by responsiveness to requirements; the system worked well prior to the Yom Kippur War in October 1973. Agents reported early warning information which, in retrospect, contained reliable indications of a coming Arab attack. Direct communication with agents, however, virtually ceased during hostilities and what little agent reporting there was during the war was of limited value to Israeli Military headquarters and field commanders. The principal problem faced by Military Intelligence in the acquisition and reporting of intelligence by agents is the lack of modern equipment. Although many of the agents have radios (mainly receivers) and cameras, and are familiar with secret writing, the sophistication level of techniques and equipment is low. This adversely affects the quality, security and timeliness of collection

operations. Military Intelligence employs a SIGINT system that is modern, sophisticated and effective.

The DMI is responsible for providing technical support to other directorates, but the technical services of the various military intelligence directorates are inferior to the technical groups of Shin Beth. The DMI's technical equipment, such as that used in audio surveillance or that employed in work agent support is generally high although it is less good in some special fields such as miniaturization. In the use and application of infrared devices, however, the DMI capability is usually good. Military Intelligence personnel are capable of making ad hoc modifications of existing equipment and are up to date on technical advances concerning remote control and activation of transmitters, and in the field of low-light photography. Military Intelligence relies heavily on aerial reconnaissance and SIGINT for timely order of battle information. Aerial reconnaissance is apparently a primary instrument for locating fedayeen groups, although such organizations are well penetrated by field agents.

Military Intelligence is capable of providing timely and detailed information on Israel's primary neighboring enemies through agent operations that are well planned and highly imaginative.

The main purpose of Military Intelligence Field Security units is to control the local Arab population in the Administered Territories and to minimize their participation in terrorism. In this endeavor, Field Security of the Administered Territories works closely with Shin Beth and the Border Guard. Residents are required to carry ID cards, curfews have been imposed, suspected resistors have been detained, and the houses in the area of persons presumed to know of terrorist activities have been demolished, even though the inhabitants were not directly involved. In the early 1970s it was estimated that the Israelis had some 900 residents of the Administered Territories under administrative detention. Personnel of Field Security units have carried out sweeps in searches for terrorists and arms caches through areas in the West Bank where terrorism has occurred. On some occasions Israeli operations have taken place at night, apparently intended at least in part to intimidate the populace.

In December 1969 the Defense Minister announced that 516 buildings had been demolished in the occupied territories since the 1967 war—265 in the

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West Bank, 227 in Gaza and 24 in Jerusalem. While these Israeli policies and actions have intimidated many Arabs who might otherwise have engaged in resistance activities or in terrorism, in many cases they have been counterproductive in that they have aroused deep and widespread resentment among the residents of the Occupied Territories. In areas where buildings have been destroyed, an atmosphere of personal anger and resentment has been added to the natural bitterness of a defeated people, particularly among the younger Arabs.

5. Relations with other services

There appears at the present time to be a very harmonious relationship between Military Intelligence and the other Israeli intelligence and security services. Most Israeli intelligence and security personnel, especially on the policy and coordination level, realize that their very national existence depends on an effective and smoothly functioning intelligence and security community. In addition, officers at the department chief and even more so at the division chief level all have known each other personally for a long period of time. These relationships have been forged during troubled times seldom experienced by any other nation and now provide a framework for cooperative teamwork and coordination among the services.

Liaison between Israeli Military Intelligence and foreign organizations have varied over the years from good to poor, depending on the exigencies of the situation and the demands of policy. In recent years the Israelis have provided military and security aid and training to various African nations, including Ethiopia, Uganda and Zaire. They have also engaged in military and security training and equipment exchanges with Latin American and Asian services.

The Israelis have maintained good relations with Turkey and Iran in military and security matters.⁹ While the Israelis do not have full diplomatic relations with Iran; they have an overt official mission whose members have diplomatic titles, including that of military attache.

E. Research and Political Planning Center

The Research and Political Planning Center, formerly the Research Division in the Ministry for

Foreign Affairs, prepares analysis based on raw intelligence for government policymakers. Its office is located in a separate fenced compound within the Ministry of Foreign Affairs complex in Jerusalem. A guard at the compound gate prevents unauthorized entrance into the Center, and photo ID cards are required for admittance.

The Center presently employs fewer than 100 people, both analysts and support staff, who were recruited from the Ministry of Foreign Affairs and Israeli universities. The Center has six divisions: North Africa; the Fertile Crescent; the Arabian Peninsula; other Geographic Regions; Economic; and Strategic. Some 70 percent of the Center's personnel are employed in the three Arab units. The Center prepares its analyses on the basis of raw intelligence data available to the Israeli intelligence community. The Center produces short papers on current intelligence and longer analytical memoranda, as required. The Center's products are disseminated to all ministries of the government.

The Foreign Minister uses the Center as his personal braintrust to give him an independent means of judging the products of Military Intelligence and Mossad. Although its analyses are sent to Israel's top decisionmakers, the Center's role in the Israeli intelligence and security community probably is still a modest one. The Center reportedly has few problems arising from competition within the community, probably because of a lack of status in comparison with the established and larger intelligence and security organizations.

F. The National Police

The Israeli Police Force is a national organization headed by an Inspector General responsible to the Minister of the Interior. The national headquarters moved in mid-1969 from Tel Aviv-Yafo to Jerusalem. The force is comprised of the following departments: (1) Administration, which is responsible for transport, supplies, communications, property and finances; (2) Investigations, which is concerned with criminal and fraud investigations and special tasks in support of the intelligence and security community; and (3) Operations, which is in charge of training, patrols and traffic. There are also personnel, research, planning and development offices. The Prison Services and the Civil Guard are also part of the Police (Figure 9).

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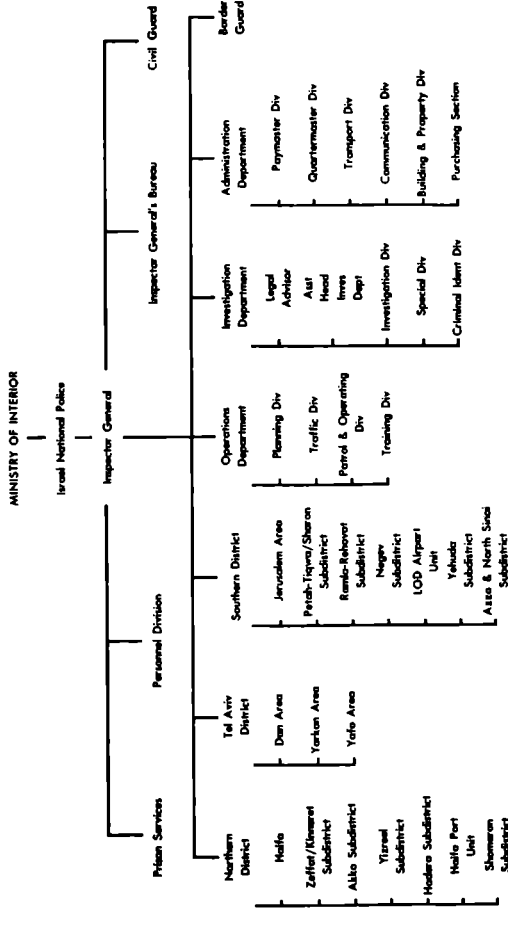


Figure 9. Organization of Israeli National Police, 1977

The force is divided territorially into districts, subdistricts, zones, police stations, and posts. The three police districts are: Northern, including Haifa; Tel Aviv; and Southern, including Jerusalem. Attached to the Haifa subdistrict is a small coast guard or marine police force, which is based in the port of Haifa and patrols the whole coastline to prevent smuggling, infiltration, and illegal fishing. This unit also has patrol craft on Lake Tiberias and at Elat on the Gulf of Aqaba. The Southern District includes a special unit at Ben Gurion (Lod) airport (Figures 10 and 11).

A special component of the national police force is the Border Guard, whose missions are to guard the ceasefire lines against Arab infiltration and detecting and running down terrorists. It works closely with the Army and patrols the Administered Territories and the border areas. The Border Guard also trains settlers in defense measures against infiltrators, and schedules guard duty in border villages. Military conscripts who elect to fulfill their term of service by joining the Border Guard are the principal sources of new recruits

for this component. The Border Guard, which number about 6,000, is integrated into the Army in time of war.

The effective strength of the police force (not including the Border Guard) reached about 12,000 at the end of 1969. Roughly 1,100 of the police, including 768 Arabs, were employed in the Administered Territories in 1969. Over half the police force are Jews of Oriental background and, in fact, the police force is a branch of government to which the assignment of Oriental Jews has been particularly encouraged.

The police force is capable of maintaining public order and safety under normal circumstances. It has, however, been troubled by a manpower shortage caused by resignations resulting from low pay, overwork and the attraction of higher paying jobs elsewhere. Despite the persistent shortage of manpower, police discipline is generally satisfactory and, in the case of the Border Guard, excellent. The public attitude toward the police has improved since the



Figure 10. Israeli National Police headquarters, Jerusalem, frontal-side view, November 1972



Figure 11. Israeli Border Guard post under construction at Kefar Rosenwald (Zarit), June 1970

early days of statehood, despite scandals involving smuggling and the acceptance of bribes. The police force has worked hard to overcome the traditional Jewish fear of police authority stemming from the historic oppression of Jews. The Israeli Police Force in effect acts as a very important auxiliary to Shin Beth in the preservation of internal security throughout the country. The police support Shin Beth in investigations, by providing cover and making arrests.

G. Key officials

Achi-Tuv, Avraham

Achi-Tuv became Director of Shin Beth in the summer of 1974. He is a career security officer. His reputation was established as chief of Shin Beth's Arab Affairs Department, where he was responsible for conducting operations in the Administered Territories and within the Arab community in Israel. He served briefly as Deputy Director of Shin Beth prior to his appointment as Director. Achi-Tuv is of German background. He is married and has a daughter. He earned a law degree at the University of Tel Aviv in the early 1970s while serving in Shin Beth. He is extremely bright, hard-working, ambitious and thor-

ough. He is also known to be headstrong, abrasive and arrogant.

Hoffi, Yitzhak

Major General (Ret.) Yitzhak Hoffi became Director of Mossad on 1 September 1974. He was born in Tel



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Aviv on 25 January 1927. He joined the Haganah in 1944 and commanded a company in the Arab-Israeli War in 1948. He continued to serve in the Israeli Defense Forces in a variety of command, staff and training posts, including the command of the Paratroop Brigade. Hoffi was Acting Chief of Staff for a brief period in April 1974, but retired from the IDF at that time, apparently because he was not appointed Chief of Staff. Hoffi attended the US Army Command and General Staff College in the mid-1960s. He has also visited the US on many occasions. In 1968 he inspected police units and participated in army exercises in Uganda. He traveled as a tourist to Hawaii, Japan, Hong Kong, Bangkok and Tehran in 1970 and went to Singapore on undisclosed business. He inspected Israeli advisory efforts in Ethiopia in 1972 and also went to other parts of Africa. Although not an intelligence officer by background or training, Hoffi apparently demonstrated his flair for intelligence analysis as Commander of the Northern Command in the days preceding the Yom Kippur War in October 1973 by sensing the impending Syrian attack and requesting the Defense Minister to reinforce the Colan Heights with an armored brigade. Hoffi reportedly has expanded Mossad's role in the collection of intelligence on Arab capabilities and the interpretation of such information.

Hoffi is reserved and quiet but can be warm and genial among friends. He is married and has two daughters. He speaks English. Neither as flashy nor as imaginative as some of his predecessors in Mossad, he is reported to be meticulous and somewhat dour.

Sagi, Yehoshua

General Yehoshua Sagi, born 27 September 1933, Jerusalem, Palestine (Israel), entered the Israeli Defense Force (IDF) in 1951 and was commissioned in 1953. From 1953 to 1964 he served in the Southern Command, fulfilling field duties. During the Sinai Campaign he served as intelligence officer of the Armored Corps and as commander of a reconnaissance unit. Following the 1956 war, he served as an intelligence officer with the 7th Brigade and later as an assistant intelligence officer, Southern Command. In 1965 he graduated from the IDF Command and Staff College. Following his graduation he served as commander of an Intelligence Officer Training Course, and as an intelligence officer with the

Southern Command before returning in 1971 as an instructor with the Command and Staff College. In 1972 he became commander of the Intelligence School but left in 1973 to become intelligence officer with the Armored Division, Southern Command. On 19 May 1974 Sagi was appointed Deputy Director, Military Intelligence, Production and Estimates. On 2 February 1979 he assumed the Directorship of Military Intelligence. Sagi is soft-spoken, direct and has a no-nonsense outlook. He considers himself an Arab expert. He is married and has three daughters. He speaks English.

H. Comments on principal sources

1. Source materials

Most of the information in this publication has been derived from a variety of sources including covert assets of the Central Intelligence Agency, publications of the Israeli Government and reports prepared by the United States Department of Defense. Research was basically completed in December 1976.

2. Supplementary overt publications

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e. Ben-Hanan, Eli, *Our Man in Damascus*. New York: Crown Publishers, 1969.

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- s. *Who's Who in Israel*, 1976. Tel Aviv: Bronfman and Cohen, 1976.

SECRET

4 AUG 79

SECRET 031313Z AUG 79 DEFERRED TELEPOUCH

CITE WASHINGTON 468214.

TO: TEL AVIV INFO TEHRAN.

FM: NE/ISR INFO NE/IRAN

SUBJECT: WMINTEL 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. RVV: 2AUG69 DRY D9B.2.

SECRET
BT
#2303

SECRET 190752Z SEP 79 STAFF

CITE TEHRAN 54249

TO: TEL AVIV INFO DIRECTOR,

WMINTEL INTEL

REF: A. TEL AVIV 19647

B. TEHRAN 54226 (REF ID: A729)

1. CONCUR MESSAGE REF TO ISRAELI LIAISON, ATTRIBUTED TO
GENERALLY RELIABLE SOURCE, DELETING PARAS ONE AND THREE YIELD
COMMENTS, AND WITH FOLLOWING ADDITIONAL CHANGES: AT BEGINNING
OF PARA ONE, DELETE "MINISTER OF LABOR DARIUSH FORUHAR" AND
SUBSTITUTE "AN IRANIAN GOVERNMENT OFFICIAL." DELETE "FORUHAR"
FROM BEGINNING SECOND SENTENCE PARA ONE AND SUBSTITUTE "THE
OFFICIAL."

2. NO FILE. RUM 19 SEP 99 DRV D9C.1. ALL SECRET.

E G R I

SECRET 251342Z APR 79 DELETED TELETYPE

BT TEL AVIT 29707 SECTION 1 OF 4

WASHINGTON INFO TEHRAN

NEVISA

SUBJECT: WMINTEL FOI - DISCUSSION ON IRAN

THE FOLLOWING IS A PRELIMINARY REPORT ON THE LIAISON ON IRAN
STAFF AND THE REGIME WHICH THEY WOULD LIKE TO SERVE AS A BASIS
FOR A DISCUSSION BETWEEN OUR EXPERTS ON IRAN AND THEIR REPRESENTATIVE
LIAISON IS INTERESTED IN OUR ANALYSIS OF REACTION AND COMMENTS REGARDING
REGARDING THE POINTS AND ARGUMENTS PUT FORWARD IN THE REPORT. AS WELL
AS THEIR RESPONSE TO THE SPECIFIC QUESTIONS PARSER AT THE END OF THE
REPORT. THE ACTUAL ARRANGEMENTS FOR THE DISCUSSION ARE TO BE WORKED
OUT IN WASHINGTON. SACPROV/13 HAS RECEIVED A REPLY VESICLE OF
THIS REPORT. PARELA TEXT.

MAIN POINTS

THE REVOLUTION IN IRAN, WHICH DEPOSED THE SHAH AND BROUGHT
KHOUMEINI AND HIS EXTREMIST RELIGIOUS CAMP TO POWER, HAS NOT YET RUN
ITS COURSE. THE KHOUMEINI REGIME IS IN THE MIDDLE OF AN EFFORT TO
CONSOLIDATE ITS HOLD ON THE GOVERNMENT AND TO INSTITUTIONALIZE THE
PRINCIPLES OF THE REVOLUTION BY CONSTITUTIONAL MEANS, AND NOW
SUFFICIENTLY STRONG OPPOSITION HAS ARISEN SO FAR WHICH COULD CHALLENGE
KHOUMEINI. THUS, 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,
ECONOMIC DISRUPTIONS, SEPARATIST FERMENT AND BUDDING DISOBEDIENCE
AND RESISTANCE EVEN WITHIN THE ARMY--POSE A THREAT TO THE LONG-
TERM STABILITY OF THE REGIME. THE FACT THAT KHOUMEINI IS AN OLD
LEADER TO THE UNCERTAINTY OF THE OUTCOME OF HIS PRESENT EFFORT
TO ESTABLISH AN ISLAMIC REPUBLIC AND INSTITUTIONALIZE IT.

PAGE 2 TEL AVIV 22007 S I C T T
REGARDLESS OF WHETHER THEY ARE HOME-GROWN OR WHETHER
THEY ARE CAUSED BY ACTIVITIES COMING FROM OUTSIDE THE COUNTRY,
THE FOLLOWING DEVELOPMENTS, WHICH MIGHT BE INTER-RELATED, COULD
BRING ABOUT A SIGNIFICANT CHANGE.

A) EXACERBATION OF THE POLITICAL STRUGGLE, EITHER
DUE TO A CONFRONTATION WITH THE ORGANIZED LEFT, OR BECAUSE OF
INCREASING POLITICAL INVOLVEMENT ON THE PART OF THE ARMY,
ESPECIALLY IF KHOMEINI DEPARTS FROM THE SCENE.

B) DETERIORATION OF THE ECONOMIC SITUATION BECAUSE
OF DISRUPTIONS IN THE EXPORT OF OIL AND THE CONSEQUENT DECREASE IN
INCOME FLOWING FROM SUCH EXPORT.

C) AN UPRISING AMONG SEPARATIST ETHNIC MINORITIES,
ESPECIALLY IF IT OCCURS SIMULTANEOUSLY IN THE KURDISH REGION AND
IN THE STRATEGIC PROVINCE OF KHUZESTAN.

3. THIS PAPER SEEKS TO CHARACTERIZE THE PROCESS OF THE CON-
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 ALL THE EMPIRE SOCIAL-POLITICAL STRUCTURE OVERTURNED AND BROUGHT
ITS MAKE SIGNIFICANT CHANGES IN THE CULTURAL VALUES AND BECAUSE
IRANIAN SOCIETY OPERATED UNTIL FEBRUARY 1979. THE REVOLUTION HAS
A LEFTIST OVERTONES RESPECT AS IT DOES OF THE SUPPORT OF THE MASSES
AND THE LOWER CLASSES. THESE WERE THE STRATA OF SOCIETY THAT DID
NOT ENJOY, AND WERE EVEN HURT BY, THE STEPPED-UP MODERNIZATION THAT
THE SHAH INTRODUCED INTO IRAN. THE SHAH IS NOW ON THE SWEEP-UP OF
AND THIS THE IRANIAN MIDDLE CLASSES THAT ARE AT THE MERCY OF THE
LOWER CLASSES AND SOMETIMES EVEN THE MOB.

5. THE BANNER OF CHANGE WAS BORNE BY THE HIERARCHY OF
RELIGIOUS LEADERS, FROM THE NEIGHBORHOOD MULLAH TO AIATOLLAH
KHOMEINI AND PERSONALITIES THE REVOLUTION. SINCE ISLAMIC LAW TAKES
AS A BASIS OF A REVOLUTIONARY IDEOLOGY WITH ALL ITS POLITICAL, SOCIAL
CULTURAL CONTENTS. EXTREMIST RELIGIOUS LEADERS ALONG WITH THE

PROG 3 TEL AVIV 29077 5 P C A E T
RAZZAKI MERCHANTS WHO HAVE A RADICAL ORIENTATION FORM THE REVOLU-
TIONARY NUCLEUS. AND THIS NUCLEUS HAS COALESCED A VARIETY OF
COALITION THAT RANGES FROM SECULAR POLITICIANS HAVING A LIBERAL
WESTERN ORIENTATION CLOSE TO THAT OF THE MIDDLE CLASS, TO CITIES
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 UTILITARIAN AND NEG-
ATIVE COMMON DENOMINATION AND CONSEQUENTLY A PASSING ONE. ONCE THE
OBJECTIVE WAS ACHIEVED AND THE SHAH WAS OUSTED, THE HETEROGENEOUS
COALITION PERMEATED WITH INTERNAL IDEOLOGICAL AND SOCIAL ANTAGONISM,
BEGAN TO DISINTEGRATE. THE RELIGIOUSLY ORIENTED CAMP IS CURRENTLY
LEADING THE COUNTRY AND STRIVING 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 INSTI-
TUATIONALIZE THE PRINCIPLES OF THE REVOLUTION. SINCE AUGUST THE
POLITICAL STRUGGLE IN THE CAPITAL AND ITS OUTSATS HAS EXACERBATED
WITH THE ZEALOUS POPULAR RELIGIOUS ELEMENT LED BY KHOMEINI, TAKING
RIGOROUS MEASURES TO SUPPRESS ITS ACTUAL AND POTENTIAL RIVALRY WHILE
STRIVING TO ACHIEVE ABSOLUTE CONTROL OVER THE POLITICAL STRUCTURE.
IN REACTION TO A RATHER LIMITED SURGE IN CRITICISM AGAINST THE
REGIME, AND USING THE PRETEXT PRESENTED BY THE KURDISH SEPARATIST
MOVEMENT, 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
LEFT NEWSPAPERS THAT WROTE AGAINST THE ISLAMIC REVOLUTION AND CRIT-
ICIZED THE REGIME WERE BANNED; THE HEADQUARTERS OF THE LEFTIST
GROUPS--THE MUJAHIDIN, AL-KHALQ, THE FEDAYIN AL-KHALQ AND THE
LAKH--WERE SHUT DOWN, AND THE DEMONSTRATIONS OF THEIR SUPPORTERS
WERE VIOLENTLY DISPERSED BY ARMED EXTREMIST MUSLIMS. AT THE SAME
TIME (IN MID-AUGUST) KHOMEINI BEGAN A GENERAL OFFENSIVE AGAINST
THE KURDISH STRONGHOLDS. THAT OFFENSIVE REACHED ITS CLIMAX, AND
LED UP TO THE TIME BEING WITH THE CAPTURE OF ALL THE KEY KURDISH
CITIES.

7. IN ADDITION TO HIS SUCCESS IN ATTAINING THE MAIN OBJECTIVE
OF THE OFFENSIVE AGAINST THE KURDS, KHOMEINI ALSO ACHIEVED OTHER
GOALS SUCH AS THE CONSOLIDATION OF A NATIONAL CONSENSUS AROUND

PAGE 4 TEL AVIV 2000Z SEP 78 R 13
BIM AND FOR THE FIRST TIME THE ARMY, EVEN LESQUA, IS PART
PARTLY OF THE ARMY IN COORDINATION WITH THE REVOLUTIONARY
GUARDS. AT THE SAME TIME HAS APPOINTED HIMSELF SUPREME COMMANDER OF
THE ARMY. MORE IMPORTANTLY, HE MANAGED TO CONVENE THE COUNCIL OF
EXPERTS WHICH IS SUPPOSED TO LAY THE WAY FOR THE SETTING UP OF A
NEW GOVERNMENTAL STRUCTURE. THE STRUGGLE OVER THE NATURE OF THE
NEW CONSTITUTION WHICH IS NOW BEING CONDUCTED IN THE COUNCIL OF
EXPERTS, IS FUNDAMENTAL AND PERHAPS THE MOST IMPORTANT OF THE STAGE
IN CONSOLIDATING THE REVOLUTION. THE COUNTRY IS CURRENTLY
DIVIDED INTO EXTREMIST RELIGIOUS LEADERS WHO FAVOR AN ISLAMIC CON-
STITUTION IN THE SPIRIT OF THE KORAN AND HAVE APPARENTLY AN UPPER
HAND AND MODERATES WHO SUPPORT A MORE FLEXIBLE CONSTITUTION THAT
WILL GIVE ROOM FOR OTHER POLITICAL FORCES ACTIVE ON THE POLITICAL
SCENE. HOWEV, REGARDING THIS STRUGGLE AS IT'S ACID TEST. THE OUT-
COME OF THIS STRUGGLE, MORE THAN ANYTHING ELSE, WILL INDICATE TO
WHAT EXTENT HIS EXTREMIST RELIGIOUS AND KENGRATIC CONCEPTS
HAVE TAKEN ROOT IN THE COUNTRY.
STRENGTHS AND WEAKNESSES OF THE REGIME

9. AT THIS STAGE THE REGIME'S STRENGTH LIES IN THE FOLLOWING:

A) KHOMEINI'S PERSONALITY AND THE MOMENTUM OF THE
REVOLUTION - HIS MOMENTUM RESTS ON BOTH KHOMEINI'S DOMINANT-
CHARISMATIC PERSONALITY AND THE REVOLUTIONARY RELIGIOUS ESTABLISH-
MENT ORGANIZED AS A HIERARCHY FROM THE LEVEL OF LOCAL COMMITTEES UP
TO THE REVOLUTIONARY COUNCIL. THESE ARE CAPABLE OF MOBILIZING THE
MASSES, ESPECIALLY AMONG THE URBAN POPULATION, AND CAN RELY ON
THEIR VOCIFEROUS SUPPORT. DESPITE THE FACT THAT REVOLUTIONARY
ENTHUSIASM IS PETERING OUT AS THE MEMORY OF THE SHAH'S DEPOSITION
GROWS VAGUE, KHOMEINI IS STILL CAPABLE OF RALLING HUNDREDS OF
THOUSANDS OF SUPPORTERS. THIS DEMONSTRABLE ABILITY TO MOBILIZE
SUPPORT MAKES FOR THE LEGITIMACY AND PRESENT STABILITY OF THE REG-
IME. SHOULD KHOMEINI MANAGE TO PUSH THROUGH A CONSTITUTION THAT IS
TO HIS TASTING, THE REGIME WILL THEN DERIVE LEGITIMACY NOT ONLY FROM
THE SUPPORT OF THE MASSES, BUT FOR THE FIRST TIME FROM A LAWFUL
CONSTITUTION.

B) INTENSIFICATION OF THE REGIME ALONGSIDE PRAGMATIC
TENDENCIES, LACK OF COMPROMISE, CONFIDENCE AND ADHERENCE TO THE
S OF THE STRUGGLE TRIPLET HE HAS DISPLAYED BEFORE THE REVOLU-

PAGE 5 REF ID: A97775 F O R E I G N R E S P O N S I B I L I T Y W H I C H C O M E S
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C) L A C K O F O R G A N I Z E D O P P O S I T I O N - K H O M E I N I ' S R E G I M E
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I N T H E E C O N O M Y, T H U S C U S H I O N E D B Y T H E O I L R E V E N U E S, D O N O T A P P A R

PAGE 6 TFL AVIV 29707 S E C R E T
THEIR FULL SERIOUSNESS AND DAILY LIFE RACE TO GET
A NORMAL PACE, FIRST AND FOREMOST BECAUSE OF THE LOSS
FROM OIL EXPORTS.

E) WESTERN AND REGIONAL INTEREST IN IRAN'S STABILITY
KNOWLEDGE BENEFITS FROM THE WEST'S DEEP INTEREST IN STABILIZING
AND TO FEAR THAT IN A TIME OF UNREST THE COUNTRY MAY TURN
LEFTWARDS. INSTABILITY COULD ALSO DISRUPT OIL EXPORTS AND
AS WHAT THE WESTERN COUNTRIES, PARTICULARLY THE U.S. COULD
OBVIOUSLY LIKE TO PREVENT. THE INTEREST OF THESE COUNTRIES IN
STABILIZING THE SITUATION IN IRAN LIES IN THAT REGIME'S BECOMING
STRONGER, AND EVEN TO BE INTERESTED IN THAT REGIME'S BECOMING
STRONGER, SINCE THE GULF COUNTRIES, WHO WERE DEEPLY CONCERNED BY
THE SHAH'S COLLAPSE AND WHO FEAR THE RETURN OF INSTABILITY AND
INTERESTED IN TOWING DOWN IRAN'S REVOLUTIONARY WAVE, IS NOT
COMPLETELY PREVENTING ITS EXPORT. THEY ARE ALSO LOOKING FOR A
MODUS VIVENDI OF SORTS WITH THE REGIME IN IRAN. THIS MAY HOLD
TRUE FOR IRAQ AS WELL. THE REVOLUTIONARY REGIME THEREFORE BENEFITS
FROM THE FACT THAT THERE IS NO REGIONAL OR WESTERN ELEMENT THAT
WOULD WANT TO SEE IT FALL. ON THE CONTRARY, SOME WESTERN COUNTRIES
EVEN COURT IRAN IN THE HOPE THAT THEY CAN RECONSOLIDATE THEIR
POSITIONS, SO AS TO ADVANCE THEIR ECONOMIC AND COMMERCIAL INTERESTS.

8) 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
SOPORING UP PROCESS - AS SOON AS THE GOAL OF THE OVERTHROW OF THE
SHAH WAS REACHED, THERE BEGAN A PROCESS OF DISINTEGRATION IN THE
BROAD OPPOSITIONARY COALITION WHICH HAD UNITED TO ACHIEVE THE GOAL.
THIS PROCESS OF DISINTEGRATION HAS NOT YET LED TO THE EMERGENCE OF
ANY REFINED, UNIFIED 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
THE POLARIZATION IN PRINCIPLE WHICH IS BEGINNING TO SEW UP
BETWEEN THOSE WHO WANT TO RADICAL RELIGIOUS STATE AND THOSE WHO WANT
CERTAIN PLURALISM. THE PART THAT OPPOSITION TO KHOMEINI'S REGIME
ON THE INCREASE ACTS AS A CONSTRAINT ON HIM. JANUARY BOYCOTTED
ELECTIONS TO THE COUNCIL OF EXPERTS, THE LATE IS BEING PERSECUTED

TEL AVIV 29700 S... THEMSELVES FIGHT...
...ARMED GROUP... THE FACT THAT...
...ANSWER TO KNOW... UNCERTAIN...
...ED IN YEAR OF THE RELIGIOUS...
...LL BE... OF THE SOBER...
...MAN... AND EVEN EXPRESSING...
...ARIOUS SECTORS AND NUMEROUS...
...URBAN POPULATION AND NUMEROUS...
...ON THE OTHER HAND, PARADOXICALLY ENOUGH...
...BY THE COUNTY THOUSANDS EACH WEEK...
...ASSASSINATION OF INCOMPATIBILITY...
...RED... THAT IT DEPLETED THE RANKS...
...ADAPT... CONTROL, TORN BETWEEN...
...COUNCIL... AND THIS DETRACTED...
...FILE AT THE... THE STIGMS...
...REJECTED FROM... APPROVAL OF THE...
...HAD TO SEEK... OCCASION...
...AND ON MORE... THAN... STILL NO...
...BY ANY... EVENT... OPERATION...
...EXPECTATIONS OF THE... OPERATE...
...SECTIONS... REVOLUTIONARILY...
...PATIENT... SECTIONS... ACCEPT...
...AND THEY DO NOT... KHOMENI...
...TION... RECENTLY... KHOMENI...
...OLUTIONARY... PEOPLE... ABOUT...
...NO HIS OWN... CHAOS... AROUND...
...REGARD... THAT THE... TO...
...POSSIBLE... THE KHOMENI... AND...
...IONS... OF DISREGARD...
...ELATED... THAT ON...
...THE... OF THE... WEAKNESS OF THE...
...MINORITIES WHO... WEAKNESS OF THE...

PAGE 9 TEL WVD 29707 S E C R E T THE LARGEST MINORITY
CENTRAL GOVERNMENT. THE SEPARATIST FERMENTS AMONG THE ARABS AND THE
IN IRAN SUCH AS THE TURDS, ARABS, TURKOMANS AND SOUSI. THESE ARE
DEMANDS FOR AUTONOMY OF VARYING DEGREES, PARTICULARLY THAT TO THE
THE CENTRAL GOVERNMENT IS WEAK, CONSTITUTE A MAJOR THREAT TO THE
INTEGRITY OF THE STATE. THIS FERMENT BY THE ARABS IS BEING
WHERE THE REGIME'S COMPLACENT ATTENTION. THE ARABS OF CHAH
CHAH MAZANDERAN AND THE TURKISH SEPARATIST MANIFESTATIONS
THE REGIME HAS SO FAR SUCCEEDED IN SUPPRESSING THESE FERMENTS
FERMENTS AND IN CONTAINING THEM, IT WILL HAVE TO DO MORE
DOWN KEY AREAS AND RESOURCES IN ORDER TO PREVENT FURTHER
THAT COULD BE EVEN MORE SERIOUS. THE INCIDENT OF KERMEN
TIES MAY ALSO BE A PREFERRED OPTION IF AND WHEN IRAN'S WEAK
DECIDE TO GO AGAINST THEM.

D) ECONOMIC WEAKNESS AND VULNERABILITY OF THE OIL-PRODUCING
SECTOR. THE EVENTS OF THE REVOLUTION BROUGHT WITH THEM MAJOR
ECONOMIC DISRUPTIONS. ABOUT THREE MILLION PEOPLE ARE UNEMPLOYED
AND MAY CONSTITUTE A SOCIO-POLITICAL PROBLEM. VARIOUS PLANTS
PARTICULARLY IN INDUSTRY AND CONSTRUCTION SECTOR ARE WORKING AT
BELOW FULL CAPACITY. THE ECONOMIC-FINANCIAL SYSTEM IS DEFECTIVE
ALTHOUGH THERE IS EVIDENCE OF A SLOW PROCESS OF RECONSTRUCTION. CROISS
WAS SEVERELY DAMAGED AND THE STATE HAD TO IMPORT LARGE QUANTITIES
OF FOOD AT THE STAGE OF ACUTE STRATEGIC VULNERABILITY. MOST OF THE
OILFIELDS ARE LOCATED IN CHAH MAZANDERAN WHERE THERE IS SEPARATIST FER-
MENT. A POTENTIAL THREAT FROM NEIGHBORING IRAQ AND EFFECTIVELY
PRODUCTION OF OIL HAS BEEN DISRUPTED AND SLOWED DOWN. ANY FUTURE
CHANGE TO THE EXPORTATION OF OIL, DUE TO A STOPPAGE OF WORK OR
PARTIAL COLLAPSE OF THE IRANIAN ECONOMY WITHIN A RELATIVELY
SHORT PERIOD OF TIME, THIS COULD BE THE MOST DANGEROUS OF THE POTEN-
TIAL THREATS TO THE REGIME.

INTERNAL AND EXTERNAL OPPOSITION. THE ARABS OF CHAH MAZANDERAN
WHICH BOSSSED THE SHAH MAY BRING
FORMATION OF AN EFFECTIVE SUPPRESSION OF THE TURDS
RATIONS OF THE IRANIAN ECONOMY
RATIONS OF THE IRANIAN ECONOMY
RATIONS OF THE IRANIAN ECONOMY

PAGE 9 TEL AVIT 29707 S F 8 8 8 WILL WHEN TURNED THE...
 AND THE ARMED LEFTIST GROUPS AS WILL WHEN TURNED THE...
 SITION ELEMENTS, AND THEY ARE PROBABLY THE BEST ORGANIZED...
 CTIVITY. FACTIONS OF THE RELIGIOUS PARTIES AND OTHER SEC...
 THIS MAY FIND THEMSELVES FORMING COMMON FRONT IF THEY ARE...
 INTO SUCH A POSITION BY ACTS OF REPRESSION OR BEGINNING...
 GRUNGLINGS BY ARMY PERSONNEL, WHETHER IN POSITIONS OR BACK...
 CARRIED OUT BY THE REVOLUTIONARY GUARDS OR AGAINST THE...
 OF THEIR MISSION TO PUT DOWN THE KURDISH REBELION. ALSO...
 HORN THE REGIME. RECENTLY AN OPPOSITION IN EXILE...
 TO CRYSTALLIZE WITH BAKHTIAN AT ITS HEAD. EVEN IF...
 ARE NO SIGNS TO THE EFFECT THAT ALL THESE ELEMENTS...
 JOINING UP INTO A BROAD FRONT. MUCH LESS THAT THEY...
 OF THE MASSES, IT IS DIFFICULT TO BELIEVE THE KHOMEINI...
 TO ENJOY, BY DEFAULT, THE LACK OF ANY ORGANIZED OPPOSITION...
 REGIME. THE ARMY, THOUGH STILL IN DISARRAY, IS POTENTIALLY...
 STRONGEST ELEMENT IN THE POLITICAL ARCHA. HERE ALSO THERE...
 PRESSIONS OF CRITICISM AND DISSIDENCE. THERE IS NO DOUBT...
 LINK UP BETWEEN OTHER OPPOSITION GROUPS COULD ENDANGER THE REGIME...
 THE ARMY AND THE DIFFICULT TO SEE THE ARMY AS A BODY WHICH...
 IN ANY EVENT IT IS DIFFICULT TO BELIEVE THE KHOMEINI...
 BE UNRESERVEDLY LOYAL TOWARD KHOMEINI AND HIS PART OVER A LONG...
 PERIOD OF TIME. THE ACTIVITIES OF THE ANTI-RELIGIOUS LIQUIDATION...
 ORGANIZATION, TORQAN, ARE ALSO WORTH WATCHING.

BY 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...
 INTERESTS FOR THE SOVIET UNION, WHO HAS UNTIL RECENTLY RESTRAINED...
 WITH REGARD TO THE SUPPRESSION OF THE TUDEH AND KHOMEINI'S...
 MINORITY POLICY. RECENTLY MOSCOW BEGAN REVEALLING HER...
 REGARDING THE IRANIAN REGIME, ESPECIALLY WHEN SHE...
 WHICH PUBLICLY...
 REBELLION.

PAGE 10 TEL AVIV 29727 S E 2 P 4 IS POSSIBLE THAT ASSUMING
ACT AGAINST KHOMEINI. HOWEVER, IT IS POSSIBLE THAT ASSUMING
HAB RECENTLY CRYSTALLIZED IN MOSCOW THAT THE NEGATIVE SPEECH
KHOMEINI'S REGIME, AS FAR AS MOSCOW IS CONCERNED, OUTSIDE THE
POSITIVE.

OUTLOOK
THE KHOMEINI REVOLUTION CONTAINS ITS THRUST OF SOLIDIFYING
ITS CONTROL. THIS SAME THRUST AND DETERMINATION WHICH BOUGHS ABOUT
THE DOWNFALL OF THE PAST REGIME IS NOW SERVING KHOMEINI AS HE
GRAPLES WITH THE DAY-BY-DAY PROBLEMS OF CONTROL AND WITH SUCH
DIFFICULTIES AS THE KURDISH SEPARATIST TENDENCY WHICH IS A POTENTIAL
THREAT TO THE STABILITY OF THE ISLAMIC REPUBLIC WHICH IS
BEGINNING TO TAKE SHAPE. KHOMEINI IN THE HEROES OF A PERIOD OF TRANS-
ITION - FROM A MONARCHY TO A RELIGIOUS REPUBLIC WHICH HAS YET TO
SUCCEED. IT KHOMEINI SUCCEEDS IN BRINGING ABOUT A GENERAL ADOPTION
AND IMPLEMENTATION OF THE NEW CONSTITUTION, IT CAN BE ASSUMED THAT
EVEN AFTER HE HAS GONE AWAY, THERE ARE ENOUGH STRONG PERSONALITIES
IN THE GOVERNMENT. IN THE ARMY, AND AMONG THE RELIGIOUS LEADERS WHO
EFFECTIVELY RUN THE REGIME IN ITS PRESENT CHARACTER, PERHAPS EVEN MORE
NOW THE SITUATION LOOKS.

11. NONETHELESS, IT IS JUST BECAUSE OF THE FACT THAT IRAN
IS CURRENTLY IN A PERIOD OF TRANSITION, AND THE NEW REGIME HAS NOT
YET CONSOLIDATED ITSELF, THAT IT SHOULD NOT BE PREMATURELY CONCLUDED
THAT THE RELIGIOUS ESTABLISHMENT WILL COME OUT OF THE PROCESS ON TOP.
THESE DEVELOPMENTS COULD LEAD TO SIGNIFICANT CHANGES TO INCLUDE:

A) EXACERBATION OF THE POLITICAL STRUGGLE, WHICH DEPENDS TO
A GREAT EXTENT ON THE ACTIONS AND UNITY OF OPPOSITION BODIES, ON THE
ONE HAND, AND THE ARMY, IN POLITICAL LIFE, AND IN THE MOVES OF THE ORGANIZED
IN TEHRAN AND KRUZDSAN. ALREADY NOW THERE IS A GROWING
AROUND THE CONSTITUTION AND ITS ADOPTION. KHOMEINI'S
COULD CREATE A FURTHER SITUATION IN WHICH THE STRUGGLE WOULD
BE OPEN AND BROADEN INTO THE RELIGIOUS CIRCLES, INSTEAD
OF BEING LIMITED TO THE POLITICAL AND MILITARY AREAS ALREADY MENTIONED.

THESE DEVELOPMENTS ARE ALREADY NOTICEABLE.
THEY COULD BE AFFECTED, FIRST AND FOREMOST IF CAUSED BY THE
POLITICAL SITUATION.

PAGE N. TEL. AVAV 29707 S E C R E T IN STATE EVENT...
DECLINE IN OIL EXPORTS AND CONSEQUENTLY IN STATE...
DEVELOPMENT WOULD SEVERELY UNDERMINE ANY SUPPORT WHICH
AT PRESENT FLOWS FROM THE URBAN SECTOR.

OR 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 ABOVE.

JR. 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 ALENT 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 SHAM'S REGIME,
THE ARMY WILL BY ACTION OR INACTION PLAY AN IMPORTANT ROLE.

- THE MAIN POINTS FOR DISCUSSION
- 1. MAIN POINTS OF THE DEBATE IN THE COUNCIL OF EXPERTS
 - 2. DETAILS OF THE CONSTITUTION; POSITIONS TAKEN BY LEADING FIGURES,
INCLUDING THE POINT OF VIEW OF THE ARMY
 - 3. DEGREE OF SUPPORT FOR THE REGIME WITHIN THE ARMED
FORCES AND DEGREE OF DISSATISFACTION WITHIN THE ARMED FORCES
 - 4. STRENGTH OF THE OPPOSITION GROUPS; THE DEGREE
OF SUPPORT FOR THE USSR; THE SOVIET ROLE; THE MUJAHIDIN FL
IN AFGHANISTAN; THE STRENGTH AND POTENTIAL OF OPPOSITION
GROUPS IN KHUZESTAN
 - 5. DEGREE OF UNREST AMONG LOCAL RAJABS

PAGE 2 TEL AVIV 297277 S E C R E T

D) IRAQ-IRAN: EXTENT OF IRAQI INVOLVEMENT IN AIDING THE YARDS AND/OR ARAB OPPOSITION IN KHUZESTAN TO THE IRANIAN REGIME INTENT ON TO STRENGTHEN RELATIONS WITH TEHRAN OR, ALTERNATIVELY, TO MOVE MORE VIGOROUSLY AGAINST THE IRANIAN REGIME.

F) THE SOVIET ATTITUDE TOWARDS THE IRANIAN REGIME AND TIES WITH OPPOSITION ELEMENTS IN IRAN.

G) THE STATE OF THE ECONOMY: MANUFACTURING, FINANCE AND ENERGY SECTORS.

TEXT.

NO FILE. RWW 25 SEP 89 DRV 09B1. ALL SECRET.

S E C R E T

50ct 79 6 36z

S E C R E T 041525Z OCT 79 STAFF

CITTEL TEL AVIV 29783

TO: TEHRAN INFO DIRECTOR-

WNINTEL INTEL

REF: TEHRAN 54360 (NIT-0750)

1. WITH STATION CONCURRENCE WISH TO PASS REF ON EX
MISSION OF PASDARAN TO ISRAELI LIAISON SOURCE TO A
RELIABLE SOURCE.

2. NO FILE. RVM 04 OCT 79 DRW D9C.1 ALL SECRET.

S E C R E T

BT
#9783

50679 UF 372

S E C R E T 041525Z OCT 79 STAFF

CITE TEL AVIV 29784

TO: TEHRAN INFO DIRECTOR.

WNINTEL INTEL

REF: TEHRAN 54335 (NIT 0743)

1. WITH STATION CONCURRENCE WISH TO PASS REF ON
AGREEMENT ON RESTRICTIVE INTERPRETATION OF ARTICLE 5
LIAISON SOURCED TO "A SOURCE WHOSE RELIABILITY HAS NOT
FROM AN INFORMANT."

2. NO FILE. RVW 24 OCT 99 DAV D9C.1 ALL SECRET.

S E C R E T

BT
#9784

S E C R E T 201022Z OCT 79 STAFF
CITE TEHRAN 54535 (JAUMOTTE ACTING)

TO: TEL AVIV INFO DIRECTOR.

WNINTEL INTEL

REFS: A. TEL AVIV 29919
B. TEL AVIV 29924

1. CONCUR PASSAGE TO ISRAELI LIAISON AS REQUESTED REFS.
 2. NO FILE. RVW 20OCT99 DFV D9C.1. ALL SECRET.
- S E C R E T

2 Nov 79 11 38z

E C R E T 011328Z NOV 79 STAFF

ITE TEL AVIV 30056

O; TEHRAN INFO DIRECTOR.

MINTEL INTEL SDTRAMP

RF: TEHRAN 54626 (NIT-10,792)

1. WITH STATION CONCURRENCE WOULD LIKE TO PASS REF ON
EFFORTS TO NEGOTIATE A SETTLEMENT OF THE KURDISH REBELLION TO
ISRAELI LIAISON. REPORT WILL BE SOURCED TO "A RELIABLE SOURCE."

2. NO FILE. RVW 31 NOV 09 DRV DSB.2 ALL SECRET.

E C R E T

BT

0056

1

S E C R E T 030911Z NOV 79 STAFF

CITE TEHRAN 54654

TO: TEL AVIV INFO DIRECTOR.

UNINTEL ~~INTEL~~

REFS: A. TEL AVIV 30056
B. TEHRAN 54626 (NIT-10,792)

1. CONCUR PASSAGE REF B TO LIAISON, LESS FIRST SENTENCE OF SUMMARY AND ALL OF PARA ONE, ATTRIBUTED TO A RELIABLE SOURCE.

2. NO FILE. RVW 03NOVS9 DRV D9.C.1. ALL SECRET
S E C R E T

27 APR 73 21 18Z

REC BUREAU 120328Z APR 73 DEFERRED TELEFOUCH

IN WASHINGTON 417866.

DE TEL AVIV INFO TEHRAN

FROM: SE/DA NE/VIA NE/ISRAEL NE/IRAN

SUBJECT: UNIDENTIFIED BYBAC CKTOP - SOVIET INTEL OPS RUN AGAINST ISRAEL

1. AS CO'S TEL AVIV MAY RECAL
IS HQS VISIT. THE IDIA OF IDENT
G AND/OR ER OPS BEING RUN AGAI
U REQUEST TO THIS DISCUSSION. I
SERIAL TO TEL AVIV ON EIAN SE
A COMPLETED AN ANALYSIS OF THE
A BEEN REQUESTED BY CS OF THE S
N FACT OF PLIERED BEFORE TEHRAN
NO PERTINENT MATERIAL S PROVIDE
LISON. UNFORTUNATELY, EVENTS IN
POINT OF SE WITH THE ISRAELIS IN
SITATION, BUT IT MAY BE OF CI VA
YODUS OPERAND NOT USED BY THE SOV
A LANG. INDIGENOUS JEWISH COMMUN

L. ON THE OCCASION OF ONE OF
ING TO THE ISRAELIS POSSIBLE
I THEM FROM IRAN WAS DISCUSSED.
I QS PLANNED TO PROVIDE RELEVANT
OFFICER SEAN T IDY TO TEHRAN
IET INTEL P RESENCE, WHICH
LATE 1973. THE ANALYSIS WAS
STATION'S FILES, HAD TO BE DESTROYED,
ED BELOW WHICH MAY BE PASSED TO
IRAN HAVE (BE) VIATED ANY POSSIBLE
CONJUNCTION WITH OUR TEHRAN
TO LIAISON A S AN INDICATION OF
IS IN A COUNTRY NEAR ISRAEL WHERE
Y (CA 45, 2100) EXISTED.

1. AS YOU ARE AWARE, OUR OPERATIONS AGAINST YEVGENIY MOISEYEVICH MOGU
UTILIZING OUR AGENT "PEARIDAT" IN TEHRAN DID NOT SUCCEED IN ESTABLISH-
ING A RELATIONSHIP WITH OUR TRANSILVANT OFFICER, THAT COULD BE
EXPLOITED OPERATIONALLY AGAINST MOGU BEFORE HIS PCS DEPARTURE FOR
THE USSR. THE OPERATION DID ESTABLISH, HOWEVER, THAT IN AT LEAST
THIS CASE, SOVIET INTEL SERVICE PROBABLY IDENTIFIED (MOGU) APPARENTLY WAS
A TENTATIVE MOUNTAIN OPERATION OF DR. IRAN AGAINST ISRAEL USING
A JEWISH STAFF OFFICER (WHOSE PATRONYMIC IS COMMONLY JEWISH),
OBTAINING THE POSING AS A JEW TO RECRUIT AN ISRAELI BUSINESSMAN,
A SOVIET SOVIETS DID NOT GIVE UP ON "FARIDA" WHEN MOGU DEPARTED.
SINCE THE IDENTIFICATION AND INTERSUSPECT THIS, PROBABLY
KIB OF COURSE, FILIKS BEBREVYEVICH MOZMAN, IN CONTACT WITH HIM.
EVEN THOUGH VOZMAN IS OF ARMENIAN ORIGIN, RATHER THAN JEWISH ORIGIN, THERE

AGE 2 WASHINGTON 4 7866 S E C R E T
MAY BE SIGNIFICANCE IN THE CIRCUMSTANCE THAT HE ALSO IS FROM A
NATIONAL MINORITY IN THE USSR THAT HAS SUFFERED FROM RACIAL AND
RELIGIOUS PERSECUTION. IF AVOZMAN IS INDEED KGB, HE PROBABLY WOULD
BE A MEMBER OF THE 1TH DEPARTMENT (IRAN, ISRAEL, AFGHANISTAN AND
TURKEY) OF THE 1ST CHIEF DIRECTORATE (FOREIGN INTELLIGENCE).

2. SINCE IT WAS SURPRISING TO LEARN THAT THE KGB MIGHT POSSIBLY
HAVE DROPPED AT LEAST SOME OF THEIR RESERVATIONS ABOUT EMPLOYING
JEWISH STAFF OFFICERS AGAIN, WE UNDERTOOK TO MAKE A STUDY OF OUR
FILES TO ASCERTAIN IF THERE WERE ANY OTHER SOVIET INTEL OPERATIONS
IN IRAN HAVING A SIMILAR "JEWISH CONNECTION." WE DID IDENTIFY
ONE OTHER OPERATION THAT APPARENTLY WAS TARGETTED AGAINST ISRAEL
(KINDING OF HER OBJECTIVES), AND WE IDENTIFIED A JEWISH SOVIET EMBASSY
OFFICIAL, MADIM MOISEYEVICH SHAMOVSKIY, WHO APPARENTLY SERVED AS A
KGB CO-OPERATOR.

A. THESS CORRESPONDENT NIKOLAY IVANOVICH KOROL ARRIVED IN TEHRAN
ON 13 DEC 75, AND IS FLUENT IN FARSI AND ENGLISH. ALTHOUGH KOROL
IS SUSPECT RISK, WE ARE NOT SURE WHETHER HE IS KGB OR GRU. SEVERAL
SIGNS POINT TO GRU, HOWEVER, AND, IF HE IS, THIS WOULD INDICATE THAT
THE GRU ALSO WAS INVOLVED IN OPERATIONS IN IRAN TARGETTED AGAINST
ISRAEL. (THIS IS A POINT WE HOPE ULTIMATELY TO SETTLE, AND YOU
WILL BE ADVISED.) IN 1977 KOROL TOOK OVER DEVELOPMENTAL CONTACT
WITH A JEWISH IRANIAN WHO THEREFORE HAD BEEN UTILIZED SOLELY AS
A SOURCE OF INFORMATION ON IRANIAN INTERNAL AFFAIRS. (THE SOVIET
IN CONTACT WITH THIS INDIVIDUAL PREVIOUSLY, AND WHO INTRODUCED KOROL
TO A KNOWN GRU OFFICER.) THE RELATIONSHIP CONTINUED MUCH ALONG THE
LINES: IT HAD BEFORE KOROL'S ADVENT, BUT IN MID-1978 KOROL ASKED
THE IRANIAN JEW TO TRAVEL TO ISRAEL. KOROL WANTED HIM TO GATHER
INFORMATION ON "ISRAELI POLICIES" AND TO "CONTACT FRIENDS." THE
LATTER DEMURED, HOWEVER, AND KOROL DID NOT RAISE THE MATTER
OR TRAVEL AGAIN UNTIL THREE MONTHS LATER, WHEN HE SAID THE TRIP
"MUST TAKE PLACE" WITHIN THE NEXT FEW WEEKS. KOROL BACKED OFF IN
HIS DEMAND, HOWEVER, WHEN THE IRANIAN JEW CLAIMED PRIOR COMMITMENTS
TO TRAVEL ELSEWHERE AT THAT TIME. HE NEVER DID ACCEDE TO KOROL'S
NEAR-DEMAND THAT HE VISIT ISRAEL.

B. A SOVIET STATE COMMITTEE FOR
FOREIGN ECONOMIC RELATIONS REPRESENTATIVE IN IRAN, EMBASSY ECONOMIC
COUNSELOR MADIM MOISEYEVICH SHAMOVSKIY, ARRIVED IN TEHRAN 18 SEPT 75
WHILE LITTLE IS KNOWN ABOUT SHAMOVSKIY'S ACTIVITIES
DURING HIS PRESENT TOUR, HE WAS USED BY THE KGB DURING

AGE 3 WASHINGTON 417866 S E C R E T
PREVIOUS TOUR KJAN 56- FEB 58)
IRANIAN IN THE MINISTRY OF FOREIGN
MISSION TRANSLATOR (HE SPEAKS FLUENT
INE. ALTHOUGH IT WOULD NOT HAVE BE
TO HAVE CO-OPTED THE SERVICE OF THE I
VEN IF HE WAS JEWISH, 20 YEARS AGO
OF SOMEONE HE PRESUMABLY HAD NATURAL
CANT IF HE WAS AGAIN CO-OPTED BY THE
POSITION. THERE ARE SOME INDICATIONS
CHANCE HE MAY BE ABLE TO DEVELOP FURTHER
WILL BE INFORMED IF IT APPEARS THAT
SHAMOVSKI'S JEWISH ANCESTRY OPERATING

ASSIST IN THE RECRUITMENT OF AN
TRADE. HE WAS THE SOVIET TRADE
FARSI AND ENGLISH) AT THE
EN OVERLY UNUSUAL FOR THE KGB
R 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.

21 FYI ONLY: DE PITE LOSS OF
AGAINS TARGETS SUCH AS THOSE DESCRIBED
INTEREST TO ISRAELI LIAISON, AND DE
AN IRANIAN OPERATIONAL BASE WITH THE
COMMUNITY THERE, WE ARE INTERESTED
APPARENT RIS FOR OPERATING AGAINST
MENTIONED ABOVE. ANY COMMENTS OR I
WELCOME THE IRANIAN JEW WHO KORCOL
A PUBLISHER AND RETIRED MINISTER OF
SERVED AS OUR ACCESS AGENT. SAVAK
CONTACT WITH KORCOL. IN THE COURSE
EXAMINATION, SDTRAMP/1 SAID HE HAD
SERVICE, BUT HE DID ADMIT TO HAVING
A SOLDIER DYAN, WHOM SUBJECT FELT CO
OFFICER. THERE ARE NO HQS TRACES O

INE -- -- -- -- --
MUCH OF OUR OP: CAPABILITY
BED ABOVE THAT WOULD BE OF
PITE THE LATTER'S OWN LOSS OF
FLIGHT OF THE LARGE JEWISH
N LEARNING MORE ABOUT THIS
ST ISRAEL, AND ABOUT THE SOVIETS
FO LIAISON MAY HAVE WOULD BE VERY
WAS PURSUING IS SDTRAMP/1,
INFORMATION OFFICIAL WHO
ALSO WAS AWARE OF SDTRAMP/1'S
OF A NOV. 76 RI ACTION SGSWIRL
NEVER WORKED FOR AN ISRAELI
A FAIRLY CLOSE RELATIONSHIP WITH
OULD POSSIBLY BE AN ISRAELI INTEL

FILE# 201-239399, 201-4952667, 201-290949,
201-025665, 201-086774. RV# 27MM R79 DRV D9C1 BY 032081.
ALL SECRET.

CDS COMMENT: TEHRAN ADDED PER HEADQUARTERS REQUEST
S E C R E T

SECRET 200720Z APR 79 STAFF
CITE TEHRAN 5275A (GLEGROFF ACTING).

TO DIRECTOR.

WNINTEL SDTRAMP

REF: DIRECTOR 412599

1. SDTRAMP/T/1 (T/1) WAS PAID SALARY/BONUS SUGGESTED PARA ONE REF WHICH TOTALLED RIALS 120,000. HE WAS MOST APPRECIATIVE.
2. PARA TWO REF ASSUMPTION IS CORRECT.
3. T/1 MENTIONED THAT AFTER LONG BREAK IN CONTACT, HE MET TASS REP WINOLAY I. KOROL ON 17 APRIL AT DEPUTY PM ENTEZAM'S PRESS BRIEFING. KOROL SAID THAT HE WOULD WELCOME A CHANCE TO CHAT PRIVATELY WITH T/1 AND SUGGESTED THAT THEY TAKE A STROLL TOGETHER ON KARIM KHAN-E-ZAND AVENUE AT 1600 HRS ON 12 MAY. WILL DISCUSS WITH T/1 AND FOLLOW-UP IF WE AGREE. PRESENT SECURITY SITUATION WILL PERMIT OVERT CONTACT OF THIS NATURE.

4. FILE: DEFER. RVW 20 APR 79 (DRY D9C.1). ALL SECRET.

SECRET

27 APR 79 36

E C R T 272013Z APR 79 STAFF

DIRECTOR 427830

TO: TEHRAN INFO TEL AVIV.

INTEL SKIOP SDIRAMP

REFS: A. TEHRAN 52154 (NOT REEDED TEL AVIV)
B. WASHINGTON 417866 BEING RELAYED TEHRAN

1. SOVIET MENTIONED REF A IS PDPI (201-0939 399), WHO IS PROBABLY A GRU OFFICER. (HOPE TO HAVE HIS RIS AFFILIATION RESOLVED BY SDPRETEXT.) PARA 2A WITHIN TEAR LINES OF REF B PROVIDES BACKGROUND ON PDPI AND INFO ON HIS CONTACT WITH SDIRAMP PASSED TO ISRAELI IALSON. AND PARA 2 REF B PROVIDES FURTHER INFO FYI ONLY. (PDPI ALSO REACHED STATION OFFICER MILTON B. CLAVEAU (P) IN LATE JULY 77 OFFERING "ALL THE MONEY YOU WANT" FOR INFO ON IBER AND AWACS.)

SDIRAMP CLAIMS HE VISITED ISRAEL TWICE IN EARLY 70'S AT REQUEST OF SOVIETS ALTHOUGH WE HAVE NO RECORD OF TRIPS HAVING TAKEN PLACE. SDJANUS WHO CONTINUED ROUTINELY DEBRIEF SDIRAMP ON HIS SOVIET CONTACT EVEN AFTER HE BECAME STATION UNILATERAL ASSET, APPARENTLY APPROVE THIS TRAVEL IN ADVANCE, AND ALLOWED HIM TO KEEP LARGE SUM OF MONEY GIVEN HIM BY THE SOVIETS FOR TRIPS. SDIRAMP STATED PURPOSE OF FIRST TRIP WAS TO ESTABLISH CONTACTS WITH ISRAELI JOURNALISTS, WHILE SECOND VISIT WAS TO "DEVELOP ACADEMIC CONTACTS."

2. ENCOURAGE STATION INDUCE SDIRAMP 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 PRESS CIRCLES AND AMONG THIRD COUNTRY DIP S IN PRE-REVOLUTION DAYS, THUS HE PRESUMABLY STILL HAS ESTABLISHED REASON FOR CONTACT WITH SDIRAMP, AND VICE VERSA.) IT OF INTEREST, OF COURSE, WHETHER OR NOT PDPI WILL BRING UP TOPIC OF ISRAEL AGAIN IN WHATEVER CONTEXT. BUT PDPI'S OTHER REQUIREMENTS ARE ALSO OF GREAT INTEREST BECAUSE THE ARE INDICATIONS HE HAS COVERT ACTION FUN TIONS AS WELL AS COLLECTION ONES FOR GRU, AND SDIRAMP PRESUMABLY ST L WOULD APPEAR TO BE GOOD COVERT ACTION ASSET TO HIM. SUGGEST SDI RAMP HE BRIEFED ALONG THESE LINES AND ASKED TO BE ALERT FOR PDPI'S A TEMPTING TASK HAND WITH

PAGE 2 DIRECTOR 427640 S E C R E T
ISRAELI AND COVERT ACTION REQUIREMENTS. WE DEFER TO STATION, HOWEVER
TO DECIDE IF PDTRAM OPERATION CAN WITHSTAND SOVIET INVOLVEMENT AT
THIS JUNCTION.

3. TEL AVIV WE WOULD WELCOME LEARNING KKCOROLLARY REACTION TO
REFS INFO, ESPECIALLY IF THEY HAD SOMETHING ON PDPI. IS IT POSSIBLE
FOR STATION UNILATERALLY TO IDENTIFY SOLOMAN DYAN; POSSIBLY
PROCEEDING FROM TELEPHONE DIRECTORY AND ADDRESS CHECKS?

4. RINS: 201-093 399, 201-0867764. I VW 27APR99 DRU D9C1
BY: 203. ALL SECRET.
S E C R E T

30 APR 78 15 02Z

SECRET 0342Z APR 78 STAFF

CITE TEL AVI 28242

TO: DIRECTOR AND TIHRAN

WNINTL CONTOR SDTRAMP KKOROLLAY

REFS: A. WASHINGTON 41766
B. DIRECTOR 427839

1. REF A STATES THAT IN 1977 PDPI TOOK OVER DEVELOPMENTAL CONTACT WITH A JEWISH ITHAIAN WHO THEREFORE 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 FRIENDS" AND FINISHES UP WITH A STATEMENT THAT SDTRAMP "EVERY TIME ACCEDDED 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 BEHEST OF SOVIETS...SDTRAMP STATED PURPOSE OF FIRST TRIP WAS TO ESTABLISH CONTACTS WITH ISRAELI JOURNALISTS, WHILE SECOND VISIT WAS TO DEVELOP ACADEMIC CONTACTS."

3. BELIEVE THERE GOOD POSSIBILITY THAT IF SDTRAMP VISITED ISRAEL AT BEHEST OF SOVS, ISRAELI SERVICE ARE AWARE OF IT AND POSSIBLY IN CONTACT WITH HIM. WE FIND OURSELVES IN POSITION OF AGAIN HAVING POSSIBLY DESEMBLED 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 SOVIETS AND OF HIS TRIPS TO ISRAEL. THIS FACT, IN OUR OPINION, INCREASES CHANCES THAT ISRAELIS AWARE OF CASE.

5. FOR THAT TO GO TO ISRAELIS NOW (WITH LIAISON STILL MARTING FROM PS/O) WITH REQUEST FOR COMMENT ON REF A, WITHOUT ANY FURTHER EXPLANATION, SEEMS TO US UNWISE. AT THIS

PAGE 2 TEL AVIV 28202 SECRET
POINT, BELIEVE BEST COURSE OPEN TO REACTION, WOULD BE TO IDENTIFY
SPTRAMP AS UNILATERAL AGENT, GIVE THEM ALL THE FACTS AND OFFER
TO SHARE THEM WITH THEM. WOULD, OF COURSE, WELCOME ANY AND ALL
OTHER SUGGESTIONS.

6. ON MATTER OF TEL AVIV STATION UNILATERALLY IDENTIFYING
SOLOMAN DYNER, IS IT POSSIBLE FOR YOU TO TELL US SOMETHING ELSE
ABOUT HIM IN ADDITION TO HIS NAME? WE HAVE NO CARD TRACE ON HIM.

7. FILE# 201-969309 201-867764. HW 30 APR 9, DRV
D9C.1 BY 08630, ALL SECRET.
SECRET

SECRET 001 02Z MAY 79 STAFF

CITE TEHRAN 500 8 KGLE (OR OF ACTING)

TO: PRIORITY WATCH INFO TEL AVIV.

WINTEL CNLBT STAMP

REFS: A. WASHINGTON - 417566

B. DIRCRA - 427330

C. TEL AVIV 230442

1. WHILE REVIEWING RANGE OF PAST/PRESENT CONTACTS AND PRIOR TO RECEIPT OF REFS SET AMEN (T/I) MENTIONED IN PASSING THAT HIS KNOWLEDGE HAS NEVER BEEN IN TOUCH WITH ISRAELI INTELLIGENCE STATION MEMBERS BE FULFILLING THIS POINT, BUT BELIEVE THAT SWIRL 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 ISRAELIS 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 IS PREPARED TO DO THIS IF HEADQUARTERS BELIEVES THAT AVAILABLE INFO IS INADEQUATE.

2. HOWEVER, GIVEN RESERVATIONS EXPRESSED REF C, SUGGEST ENTIRE PROBLEM CAN BE AVOIDED BY NOT REFERRING TO SOVIET TARGETS OF T/I AT ALL. SPECIALLY SINCE WE OURSELVES LACK THE DETAILS. IN ANY EVENT, IT IS HIGHLY UNDESIRABLE TO SURFACE T/I OPERATIONS TO KRCOROLLY WITH INTEL STAFF MEMBERS INCLUDING HIM JOINTLY. PARA FIVE REFS SUGGESTION ONLY POSSIBLE COMPLICATION AN ALREADY DIFFICULT HANDLING SITUATION IN THE NEAR FUTURE MIGHT ALSO PROVE TO BE SOMETHING OF A DISAPPOINTMENT AS IT IS LIKELY THAT T/I WILL AGREE TO BEING IN BED WITH SOVIETS UNDER THE SHELTER EYE OF ANTI-COMMUNIST KODIYAT REGIME WHICH NOW IN POWER IN IRAN.

3. FILE REFS. HVV 427330 0911V DSC.I. ALL SECRET.

SECRET

~~SECRET~~
CONTACT
OF MIND. PDPI
MISUNDERSTOOD. MATTER
PDPI CONTACTS VIRTUALLY TERMINATE

3. AT ABOUT SAME TIME, PDPI ~~IS~~
SDTRAMP, STATION ASSET WHO HAS BEEN RUN AGAINST SO.
FOR SOME TIME. THIS FACT, AND PITCH TO C/O, LED TO IDENT.
OF PDPI AS KNOWN FIS (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 IRANIAN/JEV. THIS IN TURN LED TO LENGTHY BUT
UNRELATED EXCHANGE CONCERNING EQUITIES OF REPORTING THIS FACT TO

SECRET 230914Z SEP 79 STAFF

CIA TEHRAN 34298

TO: TELAVIV.

UNINTEL INTEL

REF: A. TEL AVIV 29692

L. TEHRAN 34287

1. APP INTERVIEW WITH MADANI DEALS WITH SAME GENERAL SUBJECT MATTER AS REF B. AS ISRAELIS KNOW OF BDRAMPYJ AND HIS EMPLOYMENT, REF B COULD NOT BE PASSED TO THEM WITHOUT SERIOUS RISK OF SOURCE COMPROMISE. IT IS THEREFORE NOT FOR LIAISON.

2. NO FILE. RUM 25 SEP 99 DRV DSC. I. ALL SECRET.

SECRET

1 Aug 79 05 02z

S E C R E T 215010Z AUG 79

CITE DIRECTOR 486364

TO: TEL AVIV INFO ATTN: BEIRUT, DAMASCUS, JERUSALEM, TEHRAN, HHI,
HAWAI, MANAMA, ABU DHABI, MUSCAT, SANA, CAIRO, TRIPOLI, TUNIS,
ALGIERS, RABAT, CASABLANCA

WINTTEL INTEL

REF: TEL AVIV 29151

1. REGARDING REF, HQS NOTES THAT ISRAELI DIAISON'S UPDATE OF THE INFORMATION IT WOULD LIKE TO RECEIVE INCLUDES BASICALLY FIVE MAIN TOPICS:

- A. SYRIAN-IRAQI UNIFICATION EFFORTS
- B. THE MUSLIM BROTHERHOOD
- C. IRAQ'S ROLE IN THE GULF
- D. IRAN
- E. THE KEMINIS.

HQS CONCURS IN SHARING SELECTED INTELLIGENCE ITEMS ON THESE SUBJECTS WITH THE ISRAELIS. OVERALL, WE FIND NO MAJOR PROBLEM WITH THE SUBJECT AREAS IN WHICH THE ISRAELIS EXPRESS AN INTEREST EXCEPT TO SAY THAT THE CAUTION ADDRESSES NOT TO PROVIDE INFORMATION ON THE INTERNAL POLITICS OF ALLY COUNTRIES SUCH AS SAUDI ARABIA AND JORDAN, WITH THE EXCEPTION OF INFORMATION OF AN EARLY WARNING NATURE. HQS WILL BE RESPONSIBLE FOR PROVIDING INFORMATION WHICH INDICATES SERIOUS GOVERNMENT INSTABILITY THAT WOULD AFFECT THE ISRAELIS. INFO ON EGYPT SHOULD BE CAREFULLY SCREENED TO PRECLUDE ACCUSATIONS OF COVERT UNDERMINING EGYPT'S NEGOTIATING POSITION BY PROVIDING THE ISRAELIS WITH BEHIND-THE-SCENES INFORMATION.

2. HQS FEELS THAT THE CONTINUED PASSAGE OF SELECTED INTELLIGENCE REPORTS TO THE ISRAELIS HELPS GIVE THE U.S. GOVERNMENT A FOOT

486364

SECRET
PART 2 DIRECTOR 99336
IN THE DOOR FOR MAINTAINING DISCUSSIONS WITH, AND MAKING DEMANDS ON THE ISRAELIS ON THE SITUATION IN THE MIDDLE EAST. WE FEEL THAT THE DISCUSSIONS AND DEMANDS AT TIMES SEEM TO BE A TWO STEP PROCESS. ONE STEP BACK PROCESS, WE FEEL THE DISCUSSIONS AND DEMANDS CONTRIBUTED SIGNIFICANTLY TOWARD EDGING THE ISRAELIS DOWN THE ROAD OF PEACE NEGOTIATIONS. THE PROGRESS MADE THUS FAR SEEMS IN PART FROM OUR EFFORTS TO ALLAY ISRAELI FEARS ABOUT THE VIABILITY OF FIGHTING, EITHER DIRECTED AGAINST ISRAEL OR AMONG ARAB NATIONS IMPACTING ON ISRAEL. FOR THESE REASONS, HQS APPRECIATES THE FIELD RESPONSE FIELD STATIONS HAVE MADE TO DATE IN SELECTING INTEL REF FOR PASSAGE TO THE ISRAELIS.

SECRET
FILE: 95-2-B/11. RVN 21 JUL 69 DRV D9P2. ALL SECRET.
SECRET
B
43582

31 AUG 79 03 20z

SECRET 301617Z AUG 79 STAFF

CITE TEL AVIV 29496

TO: DIRECTOR INFO BEIRUT, KUWAIT, MANAMA, ABU DHABI, ADEN, MUSCAT, FERRAN.

UNINTEL INTEL FCI

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 TIMENESS.

3. NO FILE. RVM 30 AUG 09, DRV D9B.2 BY 018630. ALL SECRET.

SECRET
BT
#9496

13 SEP 79

H C R E T 121653Z SEP 79 DEFERRED TELEPOUCH
SITE WASHINGTON 511090. SECTION 1 OF 2.

TO: TEL AVIV INFO AMMAN, BEIRUT, CAIRO, DAMASCUS, JERUSALEM, TEL
FM: NE/ISR INFO NE/SLJ, NE/EL, NE/PAL, NE/IRAN, NIO/NESA, OPA/ME
SUBJECT: WNINTEL - MIDDLE EAST BRIEFING

1. THE MIDDLE EAST BRIEFING WAS HELD AT HEADQUARTERS ON
6 SEPTEMBER 1979 FOR MOSSAD REP MOSHE MOR. LIAISON AGENDA IK/2A/S
79 WAS USED AS BASIS FOR THE BRIEFING.

SYRIA

2. REGARDING THE RIOTS AND DISTURBANCES IN LATAKIA LAST WEEK
WHICH FLARED INTO CLASHES BETWEEN SUNNIS AND ALAWITES, THE NFAC
ANALYST SAID THIS IS THE FIRST SERIOUS DISTURBANCE WE KNOW OF IN
LATAKIA. THE KILLING OF THE SHAYKH IS THE ONLY BACKGROUND REASON
WE KNOW OF THAT PROVOKED THESE RIOTS. THIS IS AN IMPORTANT DETAIL
AS IT SHOWS HOW THE SITUATION CAN GET OUT OF HAND OVER A MINOR
INCIDENT. THE ALAWITE REGION IS NOT IMMUNE FROM ATTACKS, AS IT
APPEARED TO BE BEFORE. WE DO NOT KNOW WHO KILLED THE SHAYKH. THIS
REALLY DOES NOT MATTER AT THE ALAWITES AND SUNNIS ARE PREPARED TO
ASSUME THE WORST ABOUT EACH OTHER ANYWAY.

3. THE NFAC ANALYST SAID THAT ALTHOUGH WE HAVE HEARD RUMORS
THAT A DEFENSE COMPANY WAS USED WE HAVE INDICATIONS THAT A SPECIAL
FORCE BATTALION AND TWO REGULAR ARMY BATTALIONS WERE USED.
ALL THREE UNITS FOLLOWED ORDERS AND RESTORED ORDER. THIS IS SIGNIFI
CANT IN THAT REGULAR BATTALIONS ARE MOST LIKELY TO BE SUNNI, AS
REPRESENTATIVE OF THE GENERAL POPULATION, WHILE THE SPECIAL FORCE
UNIT WOULD BE ALAWITE. ACCORDING TO THE NFAC ANALYST, THE HEAVY
CASUALTIES MAY HAVE RESULTED FROM THE HEAVY HANDED TACTICS OF THE
MILITARY UNITS ON TOP OF THE CASUALTIES CAUSED BY THE RIOTING ITSELF.

4. THE NFAC ANALYST SAID THE RIOTING HAS INCREASED ALAWITE
CONCERN IN LATAKIA ABOUT SYRIAN PRESIDENT ASSAD'S ABILITY TO KEEP
CONTROL. SOME ANONYMOUS ALAWITES FEEL THAT ASSAD'S ANTI-TERRORISM

PAGE 2 WASHINGTON 511992 S E C R E T

POLICIES ARE NOT WORKING AND THAT THE SOLUTION WOULD BE TO GIVE SU A ROLE IN THE GOVERNMENT. THESE ALAWITES COULD BE BUSINESSMEN WHO ARE MORE CONCERNED ABOUT STABILITY THAN A POLITICIAN WOULD BE.

5. THE CURRENT TREND IN SYRIA, ACCORDING TO THE NFAC ANALYST, IS ONE OF INCREASED TENSION AND DOMESTIC VIOLENCE. THE LONGER THIS TREND CONTINUES, THE GREATER THE CONCERN WILL BE AMONG MINORITY GROUPS AS TO WHETHER ASSAD'S REGIME WILL COLLAPSE OR BE REPLACED. WE DO NOT FEEL THE SUNNIS COULD STAGE A SUCCESSFUL COUP AS ASSAD STILL HAS MILITARY AND SECURITY FORCES AT HIS COMMAND. THE GREATEST THREAT TO ASSAD IS THE EROSION OF SUPPORT BY ALAWITES IN KEY POSITIONS. FOR YEARS THERE HAVE BEEN COMPLAINTS ABOUT ASSAD'S BROTHER. REGARDING ASSAD, HOWEVER, HE WAS PREFERRED BY THE ALAWITES OVER THE UNCERTAINTY OF CHANGE. HOWEVER, THERE IS CONTINUAL REEXAMINATION TAKING PLACE, AND THE SITUATION COULD CHANGE. AT SOME POINT, THE CRITICISM OF ASSAD'S POLICIES COULD TURN INTO CRITICISM OF ASSAD HIMSELF OR INTO A DEMAND THAT HIS BROTHER RIFAT BE REMOVED. HOWEVER, WE HAVE NOT YET SEEN ANY CRITICISM OF ASSAD, AND WE DO NOT KNOW OF ANY ORGANIZED OPPOSITION GROUP. WE DO NOT EXPECT ASSAD TO REMOVE HIS BROTHER. ASSAD RELIES ON RIFAT AS COMMANDER OF THE DEFENSE COMPANIES AND AS A LOYAL SUPPORTER. THE PRESIDENT AND RIFAT NEED EACH OTHER TO SURVIVE. THE ABSENCE OF ONE WOULD EXPOSE THE OTHER TO GREATER DANGER.

6. THE NFAC ANALYST REMARKED THAT ANY COUP ATTEMPT AGAINST ASSAD WOULD HAVE TO BE EXTREMELY QUICK AND PROBABLY REQUIRE ACQUISITION OR SUPPORT FROM SOME OF THE DEFENSE COMPANIES AS THE DEFENSE COMPANIES ARE LOCATED AROUND DAMSCUS AND ARE TRAINED TO DEPLOY TO PUBLIC BUILDINGS IF A COUP ATTEMPT IS PERCEIVED.

7. IN RESPONSE TO A QUESTION BY MOR, THE NFAC ANALYST SAID WE DO NOT SEE ANY INDICATION IN THE ALAWITE COMMUNITY OF PREPARATIONS FOR POSSIBLY LIVING UNDER A SUNNI-CONTROLLED REGIME.

SYRIA - IRAQ

8. ACCORDING TO THE NFAC ANALYST, SYRIAN - IRAQI RELATIONS ARE IN A SENSE FROZEN. THIS STEMS FROM IRAQI ACCUSATIONS THAT SYRIANS WERE INVOLVED IN JUNE'S COUP ACTIVITIES. IN BAGHDAD, THE WORD HAS BEEN SPREAD TO IRAQI OFFICIALS THAT THERE WERE CONTACTS BETWEEN SYRIANS AND THOSE IRAQIS INVOLVED IN THE COUP ATTEMPT. WE THINK

PAGE 3 WASHINGTON 511999 S E C R E T
THE CONTACTS BEING REFERRED TO MAY HAVE BEEN ONES THAT RESULTED IN RAPPROCHMENT TALKS OR PRIOR TO OCTOBER 1978. WE THINK THAT SYRIAN INVOLVEMENT IN CONSPIRACY PLANS AFTER OCTOBER 1978 IS FLIMSY.

9. AS STATED IN A PREVIOUS MEETING, THE NFAC ANALYST SAID WE SEE THE JUNE EVENTS IN IRAQ AS A POLITICAL STRUGGLE BY THOSE IRAQIS WHO RESENTED OMR-MAN RULE. THESE OFFICIALS OBVIOUSLY MISJUDGED SADDAM HUSAYN'S WILLINGNESS TO TOLERATE OPPOSITION.

10. THE NFAC ANALYST SAID THAT GIVEN ASSAD'S REMARKS IN DER SPIEGEL THAT SYRIA WAS NOT INVOLVED IN ANY PLANS TO STAGE A COUP IN IRAQ, IT WOULD BE UP TO IRAQ TO INITIATE RENEWED RAPPROCHMENT CONTACTS WITH SYRIA. WHAT WE SEE NOW IS IRAQI RELUCTANCE TO REVERT BACK TO OPEN HOSTILITIES WITH SYRIA. THE IRAQIS DO NOT WANT TO BREAK THE OUTWARD APPEARANCE OF AN ARAB CONSENSUS, BUT THE CHANGES ARE SELLING OF SYRIA AND IRAQ REACHING AN AGREEMENT TO COOPERATE MILITARILY AND POLITICALLY. AT SOME POINT, IRAQ MAY DECIDE THAT IT DOES NOT NEED SYRIA IF OTHER AVENUES BECOME AVAILABLE IN IRAQ'S QUEST FOR ARAB LEADERSHIP. THESE AVENUES ARE NOT YET IDENTIFIED OR AVAILABLE. IF IRAQ FEELS IT DOES NOT NEED SYRIAN SUPPORT, IT MAY STILL NOT REVERSE HOSTILITIES WITH SYRIA IN DEFERENCE TO THE GREATER ARAB CAUSE.

11. ACCORDING TO THE NFAC ANALYST, THE IRAQIS HAVE REJECTED AN OFFER FOR JORDANIAN KING HUSAYN TO NEGOTIATE. TO THE IRAQIS, SUSPICION REMAINS THAT SYRIA WOULD GO FOR A SEPARATE PEACE. MORE BEHEVED THAT IRAQ WOULD HAVE MORE EFFECT ON PREVENTING A SEPARATE PEACE BY COOPERATING WITH SYRIA THAN BY BREAKING WITH SYRIA.

IRAN - SYRIA

12. REGARDING RELATIONS BETWEEN IRAN AND IRAQ, THE NFAC ANALYST STATED THAT DURING THE NON-ALIGNED CONFERENCE IN HAVANA, THE IRANIAN FOREIGN MINISTER INVITED SADDAM HUSAYN TO VISIT TEHRAN. THIS VISIT WOULD BE DESIRED BY IRAN IN ORDER TO WORK OUT PROBLEMS OF ARABS IN UZBEKISTAN AND WITH THE KURDS. IRAQ COULD ALSO BE FAVORABLE TO THIS VISIT IN ORDER TO SOLVE THE KURDISH PROBLEM.

13. AS FOR CURRENT EVENTS, THE NFAC ANALYST SAID THAT TWO WEEKS THERE WERE APPROXIMATELY 30,000 KURDS AROUND MAHABAD. THERE WERE IRANIAN TANKS, AND THE KURDS WENT DOWN TO SARDESH. THIS SURPRISED

PAGE 4 WASHINGTON 511990 S E C R E T
USIA WE WOULD HAVE EXPECTED THE KURDS TO FIGHT. AS THE KURDS REALIZE
THEY HAVE NO PLACE TO GO NOW EXCEPT ACROSS THE BORDER, BACK TO THE MOUNTAINS,
OR INTO THE SOVIET UNION, NOW IS A LOGICAL TIME FOR IRAN AND
IRAQ TO SIT DOWN AND TALK ABOUT THIS PROBLEM.

14. THE MFAC ANALYST SAID WE DO NOT SEE THE CHANCE OF TRIPLE
COOPERATION BETWEEN IRAN-IRAQ-TURKEY ON THE KURDISH PROBLEM, BUT WE
SEE THE POSSIBILITY OF SOME COOPERATION BETWEEN IRAN AND IRAQ. THE
SITUATION NOW IS ONE OF MUTUAL SUSPICION. IRAQ WAS INITIALLY CON-
CERNED ABOUT SHIA DISSIDENCE, WHICH HAS SINCE DIED DOWN. IRAN IS
BLAMING MOST OF ITS PROBLEMS IN KHUZESTAN ON OTHER COUNTRIES (THE
U.S. AND THE USSR) RATHER THAN ON IRAQ. WE ASSUME THAT KHOMEINI
MIGHT FAVOR A SHIA REVOLUTION IN IRAQ, BUT BARZAGAN AND YAZDI SEEM
TO BE MORE PRACTICAL ON THIS AND WOULD BE RELUCTANT TO GET INVOLVED.
IN A SITUATION LIKE THIS, THEY WOULD PREVAIL ON KHOMEINI TO ACT
RATIONALLY. KHOMEINI IS IN QOM SURROUNDED BY CONSERVATIVE MUSLIMS.
THE GOVERNMENT IS IN TEHRAN AND MUST TRAVEL TO QOM IN ORDER TO TEMPER
KHOMEINI'S EXTREME IDEAS, SUCH AS THE ONE ABOUT DESTROYING ALL
FROZEN MEAT.

15. THE KURDS ARE STILL DIVIDED INTO THE QASEMLU, THE BARZANI,
AND THE TALABANI FACTIONS. THE KURDS ARE STILL EXPERIENCING IN-HOUSE
FIGHTING AT THE SAME TIME THEY ARE BEING PUNISHED BY THE IRANIAN
MILITARY. ALSO THERE ARE KURDS WHO WOULD BE WILLING TO COOPERATE
WITH THE GOVERNMENT. SIGNS OF COOPERATION BETWEEN THE KURDISH
FACTIONS WOULD INDICATE A CHANGE IN THE SITUATION. FOR THE LARGE
PART THE IRANIAN ARMY SEEMS RELUCTANT TO FIGHT AGAINST THE KURDS AND
VICE VERSA.

16. FILE: 95-2-8/6. RW 12SEP90 DRY DDB2. ALL SECRET.
S E C R E T
BY
109770

5 SEP 79

SECRET 150323Z SEP 79 STAFF

CITE DIRECTOR 54297.

TO: TEL AVIV INFO TEHRAN, DAMASCUS, AMMAN, BEIRUT.

UNINTD INTEL

REFS: AT TEL AVIV 29065
1. TEL AVIV 29437 (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 INFORMATION. THE COMMENTS BELOW ARE FOR STATION USE IN DISCUSSIONS WITH LIAISON AND IN SCREENING FUTURE REPORTING ON THIS SUBJECT.

A. FIRST, WE DOUBT SERIOUSLY THAT IRAN IS REALLY CONSIDERING TRANSFERRING ANY OF ITS MAJOR U.S. WEAPONS SUCH AS THOSE LISTED IN REF B, TO ANYONE AT THIS TIME. ALTHOUGH SOME IRANIAN OFFICIALS MAY HAVE MUSED ABOUT THE IDEA OF TRANSFERRING ANY WEAPONS NOW WOULD WEAPONS WITH MILITARY VALUE RELATIONSHIP WITH THE U.S. GOVERNMENT WHICH WOULD BE A MESSY DEAL. (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.) IT IS UNLIKELY THAT THE ISRAELIS, WITH THEIR EXPERIENCE ON THE U.S. ARMS TRANSFERS, UNDERSTAND THIS.

B. 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 BE MORE TROUBLE FOR THE LARGELY SOVIET-SUPPLIED SYRIANS THAN IT WOULD BE WORTH. HOWEVER, THERE ARE INDICATIONS THAT THE SYRIANS ARE AGAIN RECEIVING NEW SOVIET ARMS AT A SIGNIFICANT RATE, INCLUDING ADVANCED ITEMS SUCH AS T-72 TANKS AND MIG-23 AIRCRAFT WITH WHICH THE SYRIANS WILL HAVE THEIR HANDS FULL.

C. THIRDLY, WE FIND IT ALMOST INCONCEIVABLE THAT THE

PAGE 2 DIRECTOR 940297 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 U.S.
EQUIPMENT TRANSFERRED ILLEGALLY TO SYRIA OR THE PLO BY IRAN.
5. FINALLY, WE ARE DISTURBED THAT THE ISRAELIS FIND
REF B REPORT "PLAUSIBLE". INTRIGUING MAYBE, BUT NOT "PLAUSIBLE"
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. RVW 14SEPT09 DRV D9B.2.
E C R E T

TOP SECRET

Tel-Aviv
July 18, 1977

MINUTES FROM MEETING HELD IN TEL-AVIV BETWEEN H.E. GENERAL M. DAYAN,
FOREIGN MINISTER OF ISRAEL AND H.E. GENERAL H. TOUFANIAN, VICE MINISTER
OF WAR, IMPERIAL GOVERNMENT OF IRAN

General Dayan welcomed the Guest and expressed his wish that the General convey to His Imperial Majesty, General Dayan's gratitude for the time His Imperial Majesty spared during their most interesting discussion they had during General Dayan's recent visit to Teheran. General Dayan remarked that he was deeply impressed with His Imperial Majesty's wisdom and insight in world affairs and was grateful for the thorough global tour d'horizon which His Imperial Majesty was kind enough to spare.

General Dayan continued to note that this was the best lecture in international affairs which he has heard in years, indicating that this does not exclude similar exposés he had occasion to listen to by American and other world leaders.

General Toufanian responded by remarking that, as Staff Officer to His Imperial Majesty, he is familiar with His Imperial Majesty's views and global concepts which from time to time he tries to convey to Americans. Unfortunately, however, he has to say that he finds Americans' mentioning, Senators in particular, unfamiliar in geography and ignorant in world affairs.

General Toufanian continued to say that His Imperial Majesty was rather apprehensive concerning the policies and objectives of the new Administration in Israel, and that he (General Toufanian) is under instruction to exchange views with General Dayan on this subject.

General Toufanian remarked that there are very few countries in the immediate region on which one can rely, mentioning in particular the present situation in Pakistan, Afghanistan, Iraq and Turkey. General Toufanian stated that Iran is very interested in mutual reliance with Israel, and continued to say that it is in the interest of Iran that Israel internationally project its desire for peace and not for war.

General Dayan responded by stating that Israel wants peace, however, without any preconditions and without any but's or if's.

General Dayan stated that Israel is seeking a negotiated peace, beneficial to all parties concerned. General Dayan continued to say that he cannot promise that peace will indeed be reached, but that it is the intention of the present Government of Israel to exhaust all reasonable venues to that end. General Dayan continued to state that all points are open to negotiations, and that Israel is prepared to sit down with her Arab neighbours without any preconditions. General Dayan emphasized, however, that Israel will not negotiate with the P.L.O. and will not agree to a P.L.O. State being established. In this connection, General Dayan further remarked that His Imperial Majesty Himself is aware of the danger which the P.L.O. and other Palestinian terrorist organizations constitute to any peace arrangement in the Middle East, and rendered His advice that negotiations should be launched with neighbouring states but not with terrorist organizations.

General Dayan reiterated at this point that by next week it will be clear to the world that Israel is seeking a peaceful solution to its problems with her neighbours and that it is prepared to negotiate on all points.

General Dayan emphasized that Israel is not seeking to gain time, under false pretences. Indeed, Israel is endeavouring to reach a peaceful solution and even if this will be unobtainable in toto Israel would even be willing to agree to anything close to that, should the Arabs be reluctant to go the whole way.

General Toufanian remarked that it is his feeling that this is exactly the policy which His Imperial Majesty is advocating. The General continued to say that once His Imperial Majesty will be reassured that this is the policy pursued by the present Israel Government, he will order the General to go ahead full speed with our mutual projects, and that cooperation between the two countries would be further developed and deepened.

At this point, General Dayan mentioned the fact that he proposed to His Imperial Majesty that he come to Iran for another meeting with His Imperial Majesty within a short period of time in order to brief His Imperial Majesty on the developments as those will arise out of Prime Minister Begin's meetings in Washington and Secretary Vance's envisaged tour of the Middle East which is to follow.

./...

General Dayan remarked that he would not have proposed such a meeting were he not convinced that he will be the bearer of good news to His Imperial Majesty. General Dayan added that it is in his interest that His Imperial Majesty should know what the Arabs are saying, what he (General Dayan) is saying, and what the Americans are saying so that he will perhaps be the most well informed person concerning developments in the Middle East.

General Dayan continued to say that we are fortunate in having a friend in the person of His Imperial Majesty, we rely on Him, and we shall withhold no information from Him.

General Toufanian expressed his gratitude for General Dayan, stating that after having heard General Dayan's words he is authorized to say that with the policy of the Government of Israel as described, it will be possible not only to continue but to considerably extend cooperation between the two countries.

General Dayan asked General Toufanian about his plans concerning the "Salgad" Mortar project. General Dayan added that he knows Mr. Zablodowitz personally and has very high regard for his ability, integrity and the technical capabilities of his organization.

General Toufanian responded by saying that this is indeed a project in which His Imperial Majesty is interested. The General added that during Zablodowitz's recent visit to Teheran, progress has been made concerning the envisaged Mortar factory and that a contract covering this project is to be signed within three months.

The General added that following his discussions with Mr. Zablodowitz, he has conveyed to His Imperial Majesty Zablodowitz's proposal that an Iranian team make a thorough assessment concerning the 155mm. gun. According to the proposal, this team should go to Israel, Germany and Sweden in order to study the progress made on this gun and report to His Imperial Majesty. The General added that he is well aware of the fact the 155mm. gun in Israel is by far advanced and that the German and Swedish guns are not yet in production and will possibly also be inferior to the Israeli gun, the latter gun will be chosen.

The General mentioned here the contract with the British concerning the production of this gun within a gun factory complex to be built by them, adding that even if the production of the 155mm. will remain within the British complex, the Israeli gun will be manufactured there under license

The General also mentioned the fact that this project is to be done through Zablodowitz's Finish organization, and General Dayan responded that this is perfectly all right from his point of view.

General Toufanian mentioned that he has the approval of His Imperial Majesty to Zablodowitz's proposal and consequently intends to send the proposed team to Israel and to the other countries at as early a date as possible.

General Dayan responded by saying that the team will be most welcome.

General Toufanian said that he has had today discussions with General Weizman. These discussions were both of a political and a technical nature. The General added that following the elections in Israel and the advent of the new Administration, he received instructions from His Imperial Majesty to "go slow" on the secret projects. (At this point General Dayan interpreted by saying that His Imperial Majesty told him that he ordered the stoppage of work on these projects). General Toufanian continued to say that after what he has heard today both from General Dayan and General Weizman, he feels confident that all will be well.

The General added by saying that he understands well the statements of General Dayan. Israel seeks to prove to the world that your policy is for peace and not for war. If this policy of Israel will be successful, all will be pleased, but if not, it will not be Israel's fault.

General Dayan reiterated that Israel will seek peace with Egypt, Jordan and Syria and that every problem is negotiable with the exception of P.L.O. and a Palestinian State.

General Toufanian remarked that effort should be made to save Sadat and Hussein. The General added that he would like the work on projects to be continued and General Dayan remarked that he felt that this would also be the wish of His Imperial Majesty, adding that in any case, the work on these projects is by nature slow.

General Dayan raised the problem of the adjustment of the credit terms of the oil barter deal to the 120 days of credit given to the 17 million tons of oil purchased by the "Transasiatic" during the current fiscal year.

General Toufanian responded by saying that he would advise that the credit terms for the barter deal be left as they are because of international implications which may arise if they are changed.

The General added that he will find other ways to deal with this problem, and that he will do so on his return to Teheran.

General Toufanian raised the problem of the "Flower" telling General Dayan of General Weizman's decision on a reassessment of this project. General Toufanian expressed his agreement to this proposal, informing General Dayan of his views that this project is indeed a most ambitious one from a technological point of view, mentioning the problems which the "Harpoon" missile is still facing.

General Dayan responded by saying that he personally looked into this project and entirely concurred with General Weizman's decision. He added that he thought that the decision to freeze the project for the time being will enable a thorough reassessment to take place and this may result in a proposal for different characteristics to be agreed upon for the envisaged missile.

General Toufanian remarked that this is agreeable to him on the condition that anything which will be decided upon jointly will have the approval of both parties and that the project will be a joint one.

General Dayan raised the problem of the Americans' sensitivity to the introduction of the kind of missiles envisaged in the joint project. He added that the ground-to-ground missile which is part of the joint project can be regarded also as a missile with a nuclear head, because with a head of 750 kg. it can be a double purpose one.

General Dayan remarked that at some stage, this problem will have to be raised with the Americans and that he intends to raise the subject with His Imperial Majesty during their next meeting.

TOP SECRET

. M E E T I N G

Minister of Defense, Gen. E. Weizmann, and
Gen. Tufanian, of Iran.

Ministry of Defense, Tel-Aviv
Monday, July 18, 1977, 3 p.m.

Also Present: Mr. Uri Lubrani
Dr. Suzman, Director-General
Mr. A. Ben-Yosef
Col. Elan Tehila

GEN. TUFANIAN: Congratulations to you on your new position.

GEN. WEIZMANN: Thank you, my friend. It is now 7 years since I left the Government as Minister of Transportation and almost 8 years that I left the Army. And I must confess that basically nothing has changed much. Only the zeros after the figures, instead of millions, it is billions; all the zeros in the big figures of the budgets. That's about the only thing that has changed. Some people got a little bit balder.

GEN. TUFANIAN: That's life.

GEN. WEIZMANN: But I hope you didn't get too much of a shock when you heard we kicked the other government out of office.

GEN. TUFANIAN: In principle, some of the new government we knew. I know you for many years; I know Dayan for many years. So I think what we really need in this area is peace and stability.

GEN. WEIZMANN: You see, I think that there is more of a chance with a government like ours, with all due respects to the old government, because we know what we want and you don't

have every minister having his own opinion. With all due respects to my friends in the other party, each and every minister in the old government had his opinion.

GEN. TUFANIAN: In Iran also we believe in the unity of command. And we think that a snake with seven heads never goes into his pit. And so we need unity. That is the reason that we all are after His Majesty. And we implement his orders, with full support and full strength, because we think that he believes in his country and wants for his people a better life, better civilization. And we cannot have civilization without a good economy and we cannot have a good economy without security and stability in the country. That is the reason we think we have to develop deterrent forces in the area, to keep security and stability in the country. And we are doing it. In the region, unfortunately it is very difficult. Pakistan is our neighbor; Afghanistan is our neighbor; Iraq is one of our neighbors; Turkey is one of our neighbors.

GEN. WEIZMANN: And Russia.

GEN. TUFANIAN: Russia. So we have really first of all to depend on ourselves. Experience has showed us we cannot depend on other people. We have to depend upon ourselves.

And we think -- that is His Majesty's message -- to talk especially with you and to tell you that you here, we in Iran, can be two defense fortresses, and we can cooperate together. Of course we have to prove to the world -- you have to prove to

that
the world/you want peace, that you aren't after war. Then our
political situation will permit us to expand our cooperation
This afternoon I got a newspaper and started reading the results
of Mr. Begin's visit in New York today. It appears to me that
you are after peace.

GEN. WEIZMANN: Of course.

GEN. TUFANIAN: In principle, His Majesty believes that
you have to keep the door of negotiations open, and it is better
that you discuss all subjects and negotiate.

GEN. WEIZMANN: I would love very much to see His Majesty
again. I haven't seen him for 11 years, I remember the last
time I saw him was in March 1966. And to try to prove to him
that the last thing we want and the last thing we need is war.
You must remember that Egypt, Jordan, Syria, all around us, they possess
now over 5,000 tanks and over 1300 fighting airplanes. Iraq can
move in 48 hours with quite a force. Saudi Arabia is buying a
lot of arms. Libya is an arsenal of weapons. And I don't want
to go into high strategy but you only have to look at the map and
see what happens to a small country like ours if we go all the
way back to the old borders without real security.

But I think that Mr. Begin -- first of all I am sure, I
know him very well, that he is a wise man. He definitely doesn't
need and doesn't want war. And I think it will be very interesting
to see tomorrow night the first impression of the first meeting
between him and President Carter.

I believe that one of the strengths of Israel to deter is to be economically independent as much as possible. It is not enough to have F-15s and F-4s and a lot of tanks and lots of weapons. We have a big arsenal; weapons-wise we have quite a big force. But first of all to be economically sound. That is why you see we are taking some very drastic measures now. I am cutting the budget for defense by about \$140 million, which for us is a lot of money, much to the horror of my friend, the Director-General, and the Chief of Staff. We are trying to put the economy on a much better footing. The other thing is to strengthen the defense of our country by being industrially independent as far as possible. You are familiar with our industry, probably in many respects now even more than I am: the aircraft industry, the military industries, all the scientific institutions. We are building our own tank, which is a very good tank. We have built the Kfir, which is not one hundred percent ours, but it is a very interesting technology, a very good airplane.

And the big question now is, are we going to team together and do things or not. One thing I want to promise you, and I want to emphasize. That I shall do my best that everything we do jointly we shall discuss thoroughly and go deep into the requirements, into the technology, into the economics of whatever we have.

I will give you an example. I have gone over the six contracts in action now. I have also put my mind to those things

that are not in contracts, for instance the futura fighter. Are we going to or are we not going to develop a joint effort on a future plane. And I would like you to know all the time what I think is good for us. You must tell me what you think is required for you. If the two things match, it is very good. If not, then we say we would like to develop this for ourselves or not, and you say you would like to develop this for you or not.

For instance, in the program there are missiles, short ones, Cubism, which are your requirement more than ours. Right or wrong?

DR. SUZMAN: It is ours too. It is a joint requirement.

GEN. WEIZMANN: For 20 km.?

DR. SUZMAN: That is the Bolt.

GEN. WEIZMANN: Which is an Iranian requirement?

DR. SUZMAN: No, it is an Israeli requirement and an Iranian requirement.

GEN. TUF/NIAN: I don't think any of the subjects we discussed is an individual requirement, for us or for you. In all subjects we discussed, you have had some development program or developed something. You had reached some stage, and then we agreed in principle to go on together. There are not individual things, where I said I want this or that. Except the 120 mm ammunition.

GEN. WEIZMANN: I will give you one example. I went over the program. And on the next stage of the harpoon, what we

call the Flower, I am having a discussion with our Navy, and I am not sure that for our immediate future we need the 200 km. missile.

GEN. TUFANLIAN: Do you know, this is a very advanced thing and for us this is a very difficult thing.

GEN. WEIZMANN: Why?

GEN. TUFANLIAN: This concept of the Flower; it is a very difficult thing. Because we know that you can add the engine of any missile, but the most important feature of the missiles is what is called target acquisition, target identification. That is very, very important. Because there are intercontinental ballistic missiles with very accurate guidance. But for the tactical field, what is more important is the identification of the target and acquisition. And today we have already bought the Harpoon not only for our ships but for our aircraft. The Harpoon itself is faced with a difficulty. Already they have delayed the delivery of the Harpoon to us due to the technical difficulty they were faced with.

Of course, this is your proposal, your proposal that you are after such a system. This proposal for us was interesting. This proposal was interesting for us. You told me that you have a missile for this range, and supersonic, with some type of system of target acquisition and identification. That was your proposal.

DR. SUZZAN: We are developing it. We don't have such a missile.

GEN. TUFANIAN: What we agreed is if you are doing such a thing we agree to it. It was your proposal; it was not ours.

GEN. WEIZMANN: I know, sure, this is our proposal. The question is, we are developing it now--

DR. SUZMAN: We are in the early stages of development of the entire weapon system.

GEN. WEIZMANN: So this is one question I'd like to bring up in the next few days. Because I am now in a period when I have to cut budgets, and I am looking into most of the requirements of the army, navy and air force. And for the time being, if I have to decide on priorities, to me the 200 km. missile, the Flower, is not a top priority. The question is what are you and we going to do in 5, 6, 7 or 8 years when the Harpoon will become an older weapon. Therefore I think we have to discuss what we are going to do with the Flower project.

GEN. TUFANIAN: I agree to discuss the subject. Of course we also think for the future. And no country has enough money for defense, no country whatsoever.

GEN. WEIZMANN: Neither Iran?

GEN. TUFANIAN: Neither Iran, nor the U.S. In principle, we don't want -- you know, you mentioned the economy. And the first day that we joined the Baghdad Pact I was a colonel. It was the first time I had an audience with His Majesty. The Chief Supreme Commander was present with his plan to His Majesty.

So many armored divisions, etc., etc. When His Majesty looked at him, he said to the Chief Supreme Commander: Do you know, bankruptcy is worse than defeat. This is the concept of His Majesty. So we also are thinking of the economy and defense together. His Majesty thinks of economy and defense together.

GEN. WEIZMANN: The same thing here.

GEN. TUFANIAN: And we don't want to waste our money. But in principle we think that we have to develop -- you see this is our country (pointing to map), do you know that from here the Russian units are here and it goes down and around to the Persian Gulf. So we have to know what is going on here, if we want to sell our oil and develop a healthy economy, to improve the life of our people.

GEN. WEIZMANN: I fully agree with you and we are looking at the economy. That is why we developed an aircraft industry and a military industry.

GEN. TUFANIAN: So if we discuss something that is not good for the economy, we are not going to go after it.

GEN. WEIZMANN: What I suggest is that with the good people of Prof. Suzman and the aircraft industry, I would like the problem of the Flower looked into. For me now as Minister of Defense, the Flower is a question mark. Perhaps we should carry on the development in a slightly different configuration. Because we have to

decide on streamlining a little bit.

GEN. TUFANIAN: In principle, in the Mediterranean -- we hope you will keep peace, but if something ever happens, it is always the Navy that is very important. I don't know. We have to discuss it.

GEN. WEIZMANN: So will you discuss it? (to Prof. Suzman). Because I have gone into it, and the Foreign Minister, who is an ex-Defense Minister, also will discuss with you airplanes, missiles, etc. So I want you to know before you go to him that I have my doubts about this missile, and I'd like to discuss it. Perhaps we will come to a conclusion that maybe we will want only 150 km. I want to re-study the requirements of this missile.

GEN. TUFANIAN: That is very good. Based on the tactics and strategy and the situation.

GEN. WEIZMANN: Otherwise, I think in the other five projects there are no problems at all. And there is no problem about this project. I started the problem. And they sometimes -- you know, it is very difficult to get used to a new minister and they are getting used to it. It's all right.

GEN. TUFANIAN: In principle, I think that first of all you are not new. And then when you are in the political game it is one thing; when you sit in the chair it is another thing.

GEN. WEIZMANN: But one thing you know, once you are an air force man, you are always an air force man; once a pilot, always a pilot. So perhaps I am looking at the Flower from an

air force point of view.

GEN. TUFANIAN: I have a blue uniform but my responsibility is not only the blue uniform. I look to all the services the same.

You know, in principle, we should have a political assurance in the area. Then we shall be able to expand our cooperation. This agreement was made with the past administration. With the new administration we became at the beginning to some extent hesitant. Because we cannot develop a threat to our security.

GEN. WEIZMANN: You want to know that we are doing our best to achieve peace. I get you.

GEN. TUFANIAN: Not only achieve peace. We want to have an assurance that really war -- and you can do it, we are sure you can do it -- ^{that} the judgement of the world is that you want peace. And we have no doubt if it is peace you can live better. The world should judge who wants war. You don't want it.

GEN. WEIZMANN: I think that tomorrow evening you will be more content and calm. We are having dinner together tomorrow evening, we shall listen to the radio, and before the dinner is over we shall have a first impression, or at the latest, Wednesday morning. When are you leaving?

GEN. TUFANIAN: Wednesday afternoon.

MR. LUBRANI: You will be having a meeting with the General on Wednesday afternoon.

GEN. TUFANIAN: In principle, I invite you to Iran also and will report to His Majesty. You haven't seen him for a long time.

GEN. WEIZMANN: I'd like to come over. Any time you tell me, I will be over in 24 hours, even less.

MR. LUBRANI: Don't do that to me. We need some time to prepare.

GEN. WEIZMANN: I sincerely think -- we were a small committee that prepared and planned the ideas for the Prime Minister before he left - the Prime Minister, Dwan and myself. And Mr. Begin is a different gentleman than let's say Mr. Rabin or Shimon Peres, who was not a prime minister but very active in ideas towards achieving an understanding with the Arabs, or Golda Meir. Mr. Begin is a different type of gentleman in his technique. And I believe, knowing what he is going to tell Mr. Carter tomorrow -- at least I hope I know, he might come out with something I don't know, which can happen with prime ministers you know -- I am sure, well I can't say I am sure, but I have a feeling, I am confident that there will be an understanding between the President and our Prime Minister. How soon this will make things more open for negotiations with the Egyptians, the Syrians, Jordanians, it is very difficult to assess now.

You know, just as well as I do, that Egypt is different from Syria that Iraq is different to Saudi Arabia, and so on. And you know just as well as I do, what is happening now within the

Arab countries. What is happening in Syria now, instigated by Iraq, the internal problems of Egypt, the peculiar behavior of Gaddafi, the uniqueness of Saudi Arabia in its attitude, King Hussein. They are all Arabs, but in many respects they are different. If we could have -- which is highly wishful thinking -- a separate talk with the Egyptians, I am sure we could go a long way with them. I can tell you, and you will probably hear it tomorrow, that one of the parts in the presentation of our ideas is that the Sinai from a territorial point of view is much more negotiable than other parts. And it is not only because the Egyptians are more pleasant, and I think the Egyptians are more pleasant people than for instance the Iraqis. I have lived in Egypt for two years on and off when I was in the Royal Air Force, and if there is something I really hope to be able to do, it's to go to Cairo and Alexandria as we used to when I was a young man. I drove a car to Cairo four times in my life there and back.

So it is also very dependent on the attitude in the Arab countries. And again there is a different attitude in Egypt, a different attitude in Jordan, there is a different attitude in Syria. I don't think it is an easy thing to achieve peace. I think that it will be relatively easy to convince others that we want peace. The question is what sort of arrangement and how to achieve it. On this we will be much wiser tomorrow. After Mr. Begin sees Carter, I think Mr. Vance will probably come here and then Mr. Dayan will go to Washington. And I think

he will be the most successful Foreign Minister we ever had. And I think it was a very clever move of my Prime Minister to recruit Dayan into the government. Because he is a respected gentleman, he is a renown personality and the most important thing, he is a wise man. He can^{be} quite a pirate, quite a boy, but he is a wise man. Therefore I hope that with the ideas of Begin, of Dayan, of the rest of the Ministers -- I intend going to Washington sometime before the end of 1977, to the Pentagon -- I think the feeling in the next few weeks will be more favorable to the problem that is pressing you, which I can understand. We talked yesterday and we estimated roughly that the attitude will be first of all we want to know what is happening in the Middle East before we go building airplanes together. So I understand. I hope we will prove to the world that what we want is really peace and quiet. One of our great generals is now the Minister of Agriculture, General Sharon.

GEN. TUFANIAN: Yes, I know him.

GEN. WEIZMANN: He is growing vegetables instead of shooting at the enemy. This is a great advance towards peace.

GEN. TUFANIAN: You know, in principle, we think peace is in the interest of everyone. We realize the difficulty. We are not Arab, but we know Arabs. Lately some people from Iraq were in Teheran. We made some type of agreement together. But in principle, we know each other very well, and we know the Arabs very well. And then the most important thing is really our big

neighbor, Russia. Their aim has never changed. This is to come to all these waters. We are obliged to develop some type of deterrent force.

GEN. WEIZMANN: You will see the firing tomorrow. Unfortunately, I can't join you. I wanted to but I am going down to the Sinai because the Egyptians are returning 19 bodies tomorrow. So with your permission, I will excuse myself and won't be with you. But you will enjoy it. It is a very impressive piece of machinery. I hope the firing is successful. And I think that for you it is a very important thing. And it gives you a completely different environment. We have it, as you know, in various ways of launching, whether rigid or mobile, etc. We started working on it in 1962.

GEN. TUFANIAN: There is something started in India. What is your information about that?

GEN. WEIZMANN: The Indians are very careful with us, aren't they?

MR. BEN YOSEF: They are, but we can find out.

GEN. TUFANIAN: The Indians started something, with the French:

MR. BEN YOSEF: We have something about the French with the Iraqis, but we didn't know about the Indians.

GEN. TUFANIAN: Do you think the French will start with Iraq in this field?

MR. BEN YOSEF: It is a possibility.

DR. SUZHAN: They will start with anyone that will pay them.

GEN. WEIZMANN: We have information that they are going over there to build a reactor.

GEN. TUFANIAN: Atomic, yes. But in principle, the family of surface to surface missiles that they have is the Platoon.

MR. BEN YOSEF: It is a possibility that one must take into account.

GEN. WEIZMANN: All missiles can carry an atomic head, all missiles can carry a conventional head. They can carry all sort of peculiar heads. Our is 750 kg.

GEN. TUFANIAN: And the Indians started to make something with a 600 kg. warhead.

GEN. WEIZMANN: Fair enough. That will carry a conventional head.

DR. SUZMAN: It will probably also carry nuclear weapons.

GEN. WEIZMANN: The worst thing that can happen to this area is when everyone starts playing with atomic weapons -- the Iraqis, Gaddafi, and the Egyptians -- and this can be in less than ten years. And the French will sell anything to anybody.

GEN. TUFANIAN: Yes, they will sell anything but it will not work in the end.

DR. SUZMAN: I wouldn't count on it. It may work and if it does it is very dangerous.

MR. LUBRANI: The General has a very poor opinion of French equipment.

GEN. WEIZMANN: Yes, he is quite right. But we improved their equipment. But you will see the missile tomorrow.

DR. SUZMAN: Even the missile is originally a French missile.

GEN. TUFANIAN: Yes, I think the French started the same thing with you and with Pakistan.

GEN. WEIZMANN: We started when Abdul Nasser fired his Zaphar--

MR. BEN YOSEF: He didn't fire it. He demonstrated it but with no firing, in July 1962.

GEN. WEIZMANN: And we convened a meeting at 12 midnight. I was Air Force Commander, Shimon was Deputy Defense Minister, and everyone got into a panic.

GEN. TUFANIAN: I don't think those Egyptian missiles ever flew.

GEN. WEIZMANN: NO, but this helped develop the missile you are going to see tomorrow.

MR. LUBRANI: And if I may say so, the General told me that it was the first news about the Scud in Iraq that raised the red beacon.

GEN. WEIZMANN: You must have a ground to ground missile. A country like yours, with F-14s, with so many F-4s, with the problems surrounding you, with a good missile force, a clever and wise one -- we have been at it in Israel now in the country itself, for about 7 or 8 years. I mean the present missile. The Luz was the forefather of the Gabriel. Not the one in Aviation Week.

GEN. TUFANIAN: What is that in Aviation Week?

GEN. WEIZMANN: When it is serious, I will tell you and I will say: General, let's go together on it. But first I want to be one hundred per cent sure. I am not sure yet. But 20 years ago we had a small missile we called Luz, and this is the forefather of the Gabriel. We started it as a ground to ground missile for 25 km., fired off a command car. We used to go to the Negev to fire it. Once we took Ben Gurion to see it fire.

DR. SUZMAN: We spent over a billion dollars in developing our missile capability.

GEN. WEIZMANN: Air to air, ground to ground. We never went into ground to air. We tried once, to develop the Shafrir like the Shopperel.

DR. SUZMAN: We are still playing around with the idea.

GEN. WEIZMANN: I have to go now to make a speech to 2,000 officers of the Air Force. Today it is Air Force Day.

GEN. TUFANIAN: I saw in the paper that the Commander of the Air Force gave a good speech to them.

GEN. WEIZMANN: Do you know General Peled?

GEN. TUFANIAN: Yes.

GEN. WEIZMANN: You will see him tomorrow night at dinner. I want you to know he is changing his command in two or three months' time and you will meet the new commander tomorrow. He flew Oragans with me in the 1956 campaign and then he commanded the squadron in the 1967 war and now he is an aeronautical engineer.

I am sorry about tomorrow, but you are in the good hands of my friends. Whenever you decide you want to develop things together, you need it, we need it -- we will be much wiser tomorrow after, as I call it, the B and C meeting, the Begin - Carter meeting.

GEN. TUFANIAN: I think we are the only two countries in the region that can depend on each other. Because look at Pakistan. And this morning I landed in Ankara, and there is no government there still. And Iraq, we know what they are doing, an arsenal of Russia. You have two Russian arsenals - Gaddafi and Iraq. And we have Iraq as an arsenal of Russia, and not only an arsenal. They are coming down. They want to come to the Persian Gulf.

GEN. WEIZMANN: I'd like to get a MIG-23 or 25. Remember when we got the MIG-21 eleven years ago?

GEN. TUFANIAN: I tried to get it from Egypt, but I couldn't. (laughter).

MR. LUBRANI: You mean a 23?

GEN. TUFANIAN: Yes, a 23. The MIG-25 they returned back. Have you found out any information about the MIG-23?

GEN. WEIZMANN: I think we have. Will you get for the General from the Air Force anything about the MIG-23? Any intelligence you want, let me know. You want us to start looking into the subject of India?

GEN. TUFANIAN: That was a subject His Majesty raised. He mentioned that the Indians have developed or are going to develop

a surface to surface missile with a 600 kg. warhead.

MR. LUBRANI: With the French?

GEN. TUFANIAN: Yes, with the French. Usually they are interested in us also.

GEN. WEIZMANN: Good. General, anything you want, ask these gentlemen.

(Meeting adjourned at 3:30).

SECRET - CONFIDENTIAL

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May 23, 1978.

LWF-4 Investigation Stage Objectives & Program

1. INTRODUCTION

- 1.1 A program for the development of a combat aircraft which will be designed to serve in the high-technology environment of the 1980's and 1990's is a multi-year activity. In order to assure that the end-result will satisfy the needs of the operator and will do so with the minimum practical expenditure, the first stage must contain a detailed study of the existing and forecasted operational requirements; the technologies which are presently available and applicable; and the predictable development and the service life of the aircraft.

At the end of the investigative stage, the operational requirements will have so been delineated that the technical specifications of the aircraft will be prepared and the development program defined.

- 1.2 The proposed first (investigative) stage for the LWF-4 program is predicted to require 12 to 18 months and its estimated cost is \$ 25,000,000 (twenty five million U.S. dollars).
- 1.3 The proposed first-stage effort forms an integral part of a total program which will develop and produce a combat aircraft capable of competing with any plane it will meet during its projected service life. However, its is so structured that should the parties involved elect to terminate the program at the end of this stage, the findings of the investigators and the results of the study will provide useful data for future use by the parties.

2. TASK STATEMENT

- 2.1 The first stage shall determine the best program management structure and organization. It shall identify the development risks and prese a plan for eliminating them.

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- 2.2 A work schedule for the remainder of the program shall be prepared. This schedule shall include milestones and procedures for assuring that they are met. It shall also provide for evaluation of the program at each milestone.
- 2.3 The operational requirements of the aircraft shall be defined.
- 2.4 The performance specifications for the aircraft and its systems shall be developed to meet the operational goals as defined. Areas involving trade-offs or performance penalties shall be identified.
- 2.5 Program options and alternative program plans shall be delineated on the basis of the trade-offs and performance penalties previously identified.
- 2.6 Budget estimates shall be created and substantiated. They shall be presented on a per-fiscal-year basis and on a program stage (pre-production, qualification, production, etc.) basis.
- 2.7 At the end of the proposed first stage, a firm estimate of the unit fly away cost of the production aircraft shall be available.
- 2.8 During the proposed first stage, main sub-contractors shall be identified and preliminary contacts shall have taken place.
- 2.9 A summary of the basic technologies and know-how which will be required to complete the program shall be compiled and a plan for acquiring and/or developing them shall be prepared.
- 2.10 Estimates of man power, skills and tools which will be required at each party's facilities for development and for production shall be completed and plans for recruiting and training shall be developed.

3. SUMMARY

- 3.1 In accordance with predetermined milestones, the result of all of the above tasks shall be presented in reports and documents. This will enable all parties to evaluate the program and to rationally decide on the advisability of continuing.

Should a negative decision be made at the end of the investigative phase, the information gained by each party will at a minimum be worth the amounts expended.



Commander in Chief
ISRAEL NAVY

Tel-Aviv 18.6.78

Dear Gen. Toufexian

Having returned home I would like to express my thanks for your hospitality.

Meeting you and discussing the various subjects with you was a pleasant and interesting experience.

I am sure that ties of friendship between our nations and navies have gained from this opportunity.

May I assure you of my deepest esteem and wish you personally and to your country all the best.

Sincerely yours,

M. Barkai, RADM
Commander I.D.F. Navy



ISRAEL DEFENCE FORCES
OFFICE OF THE MILITARY ATTACHE
AND DEFENCE MISSION

IRAN
SECRET

2nd July, 1978

Ref. 372

TEHRAN
145 AB. KAKH
TEL. 601223

H.E. General H. Toufanian,
Vice Minister of War for Armament,
Purchase and Procurement Dept.,
SALTANATABAD.

SUBJECT: Minutes of final discussion between
Admiral Habibollahi and R.Adm. Barkai
Commander, I.D.F. Navy.

Your Excellency,

I take pleasure in enclosing herein the minutes of the final discussions between Admiral Habibollahi and R.Adm. Barkai.

This visit proved to be useful and successful to both sides as Your Excellency will read in this report.

Admiral Habibollahi will visit our country within a few months and we are continuing to work on these subjects.

I would be most grateful to Your Excellency for your comments particularly concerning Groups C & B, and kindly advise me whom I should contact to continue the staffwork regarding these subjects.

I remain Your Excellency, with deep respect

Yours Sincerely,

I. SEGEV Brig. Gener

MINUTES OF FINAL DISCUSSION BETWEEN ADM. HABI DELALI AND R. ADM. BARKAI

R. Adm. Barkai mentioned a series of subjects that he found could be taken up in the future for cooperation between the two navies and / or between the I.I. Navy and the Israeli industries.

R. Adm. Barkai divided the subjects into four groups.

Group A - Subjects existing in the Israel Navy that may be of interest to the I.I. Navy which R. Adm. Barkai offered to open for inspection and send any required information as a courtesy of the Israel Navy.

1. Range tables for 76mm. gun.
2. History of faults and maintenance of 76mm gun.
3. Information about faults and maintenance of MIU engines.
4. Inspection of Israel Navy Officers School and methods employed by Israel Navy to train officers.
5. Upon arrival of I.I. Navy submarines the Israel Navy could send a limited number of instructors to inspect I.I. Navy drills and procedures for safety and tactical operation.
6. Inspection of missile boats fitted with V.D.S. Sonar.
7. Inspection of the 30mm AMSD gun that is being developed in the Israel Navy.

Group B - This group of subjects includes a list of equipment that has already been developed by the Israel Navy and is currently being fitted into our ships.

These subjects could be inspected by I.I. Navy specialists and eventually, after due staff work, be purchased from our industry as the cooperation between the two navies develops on subjects of mutual interest.

360° Thermal Radar for use in Ships and Airplanes.
Digital equipment for rapid relaying of tactical information from airplanes to ships and for over the horizon target designation for Harpoon missiles (compatible with Link 11, with U.S.N. N.T.D.S. and with Israel Navy N.T.D.S. for small missile boats).
Lightweight N.T.D.S. for small missile boats
Conversion of existing airplanes in the I.I. Navy into Maritime Control airplanes, using the concept of...

Group C - This group of subjects includes items ~~that are~~ in various stages of R & D.

R. Adm. Barkai strongly emphasized the importance he attaches to this equipment and the cost effectiveness of transforming these projects into joint projects. Cooperation in these subjects would enhance the existing ties between the two navies.

1. A new third generation E.W. suit for ships to become operational by 1982-3.
The suit would be fully integrated and fully computerized.
2. An acoustic self defense system for submarines that would include the capability to jam and deceive enemy sonars, to jam and deceive enemy torpedoes and to release anti-torpedo decoys.
3. A pulsed doppler radar that would be capable of missile detection at great ranges (above 20km). This radar would be fully compatible with the existing and future E.W. suits and would enable the ships to react early.
4. The development of an anti-missile missile that would serve as a second generation AMSD weapon for the defense of ships against missile threat.
5. Enhancing the Flower project to enable it to be launched from submarines.

Group D -

1. The Israel Navy expresses its interest to make an operational evaluation of the 40mm proximity fuse that is in use with the I.I. Navy. The results of the tests would be made available to both navies.
The I.I. Navy could, if it so wishes, send specialists to take part in the evaluation tests.
2. The Israel Navy expressed its interest to receive publications concerning the conduct of SSK (exercises between two submerged submarines).

When concluding the discussion R. Adm. Barkai suggested that a group of I.I. Navy officers would come to Israel in order to study the different subjects that have been discussed and that are mentioned above and to be able to submit a thorough report.

**In the name of Allah
the most
compassionate and merciful**

The den, located here under the name of embassy, was in fact an espionage den. We seized an espionage den; not an embassy.

IMAM KHOMEINI

The center for publication of U.S. espionage den's documents, in continuing the revolutionary movement of muslim students following the path of the Imam, has the honor to reveal documents of U.S. espionage and other illegal activities plus the viewpoints of U.S. policy - makers on Iranian and non-Iranian affairs for the liberated people of the world.

Those interested to have a deeper knowledge of the above subject - matters, may complete the attached form and send it along with a bank receipt to the following address.

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