

OFFICE OF THE VICE PRESIDENT

WASHINGTON


INFORMATION

~~SECRET~~/SENSITIVE

Memo No. 482-78

July 10, 1978

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift 
SUBJECT: Luncheon with the President,
Monday, July 10, 1978

I am attaching for your background a status report on Middle East developments.

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per 5/3/06 NSC 14
NL JC - 06 - ORI
BY BAE NARA, DATE 6/6/06

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INFORMATION

SECRET/SENSITIVE

Memo No. 480-78

July 10, 1978

MEMORANDUM FOR THE VICE PRESIDENT

FROM: William Quandt/Denis Clift 

SUBJECT: Middle East Developments

1. Egypt. The Egyptians published their plan on Wednesday. There have been no elaborations or explanations that go beyond the plan itself. Sadat met Peres on Sunday.

2. Israel. Israeli public reaction to the Egyptian plan has been sharply negative. Criticism focuses on the withdrawal paragraph, especially mention of Jerusalem and settlements. The Israeli Cabinet on Sunday declared the plan unacceptable but decided to send Dayan to London.

David Aaron and Sam Lewis had an interesting talk with Dayan, in which he made the following points:

- The Egyptian proposal "is not a peace plan. It is a withdrawal plan." Dayan was disappointed that it was "not operational: but rather a "return to principles."
- No Israeli government would accept the two Egyptian principles of total withdrawal and Palestinian self-determination.
- Dayan feels there are three keys to movement now: (1) the negotiations must become private rather than public; (2) the emphasis must be on practical steps rather than principles; and (3) the US should tell Egypt and Saudi Arabia that it cannot supply them with arms if they continue to hold open the possibility of another war aimed at destroying Israel. (The reporting cable is attached (Tab A) and is worth reading.)

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3. Lebanon. Intense fighting continued until a ceasefire Thursday night. Sarkis nearly resigned that day, but pulled back. The Israelis warned Syria not to exceed Israel's limits of tolerance, a message that we passed to Khaddam. We also contacted the Saudis, Soviets and others. The situation remains precarious, but an end to the shooting may be achievable, for a while at least.

4. Middle East Planning Group. Two meetings have been held to discuss our strategy for the London talks and beyond, as well as to revise our own ideas along lines previously discussed. The most recent drafts are attached (Tab B). They are still subject to change and will not be used in London. The points dealing with Israeli security have been significantly strengthened (e.g., points 5 and 6 in the 9 points).

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~~SECRET~~ SECTION 1 OF 6 TEL AVIV 8529

EXDIS DISTRIBUTE AS NODIS
E. O. 11652: GDS
TAGS: PEPR PGOV IS EG
SUBJ: DAYAN ON EGYPTIAN COUNTER-PROPOSAL

1. SUMMARY: DAVID AARON AND THE AMBASSADOR CALLED ON DAYAN JULY 5 TO BRIEF HIM ON THE VP'S TALK WITH SADAT AND TO GET DAYAN'S FIRST REACTION TO EGYPTIAN COUNTER-PROPOSAL. SPEAKING PERSONALLY, DAYAN SAID THE EGYPTIAN PROPOSAL COULD NOT BE CALLED A PEACE PLAN. IT WAS A RETURN TO PRINCIPLES, PRINCIPLES FOR TOTAL ISRAELI WITHDRAWAL. AARON ARGUED THAT SOMETHING COULD BE MADE OUT OF THE EGYPTIAN REFERENCE TO THE SECURITY ISSUE. DAYAN SAID IT WOULD HAVE BEEN EASIER HAD THE EGYPTIAN PROPOSAL NOT BEEN PUBLISHED. NO ISRAELI GOVERNMENT WOULD ACCEPT THE TWO PRINCIPLES OF TOTAL WITHDRAWAL AND PALESTINIAN SELF-DETERMINATION. THE REFERENCE TO SETTLEMENTS WAS EQUALLY UNACCEPTABLE. DAYAN SAID HE WANTED THROUGH THE AUTONOMY PLAN TO DIVEST ISRAEL OF ITS POLITICAL AND MILITARY CONTROL OVER THE WEST BANK AND GAZA. BUT HE SAID HE WAS WORRIED THAT WE WERE NOT MOVING TO A PRACTICAL DISCUSSION, BUT REVERTING TO STERILE ARGUMENTS ABOUT PRINCIPLES. AARON SAID HE HOPED DAYAN WOULD DISCUSS SECURITY ARRANGEMENTS IN DETAIL WITH THE EGYPTIANS IN LONDON. DAYAN IMMEDIATELY RESPONDED, "THE EGYPTIANS WONT DO IT." WITH RESPECT TO AN AMERICAN PEACE PROPOSAL, DAYAN SAID THAT THE ISRAELIS HAD INFORMATION THAT WHEN SADAT WAS IN WASHINGTON, US OFFICIALS PRESSED HIM TO COME FORWARD WITH A PEACE PROPOSAL SO THAT THE US WOULD SUBSEQUENTLY BE IN A POSITION TO PUT FORWARD ITS OWN PLAN. ACCORDING TO DAYAN, THERE ARE THREE KEYS TO MOVEMENT NOW: (1) THE NEGOTIATIONS MUST BECOME PRIVATE RATHER THAN PUBLIC; (2) THE EMPHASIS MUST

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BE ON PRACTICAL STEPS RATHER THAN PRINCIPLES; AND (3) THE US SHOULD TELL EGYPT AND SAUDI ARABIA THAT IT CANNOT SUPPLY THEM WITH ARMS IF THEY CONTINUE TO HOLD OPEN THE POSSIBILITY OF ANOTHER WAR WITH THE AIM OF THE DESTRUCTION OF ISRAEL. AARON SAID HE HOPED THE ISRAELI CABINET RESPONSE TO THE EGYPTIAN PROPOSAL COULD BE LOW-KEY. DAYAN SAID HE WOULD TRY BUT THE ISRAELI REACTION COULD BE SHARP AND TOUGH. SEE COMMENT IN PARAS 32-35. END SUMMARY

2. DAVID AARON AND THE AMBASSADOR CALLED ON DAYAN JULY 5 TO BRIEF HIM ON THE VP'S TALK WITH SADAT, AND TO GET DAYAN'S FIRST REACTION TO THE EGYPTIAN COUNTER-PROPOSAL WHICH THE AMBASSADOR HAD PASSED TO DAYAN EARLIER IN THE DAY. ALSO PRESENT WERE RUBINSTEIN, VIETS AND BLACKWILL.

3. AARON SAID HE WANTED TO GIVE DAYAN A FEELING FOR THE MOOD OF THE VP'S DISCUSSIONS IN EGYPT. SADAT WAS BASICALLY POSITIVE THROUGHOUT THE TALKS. HE IMMEDIATELY AGREED TO THE LONDON MEETING. SADAT WONDERED IF EL ARISH WOULD BE A BETTER LOCATION, BECAUSE HE COULD KEEP IN TOUCH WITH KAMEL THERE AND GIVE HIM GUIDANCE. WHEN IT WAS POINTED OUT THAT THE SECRETARY'S SCHEDULE MADE THE EL ARISH VENUE DIFFICULT FOR THE MEETING IN MID-JULY, SADAT SUGGESTED THAT PERHAPS SUBSEQUENT MEETINGS COULD ALTERNATE BETWEEN EL ARISH AND BEERSHEVA.

4. AARON TOLD DAYAN THAT ONE THING KEPT CROPPING UP THROUGHOUT THE EXCHANGE IN ALEXANDRIA. ACCORDING TO SADAT, ISRAEL WAS ONLY INTERESTED IN SIGNING AN AGREEMENT AND IN ATTAINING A MARGINAL TERRITORIAL ADVANTAGE. IT DID NOT THINK ABOUT THE PROCESS OF THE PEOPLES OF THE TWO COUNTRIES LIVING IN HARMONY. DURING HIS PRESENTATION, SADAT'S EMPHASIS WAS NOT AS IN THE EGYPTIAN COUNTER-PROPOSAL ON A RETURN TO THE 1967 BORDERS OR ON EGYPT ADMINISTERING GAZA AND HUSSEIN THE WEST BANK. SADAT STRESSED INSTEAD THAT THE ISSUE WAS HOW ISRAEL AND EGYPT AND US WOULD SIT DOWN AND DECIDE WHAT SPECIFIC ARRANGEMENTS WOULD BE APPROPRIATE FOR THE WEST BANK AND GAZA, ON SECURITY, BORDERS, TRADE, ETC. IN AARON'S VIEW THIS PERSPECTIVE ON THE PART OF SADAT WAS AN INDICATION OF WHAT HE MIGHT BE PREPARED TO DO LATER. BUT HE COULD NOT SOLVE HIS PROBLEM WITH THE REST OF THE ARABS WITHOUT MEETING HIS GENERAL OBLIGATION TO NEGOTIATE A SET OF PRINCIPLES WHICH WOULD GOVERN THE NEGOTIATIONS. HOWEVER, SADAT HAD SAID TO VP THAT WITHDRAWAL WOULD NOT PRECEDE NEGOTIATIONS. AARON NOTED HE WANTED TO MAKE THIS PARTICULARLY CLEAR BECAUSE EGYPTIAN POSITION WAS SOMETIMES DIFFERENT IN THE PRESS. AT NO TIME DURING THE DISCUSSION WITH THE VP,

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AARON CONTINUED, DID SADAT MAKE ANY THREATS. HE DID TALK ABOUT PRESSURE FROM THE OTHER ARABS AND SAID THAT NUMERI, IN HIS TRAVELS AROUND ARAB CAPITALS, HAD BEEN TOLD BY ALMOST ALL THAT SADAT SHOULD ADMIT THAT HIS INITIATIVE HAD FAILED. SADAT SAID HE WOULD NOT DO THAT.

5. AARON OBSERVED THAT SADAT WOULD NOW SEEM TO BE GOING ON TWO PARALLEL TRACKS. IN HIS COUNTER-PROPOSAL HE CALLED FOR RETURN TO THE '67 BORDERS, INDEED TO SOME DEGREE A RETURN TO PRE'67 ADMINISTRATIVE ARRANGEMENTS AS WELL. THAT EMPHASIS, WHICH ISRAEL MIGHT SEE AS RETROGRADE, WAS MEANT TO PROTECT HIM IN HIS DEALINGS WITH THE OTHER ARABS. BUT AT THE SAME TIME, HE NOW REALIZED THAT IT WAS NECESSARY TO GET INTO THE SECURITY ISSUE IN DETAIL AND NEGOTIATE THE SORT OF REALITY WHICH WOULD DEVELOP ON THE GROUND IN THE WEST BANK AND GAZA. SO THE PICTURE WAS NOT ALL BLACK.

6. WITH RESPECT TO THE GAMASY-WEIZMAN CHANNEL, SADAT SAID HE WOULD BE HAPPY TO REVIVE IT IF ISRAEL PUT FORWARD SOME NEW ELEMENTS IN ITS POSITION.

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~~SECRET~~ SECTION 2 OF 6 TEL AVIV 8529

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7. SADAT SAID HE WAS CONCERNED ABOUT THE PUBLICITY THAT NOW HAS SO MUCH A PART OF THE DIPLOMACY OF THE PEACE PROCESS. EVERYTHING, SADAT SAID, ENDED UP IN THE NEWSPAPERS. HE WONDERED HOW WE COULD NEGOTIATE IN A MORE PRIVATE WAY, HOW A LESS PUBLIC APPROACH WOULD BE DEVELOPED. AARON CONCLUDED HIS OPENING REMARKS BY NOTING THAT IT SEEMED THE TWO SIDES WERE APPROACHING THE PROBLEM IN QUITE DIFFERENT WAYS. SADAT WANTED TO AGREE ON THE CONCEPTS AND USE THE NEGOTIATIONS TO DEVELOP IMPLEMENTING MEASURES. ISRAEL WANTED TO NEGOTIATE EVERYTHING, TO ENTER FROM THE OUTSET A GIVE AND TAKE SITUATION WITHOUT PRECONDITIONS. THIS WAS NOT A TRIVIAL DISTINCTION, AND THESE DIFFERING APPROACHES TO THE PROCESS WERE MAKING IT DIFFICULT TO SYNCHRONIZE THE TWO SIDES. AMBASSADOR OBSERVED THESE DIFFERING APPROACHES HAD PLAGUED US FROM THE FIRST DISCUSSIONS IN JERUSALEM.

8. DAYAN THEN SAID THAT HE HAD HAD AN OPPORTUNITY IN THE COURSE OF THE DAY TO GO OVER THE EGYPTIAN PROPOSAL QUICKLY AND HAD SOME INITIAL REACTIONS. HE REMARKED THAT HE HAD NOT DISCUSSED THE PLAN WITH THE PRIME MINISTER AND THEREFORE HIS REACTIONS SHOULD BE REGARDED AS PERSONAL. BECAUSE OF THIS, HE HAD NOT INVITED ANY FOREIGN OFFICE OFFICIALS TO THE MEETING.

9. DAYAN SAID HE WAS PUZZLED BY THE EGYPTIAN PROPOSAL. IT COULD NOT BE CALLED A PEACE PLAN. INDEED, ITS HEAD-ING DID NOT EVEN MENTION THE WORD PEACE. THE PAPER SEEMED TO DEAL WITH THE WITHDRAWAL OF ISRAELI FORCES FROM THE WEST BANK AND GAZA AND SECURITY ARRANGEMENTS THERE.

THERE WAS NOT ONE WORD ABOUT A PEACE AGREEMENT. PARAGRAPH ONE WAS A KIND OF PHILOSOPHIC STATEMENT. IF THE PEOPLE OF THE REGION WERE TO LIVE IN PEACE, THE PALESTINIAN PROBLEM HAD TO BE SOLVED. DAYAN SAID HE HAPPENED TO AGREE WITH THAT VIEW, BUT THE EGYPTIAN PAPER WAS NOT OPERATIONAL. IT WAS A RETURN TO PRINCIPLES. THE AMBASSADOR NOTED THAT PARAGRAPHS ONE AND TWO BRIEFLY OUTLINED A GENERAL CONCEPT FOR THE NEGOTIATIONS, AND PARA THREE, WHICH WAS MORE PROCEDURAL, INDICATED HOW YOU WOULD GO ABOUT IT. DAYAN RESPONDED THAT IN HIS VIEW PARA THREE DEALT WITH THE CENTRAL ISSUES -- WITHDRAWAL AND SECURITY. THAT WAS LOGICAL LINK, AND SADAT DID NOT APPEAR TO BE TRYING TO HIDE ANYTHING OR TO MISLEAD THE ISRAELIS. BUT ALTHOUGH PARA THREE A THROUGH THREE E MENTIONED SEVERAL ISSUES, THERE WAS NOT ONE WORD ABOUT THE DETERMINATION OF THE PALESTINIAN PROBLEM, IN THIS, THE OPERATIONAL PARA. THAT WAS IN ANOTHER PARA. DAYAN SAID THAT UNLESS HE WAS TERRIBLY MISTAKEN HE WAS NOT LOOKING AT A PEACE PLAN. IT WAS A WITHDRAWAL PLAN. DAYAN OBSERVED THAT HE THOUGHT HE KNEW WHY PEACE WAS NOT MENTIONED. AFTER THE TRANSITION PERIOD, THERE WOULD BE AN INDEPENDENT PALESTINIAN NATION. ACCORDING TO THE EGYPTIAN PROPOSAL, IT WOULD BE UP TO THAT NATION TO MAKE PEACE WITH ISRAEL. EGYPT AND JORDAN WERE CARETAKERS DURING THE INTERIM FIVE YEARS, BUT THEY COULD NOT MAKE PEACE WITH ISRAEL. THEIR ROLE ONLY WAS TO GUARANTEE. IT WOULD BE THE PALESTINIANS WHO, AFTER THE FIVE YEARS, AND AFTER SELF-DETERMINATION WOULD HAVE TO MAKE PEACE WITH ISRAEL. DAYAN NOTED ALSO THAT PALESTINIAN SELF-DETERMINATION WOULD NOT OCCUR THROUGH TALKS AMONG THE PARTIES. THEY WOULD SIMPLY DETERMINE THEIR OWN FUTURE THEMSELVES, THAT WAS FAR FROM THE ASWAN FORMULA. FURTHER, THE EGYPTIAN PLAN ALLOWED FOR THE RETURN OF PALESTINIANS RESIDING OUTSIDE THE AREA. THERE COULD BE A MASSIVE INFLUX OF PALESTINIANS FROM LEBANON OR ANYWHERE ELSE DURING THE TRANSITION PERIOD. THE PICTURE THAT EMERGED FROM SADAT'S PROPOSAL WAS AS FOLLOWS. THERE WOULD BE DISCUSSION AND AGREEMENT ON ARRANGEMENTS FOR TOTAL ISRAELI WITHDRAWAL FROM THE WEST BANK AND GAZA. JORDAN AND EGYPT WOULD TAKE OVER AS CARETAKERS FOR FIVE YEARS, THEN HAND OVER THE AREA TO THE PALESTINIANS TO DO WITH IT WHAT THEY LIKED.

10. IN RESPONSE, AARON SAID THAT PEACE BETWEEN EGYPT AND ISRAEL WAS NOT ADDRESSED IN THIS DOCUMENT BECAUSE THE SINAI PROBLEM WAS BEING WORKED IN ANOTHER CHANNEL. THIS EGYPTIAN PLAN WAS MEANT TO ASSIST THE SINAI BARGAINING TO GO FORWARD. IN THAT SENSE SADAT WAS TRYING TO BE FLEXIBLE. HE WAS NOT SAYING IN THE PLAN, NOR DID HE SAY TO THE VP, THERE HAD TO BE A COMPLETE SOLUTION TO THE

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WEST BANK AND GAZA BEFORE EGYPT MADE A DEAL WITH ISRAEL
OVER THE SINAI.

11. AARON WENT ON THAT PARA 3 STRUCK HIM AS THE MOST
INTERESTING AND PROMISING IN THE EGYPTIAN PLAN AND A FRUIT-
FUL SUBJECT OF DISCUSSION IN LONDON. EVEN UNDER THE ISRAELI
AUTONOMY PLAN, SPECIFIC IT WAS, THERE WERE MANY PROBLEMS
THAT HAD NOT BEEN ADDRESSED AND WOULD HAVE TO BE SPECIFICALLY
WORKED OUT DURING NEGOTIATIONS. PARA 3C IN THE EGYPTIAN
PAPER REFERRED TO "MUTUAL SECURITY ARRANGEMENTS FOR ALL
THE PARTIES CONCERNED DURING AND FOLLOWING THE TRANSITION
PERIOD." IT MIGHT BE POSSIBLE, AARON SAID, TO MAKE SOMETHING
OUT OF THAT SENTENCE. AARON SAID THAT HE HOPED THAT AS THE
ISRAELIS APPROACHED LONDON, THEY WOULD LOOK AT THE EGYPTIAN
PAPER AND TRY TO FIND THREADS WHICH COULD BE TEASED OUT TO
MOVE THINGS AHEAD. THERE WAS MUCH IN THE PLAN THAT ISRAEL
OBVIOUSLY WOULD NOT LIKE. BUT THERE WAS ALSO A GOOD DEAL
ABOUT SECURITY AND WE SHOULD TRY TO BUILD ON THOSE REFERENCES.

12. DAYAN SAID HE WAS NOT BEING "CRITICAL" ABOUT THE EGYPTIAN
PROPOSAL. HE WAS JUST TRYING TO FIGURE OUT WHAT HAD BEEN
GIVEN HIM THAT MORNING AND HOW IT SHOULD BE HANDLED IN LONDON.
HE WAS NOT PARTICULARLY COMPLAINING THAT HE HAD NOT RECEIVED
A PEACE PLAN. MAYBE IT WAS BETTER THIS WAY. IT IS NOT
ILLOGICAL TO SAY THAT IT IS TIME FOR THE PEACE TREATY FOR
THE WEST BANK AND GAZA ONLY WHEN THE PERMANENT INHABITANTS
ARE READY TO MAKE PEACE. THE EGYPTIAN PLAN SEEMS TO BE SAYING
THAT IN ORDER TO MAKE PEACE IN THE MIDDLE EAST, ONE
CANT LEAVE 400,000 PALESTINIANS IN LEBANON IN MILI-
TARY ORGANIZATIONS. ONE HAS TO GET AT THE ESSENCE OF THE
PALESTINIAN PROBLEM.

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SECRET SECTION 3 OF 6 TEL AVIV 8529

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13. BUT, DAYAN ASKED, SUPPOSE ISRAEL AGREED TO THE PRINCIPLES WHICH ARE OUTLINED IN THE EGYPTIAN PLAN. THAT DID NOT MEAN THAT SUCH AN UNDERSTANDING ABOUT PRINCIPLES WOULD INEVITABLY PRODUCE A DETAILED AGREEMENT ABOUT THE WEST BANK AND GAZA. NEGOTIATIONS MIGHT BREAK DOWN, EVEN AFTER PRINCIPLES HAD BEEN AGREED. SADAT CERTAINLY REALIZED THIS. WOULD HE NONETHELESS CONCLUDE A TREATY WITH ISRAEL ON SINAI. IN ADVANCE OF A TREATY CONCERNING THE WEST BANK AND GAZA. DAYAN WONDERED.

14. SADAT SEEMED TO BE SAYING THAT IF ISRAEL AGREED IN PRINCIPLE TO HIS SOLUTION FOR THE WEST BANK AND GAZA, THEN OF COURSE HE WOULD MAKE PEACE IN THE SINAI. BUT IF ISRAEL DID NOT AGREE WITH SADAT'S PRINCIPLES FOR THE WEST BANK AND GAZA, OR IF ISRAEL RETAINED THE RIGHT OF VETO CONCERNING THE SPECIFIC ARRANGEMENTS WHICH WOULD BE NEGOTATED FOR THE WEST BANK AND GAZA DURING THE TRANSITION PERIOD, THEN SADAT WOULD BE UNABLE TO STRIKE A DEAL ON SINAI. IN THIS 6-POINT PLAN, THE SUBSTANCE OF WHICH DAYAN SAID DID NOT SURPRISE HIM, THERE WAS NOTHING PRACTICAL ABOUT DAY TO DAY ISSUES. WHERE WOULD THE PALESTINIANS IN GAZA BE WORKING? WHAT WOULD BE THE SECURITY ARRANGEMENTS? THAT SEEMED TO BE BECAUSE SADAT HAD DECIDED THAT EGYPT WAS NOT IN A POSITION TO DISCUSS THESE ISSUES. IT WAS UP TO THE PALESTINIANS TO NEGOTIATE THESE MATTERS SINCE THEY WOULD BE DETERMINING THEIR FUTURE. EGYPT WOULD ONLY HELP THEM GET THEIR LAND BACK. ALL THE ARRANGEMENTS WERE THEN UP TO THEM. DAYAN SAID THAT IF HE UNDERSTOOD THE EGYPTIAN DOCUMENT PROPERLY, WE HAD RETURNED THROUGH THE BACK DOOR TO A DECLARATION OF PRINCIPLES. AND THEY WERE A BAD SET OF PRINCIPLES. THERE

WAS NO HINT OF MINOR BORDER MODIFICATIONS OR THAT ISRAELI FORCES COULD STAY BEHIND AFTER WITHDRAWAL. NOT ONE WORD. THE PLAN REQUIRED ISRAELI WITHDRAWAL FROM EAST JERUSALEM. THERE WAS NO SIGN OF FLEXIBILITY. ISRAELI SETTLEMENTS WOULD HAVE TO GO. DAYAN SAID THAT SURPRISED HIM. HE HAD THOUGHT THAT THE PLAN WOULD INDICATE THAT ISRAELI SETTLEMENTS COULD STAY IN THE WEST BANK UNDER JORDANIAN OR PALESTINIAN AUTHORITY. BUT NOT EVEN THAT WAS POSSIBLE IN THE EGYPTIAN PLAN. IT WAS SO RIGID AND HARDLINE THAT HE COULD NOT TAKE IT TOO SERIOUSLY.

15. THE AMBASSADOR SAID THAT IN HIS VIEW THERE WAS NOTHING VERY SURPRISING IN THE EGYPTIAN PROPOSAL. IT WAS CLEARLY A DOCUMENT WHICH WAS MEANT TO BE PUBLISHED. ITS PURPOSE WAS TO PRECLUDE CRITICISM FROM THE ARAB WORLD BY STAKING OUT AN EXTREME PUBLIC POSITION. BUT PERHAPS SADAT'S REFERENCE TO NEGOTIATION IN LESS PUBLIC WAYS WAS AN ENCOURAGING SIGN. AARON THEN REPEATED THAT THE REFS TO SECURITY DURING AND FOLLOWING THE TRANSITION PERIOD WERE ALSO POSITIVE. HE WAS NOT SURE WHAT ELSE OF REAL SIGNIFICANCE WAS CONTAINED IN THE EGYPTIAN PAPER, BUT IT WAS NECESSARY TO TRY TO BUILD ON THE EGYPTIAN REFERENCES TO SECURITY.

16. SAYING THAT HE WAS LEAVING ASIDE SUBSTANCE FOR A MOMENT, DAYAN INDICATED THAT HE WAS BOTHERED BY THE DIRECTION WE WERE HEADING. IF WE WERE GOING TO DISCUSS PRINCIPLES SUCH AS THOSE IN THE EGYPTIAN PLAN, WHICH WOULD BE IMMEDIATELY REJECTED BY THE ISRAELIS, THEN WE WERE IN TROUBLE. THE OLD SET OF EGYPTIAN PRINCIPLES WAS A PARADISE COMPARED TO THESE. DAYAN SAID THAT HE AGREED WITH THE AMB'S COMMENT THAT WHEN SADAT WENT PUBLIC WITH HIS POSITIONS, THEY WOULD LIKELY BE EXTREME. THAT WAS SURELY THE CASE IN THIS INSTANCE. THESE EGYPTIAN PRINCIPLES HAVE TWO MAIN POINTS: TOTAL WITHDRAWAL AND COMPLETE PALESTINIAN SELF-DETERMINATION. THESE POSITIONS WERE MORE EXTREME THAN ANY IDEA FROM THE EGYPTIAN SIDE IN THE LAST YEAR OR SO. THEY WERE REGRESSIVE POINT BY POINT. THERE WAS NOT REFERENCE TO AN EGYPTIAN-ISRAEL PEACE TREATY. NO REFERENCE TO SINAI. IT SEEMS TO BE SAYING THAT IF ISRAEL ACCEPTS THESE EXTREME POSITIONS, THEN AND ONLY THEN WILL SADAT BE WILLING TO DISCUSS A SINAI PEACE TREATY.

17. AARON RETURNED TO THE SECURITY ISSUE. HE ASKED WHAT WOULD HAPPEN IF THE ISRAELIS SAID THAT THEIR SECURITY WOULD HAVE TO INCLUDE SOMETHING LESS THAN TOTAL WITHDRAWAL, AND THAT IDF FORCES IN THE WEST BANK AND GAZA WOULD BE FEATURE OF THE SITUATION INDEFINITELY. AT LEAST A DISCUSSION MIGHT BE GOING. AS FOR ADMINISTRATIVE CONTROL OF THE AREA, ISRAEL COULD SAY THAT THE TERRITORIES COULD NOT GO BACK TO JORDAN

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AND EGYPT AS IN THE EGYPTIAN PROPOSAL. SINCE THE AUTONOMY PLAN ALSO CALLED FOR AN INCREASED ARAB ROLE IN ADMINISTERING THE WEST BANK AND GAZA, PERHAPS SOME COMPROMISE WAS POSSIBLE. IT WAS TRUE THAT THE EGYPTIAN PLAN WAS A MAXIMUM ONE IN MANY RESPECTS, BUT THE CONSTANT THEME OF SECURITY COULD BE AN AVENUE TO PROGRESS.

18. DAYAN SAID THAT WOULD HAVE BEEN MUCH EASIER HAD THE EGYPTIAN PROPOSAL NOT BEEN PUBLISHED, OR HAD IT BEEN VAGUE. BUT THIS ISRAELI GOVERNMENT, LIKE ANY OTHER ISRAELI GOVERNMENT, COULD NOT ACCEPT THE TWO PRINCIPLES OF TOTAL WITHDRAWAL AND PALESTINIAN SELF-DETERMINATION. THE OPPOSITION MIGHT TALK ABOUT A TERRITORIAL DIVISION, AND THE BEGIN GOVERNMENT MIGHT TALK ABOUT A FUNCTIONAL DIVISION, BUT NEITHER WOULD ACCEPT SADAT'S PRINCIPLES. DAYAN SAID THAT HE WANTED THROUGH THE AUTONOMY PLAN TO DIVEST ISRAEL OF ITS POLITICAL AND MILITARY CONTROL OVER THE WEST BANK AND GAZA. IN ADDITION TO SAYING IT, HE WANTED ISRAEL TO MEAN IT AND DO IT. WITH RESPECT TO SETTLEMENTS, IF AN ARAB WANTED TO SELL LAND, A JEW MUST HAVE
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THE RIGHT TO BUY IT. DAYAN SAID THAT THERE WAS NO DIFFERENCE BETWEEN THE PRIME MINISTER AND HIMSELF ON THIS ISSUE. HE WAS MORE READY FOR CLOSE LINKS BETWEEN THE WEST BANK AND JORDAN THAN THE PRIME MINISTER, BUT IN ANY EVENT, BOTH AGREED THAT JEWS COULD NOT BE FORBIDDEN TO LIVE THERE. DAYAN SAID HE PERSONALLY DID NOT EXCLUDE THE POSSIBILITY THAT JORDAN, ISRAEL AND THE PALESTINIAN ARABS WOULD REACH AN ARRANGEMENT ON HOW TO SHARE AUTHORITY IN THE AREA. HE WANTED THE PALESTINIANS TO BE ABLE TO DO AS THEY LIKED AS LONG AS IT DID NOT INTERFERE WITH ISRAELI SECURITY. THAT IS FAR DIFFERENT THAN JUST GETTING OUT AS THE EGYPTIAN PAPER CALLED FOR. WHAT WORRIED DAYAN WAS THAT THE INFLEXIBILITY OF THE EGYPTIAN POSITION, AND THE FACT THAT IT WAS NOW PUBLIC, WOULD MAKE IT DIFFICULT TO HAVE A SERIOUS DISCUSSION ON ARRANGEMENTS DURING THE TRANSITION PERIOD. ISRAEL DID NOT SAY ITS PLAN COULD NOT BE CHANGED. BUT THIS EGYPTIAN PLAN WOULD MAKE EVERYTHING MORE DIFFICULT. WE SHOULD AGREE, DAYAN SAID, THAT DURING THE FIVE YEARS WE AGREE ON HOW WE LIVE TOGETHER IN THE FUTURE. AT THE END OF THE FIVE YEARS WE HAVE A FINAL DECISION. THE EGYPTIANS, PERHAPS THE AMERICANS, CAN CALL IT FINAL STATUS. ISRAEL COULD CALL IT THE FINAL RELATIONSHIP BETWEEN THE PARTIES. BUT WHAT WOULD BE HAPPENING WOULD BE THAT ISRAEL WOULD BE WALKING OUT OF THE LIVES AND VILLAGES OF THE PALESTINIAN ARABS. THE IDF WOULD DO ITS JOB WITHOUT GOING INTO NABLUS. SUCH ARRANGEMENTS SHOULD BE POSSIBLE. BUT BACK TO 1967 IS AN UNBRIDGEABLE GAP. WE SHOULD BE WORKING TOWARD A 5-YEAR TRANSITION IN WHICH THE PALESTINIAN ARABS WOULD BE RID OF ISRAELI MILITARY CONTROL. ISRAELIS WOULD NOT BE FORBIDDEN TO BUY LAND. (DAYAN SAID THAT IF THE PALESTINIANS COULD ORGANIZE THEMSELVES IN A WAY WHICH MADE IT DIFFICULT FOR THE ISRAELIS TO PURCHASE LAND, OR "IF THE

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SAUDIS BOUGHT IT ALL, THAT WOULD BE THAT.") BUT DAYAN SAID HE WAS WORRIED THAT WE WERE NOT BACK TO A PRACTICAL DISCUSSION, BUT TO PRINCIPLES. ALL THE ARAB LAND MUST BE RETURNED. ONCE THE ARABS, AND PARTICULARLY SADAT, SAYS THAT SORT OF THING, WE ARE FINISHED.

19. AARON ASKED DAYAN IF HE EVER TALKED TO SADAT IN THIS WAY. DAYAN RESPONDED THAT HE HAD NOT HAD A CHANCE EXCEPT FOR ONE OCCASION OF 5 MINUTES. SECRETARY VANCE HAD THE IDEA OF HIMSELF, SADAT AND DAYAN GETTING TOGETHER ON A CONFIDENTIAL BASIS TO TRY TO TALK. KAMEL KNEW NOTHING AND COULD MAKE NO CONTRIBUTION. ONE OF THE PROBLEMS, ACCORDING TO DAYAN, WAS THAT NEITHER SADAT NOR KAMEL KNEW ANYTHING ABOUT THE WEST BANK.

20. DAYAN REPEATED THAT IF THIS EGYPTIAN PAPER BECOMES "A BIBLE, WE ARE FINISHED." AARON THEN ASKED WHY ISRAELIS COULD NOT TAKE THE LINE AT LONDON THAT BOTH THE AUTONOMY PLAN AND THE EGYPTIAN PLAN DISCUSS SECURITY ARRANGEMENTS AND USE THAT COMMON THREAD TO GO INTO A NEGOTIATION ON THE DETAILS. DAYAN IMMEDIATELY RESPONDED, "THE EGYPTIANS WON'T DO IT." KAMEL WILL NOT HAVE THE AUTHORITY TO CHANGE ONE WORD IN THE EGYPTIAN PROPOSAL. THE PROBLEM IS THAT SADAT CANNOT SAY THAT HE WILL NOT GIVE UP ONE INCH OF THE SINAI, BUT AT THE SAME TIME INDICATE HE IS WILLING TO ACCEPT TERRITORIAL COMPROMISE ON THE WEST BANK; THAT PUTS HIM IN AN INDELICATE POSITION WITH THE PALESTINIANS. AND, DAYAN STRESSED, NO ONE SHOULD FORGET "THAT OUR CABINET HAS ITS BIBLE, TOO."

21. AARON SAID THAT THE MAIN QUESTION IS HOW WE PROCEED FROM HERE. OBVIOUSLY, THE MAXIMALIST EGYPTIAN POSITIONS IS NO HELP. BUT THAT IS WHAT SADAT CAME UP WITH AND IT DOES ADDRESS SOME OF ISRAEL'S SECURITY CONCERNS. SADAT'S POSITION NOW IS THAT IF THE EGYPTIAN PLAN WON'T SUFFICE - IF IT IS INADEQUATE - THEN IT IS UP TO THE U.S. TO PUT FORWARD ITS PEACE PLAN. THAT ATTITUDE MAY WELL MEAN THAT SADAT DOES NOT SEE THESE LATEST PRINCIPLES AS SET IN CONCRETE. IT MAY BE THAT THE U.S. CAN BE OF SOME ASSISTANCE IN TRYING TO BRIDGE THE GAP BETWEEN THE TWO SIDES. BUT WE CANNOT INVENT FORMULATIONS. THEY MUST COME OUT OF THE DISCUSSIONS.

22. DAYAN RESPONDED THAT THE ISRAELIS HAD INFORMATION, "FOR WHAT IT IS WORTH," THAT WHEN SADAT WAS IN WASHINGTON, "YOUR PEOPLE" PRESSED SADAT TO COME FORWARD WITH A PEACE PROPOSAL SO THAT THE U.S. WOULD SUBSEQUENTLY BE IN A POSITION TO PUT FORWARD ITS OWN PLAN. WHETHER THAT IS TRUE OR NOT, DAYAN ADDED, THESE EGYPTIAN PRINCIPLES WILL DO NOTHING TO GET THE PARTIES, OR PEACE, ANYWHERE.

23. THE AMBASSADOR OBSERVED THAT DAYAN WAS UNIQUELY THE

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PERSONAL LINK BETWEEN THE FIRST ROUND OF AGREEMENTS IN 1974/1975 AND THIS PROCESS. WERE THERE ANY LESSONS THAT COULD BE APPLIED FROM THE EARLIER EFFORT, ANY ANALOGIES FROM THE WAY IT WAS DONE, FROM THE MECHANISMS THAT WERE USED? DAYAN RESPONDED THAT HE HAD SUGGESTED TO THE AMBASSADOR AND ROY ATHERTON A "VERY PROVISIONAL" APPROACH. NEGOTIATION WOULD GO ON THROUGH THE FIVE YEARS, AND AGREEMENT WOULD BE REACHED AFTER THE FIVE YEARS. BUT SOME OF THE TOUGH ISSUES, WHICH WERE UNLIKELY TO BE RESOLVED, WOULD BE LEFT ASIDE. SETTLEMENTS CERTAINLY QUALIFIED AS ONE OF THOSE. SINCE THAT TALK, THINGS HAD BECOME MORE PROMISING. FOR THE FIRST TIME, AN ISRAELI PRIME MINISTER HAD AGREED TO ABOLISH MILITARY RULE AND WALK OUT OF THE LIVES OF ARABS. THIS WAS A TREMENDOUS STEP. THAT SHOULD BE RECOGNIZED AS SUCH. AND, AS HAS BEEN INDICATED AGAIN AND AGAIN, ISRAEL IS NOT ABSOLUTELY WED TO ITS AUTONOMY PLAN. OTHER ARRANGEMENTS CAN BE NEGOTIATED. THERE COULD BE A REVIEW AFTER THREE YEARS, RATHER THAN FIVE YEARS. AN IMPORTANT THING IS THAT THE PALESTINIAN ARABS RESIDENT IN THE WEST BANK AND GAZA WOULD HAVE THEIR OWN ELECTED REPRESENTATIVES. AND THESE PEOPLE ARE THE ONLY ONES WHO KNOW WHAT THEY ARE TALKING ABOUT ON ISSUES CONCERNING THE WEST BANK AND GAZA. IT IS A "LITTLE BIT" ENCOURAGING, DAYAN CONTINUED, THAT EGYPT IS NOT ASKING TO ANNEX GAZA OR TO STAY FOR GOOD. BUT IF EGYPT WANTS TO INVOLVE THE PALESTINIANS, WHY WAIT FIVE YEARS? UNDER THE ISRAELI AUTONOMY PLAN, THE PALESTINIAN ARABS WOULD BEGIN TO TAKE CONTROL OF THEIR OWN AFFAIRS TOMORROW. DAYAN STRESSED THAT ISRAEL WAS READY "TOMORROW" TO TAKE SUCH STEPS IN GAZA. HE ADMITTED, HOWEVER, THAT THE WEST BANK AND JORDAN WAS MORE COMPLICATED. BT

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24. AARON THEN SAID THAT IT STRUCK HIM THAT WE DO NOT HAVE MUCH OF A PROCESS GOING AT THE MOMENT. HE WONDERED IF AT LONDON WE COULD GET A PROCESS GOING TO TALK ABOUT JUST THE ISSUES THAT HAD BEEN DISCUSSED TODAY. DAYAN HAD SAID THAT HE HAD NOT DISCUSSED THESE MATTERS IN THIS WAY WITH SADAT AND KAMEL. THAT NEEDED TO BE DONE, BUT PRIVATELY SINCE IF PUBLIC EXCHANGES OCCUR, WE WILL NOT COME TO GRIPS WITH THE PROBLEM.

25. DAYAN AGREED AND THEN ASKED HIMSELF THE QUESTION, "WHAT WOULD HAPPEN IF THE LONDON MEETING FAILED?" HE TOOK IT FOR GRANTED, HE SAID, THAT THE U.S. HAD THE POWER TO FORCE ON ISRAEL ANY PLAN IT DESIRED, PERHAPS EVEN FORCE THE FALL OF THE GOVERNMENT. BUT WASHINGTON SHOULD SUFFER NO ILLUSION THAT THAT WOULD PRODUCE THE DESIRED RESULT. THE OPPOSITION MAY SOUND REASONABLE WHEN IT IS JUST THAT. BUT TRY OUT THE LABOR PARTY AND ESPECIALLY GOLDA, ON THE WITHDRAWAL OF SETTLEMENTS FROM THE GOLAN AND THE JORDAN VALLEY AND SEE WHAT HAPPENS.

26. DAYAN CONTINUED THAT THE SECOND ALTERNATIVE WOULD BE THAT ISRAEL WOULD GO ON KEEPING THE TERRITORY. HE WOULD TRY TO INTRODUCE RADICAL WAYS TO GIVE THE ARABS MORE AUTONOMY, "IF EZER AND BEGIN WILL LET ME." ISRAEL WOULD STAY IN SINAI. ALL THIS MIGHT MEAN THAT THE ARABS WOULD BE TEMPTED TO START ANOTHER WAR AND ISRAEL WOULD TAKE DEFENSIVE MEASURES TO ENSURE THAT THAT THREAT WAS MET. SO THIS SECOND ALTERNATIVE WAS ESSENTIALLY GOING ON WITH THE PRESENT SITUATION.

27. BOTH BOTH THESE COURSES IGNORE THE REAL ISSUE. THAT IS, THAT ISRAEL HAS TO GIVE BACK TERRITORY AND "WALK OUT OF RULING

OTHER PEOPLES." DAYAN SAID, "WE WANT TO DO IT." BUT IF THE DISCUSSION CENTERS ON PRINCIPLES, "WE SHALL GET STUCK AS WE HAVE BEEN FOR ELEVEN YEARS."

28. THERE ARE THREE KEYS TO MOVEMENT NOW, DAYAN CONTINUED. FIRST, IT IS IMPERATIVE THAT THE NEGOTIATIONS BECOME PRIVATE RATHER THAN PUBLIC. IT IS EVEN POSSIBLE TO HAVE TWO TRACKS, ONE IN WHICH THE TWO SIDES PRINT WHATEVER THEY WISH FOR PUBLIC CONSUMPTION, AND THE OTHER FOR THE REAL NEGOTIATIONS BETWEEN THE PARTIES. SECOND, THE EMPHASIS MUST BE ON PRACTICAL STEPS RATHER THAN PRINCIPLES. IF THE EGYPTIANS PUT THE PALESTINIAN ISSUE AS THE TOP PRIORITY, DAYAN SAID, "THAT IS OK WITH ME." THE FIRST STEP CAN BE THE ABOLISHMENT OF THE MILITARY GOVERNMENT AND THE REMOVAL OF MILITARY CAMPS IN THE MIDDLE OF ARAB CENTERS. ELECTIONS CAN TAKE PLACE IN GAZA AND THE WEST BANK WHICH WOULD PRODUCE ARAB LEADERS CAPABLE OF DISCUSSING THESE MATTERS. BUT PRINCIPLES SHOULD BE PUT ASIDE. THIRD, THE U.S. SHOULD TELL EGYPT AND SAUDI ARABIA THAT THE U.S. CANNOT SUPPLY THEM WITH ARMS, AND ECONOMIC AID IF THEY CONTINUE TO HOLD OPEN THE POSSIBILITY OF ANOTHER WAR WITH THE AIM OF THE DESTRUCTION OF ISRAEL.

29. AARON SAID THAT ONE-HALF OF THE TIME WITH SADAT HAD BEEN SPENT ADDRESSING THE FIRST TWO OF DAYAN'S POINTS. SADAT SEES THE PROBLEM IN SOME OF THE SAME LIGHT AS DAYAN HAD JUST DESCRIBED.

30. AARON THEN NOTED THAT DAYAN HAD JUST TALKED ABOUT WHAT WOULD HAPPEN IF LONDON FAILED. BUT HOW COULD WE ENSURE THAT LONDON SUCCEEDED? OF COURSE, THE EGYPTIAN PROPOSAL WILL GIVE ISRAEL A GREAT DEAL OF TROUBLE. ALL THE SAME, AARON HOPED THAT THE GOI RESPONSE COULD BE LOW-KEY. PERHAPS IT COULD EVEN SAY SOMETHING POSITIVE ABOUT THE EGYPTIAN PLAN. PERHAPS THE EGYPTIAN RECOGNITION OF ISRAEL'S SECURITY CONCERNS COULD PROVIDE AN OPPORTUNITY IN THIS RESPECT. AT LONDON, THIS QUIETER DIALOGUE WHICH ALL PARTIES DESIRE SHOULD BEGIN. IT COULD THEN, IF ALL FIND IT ACCEPTABLE, SUBSEQUENTLY BE FOLLOWED BY DISCUSSIONS ALTERNATING BETWEEN EL ARISH AND BEERSHEVA. BUT IT WAS A NECESSITY TO KEEP THE NEGOTIATIONS OUT OF THE NEWSPAPERS. FRANK DISCUSSIONS MUST BEGIN AND CONTINUE. THAT MIGHT SEEM A PROCEDURAL OUTCOME FROM LONDON, BUT IT COULD BE ONE WITH CONSIDERABLE SIGNIFICANCE. AARON OBSERVED THAT IF ISRAEL STRONGLY REJECTS THE EGYPTIAN PROPOSAL, IT WILL SIMPLY GIVE IT MORE STATUS AND FURTHER IMPEDE THE PEACE PROCESS.

31. DAYAN SAID HE UNDERSTOOD AARON'S CONCERN AND WOULD DO WHAT HE COULD. BUT IT WOULD BE THE ISRAELI CABINET, AND NOT SIMPLY HIMSELF, THAT WOULD BE DECIDING ON THE ISRAELI

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RESPONSE. AT THE VERY BEST, THE WORDING OF THE REJECTION WOULD NOT BE FRAMED IN SUCH A TO EXCLUDE FURTHER DISCUSSIONS. BUT DAYAN SAID WE COULD BE ASSURED THAT "THERE WILL NOT BE ONE GOOD WORD" ABOUT THE EGYPTIAN PLAN IN THE ISRAELI RESPONSE. DAYAN STRESSED HE HIMSELF WOULD NOT BE PARTY TO ANY SUCH AFFIRMATION. HE HOPED HE COULD AVOID HAVING THE CABINET DISCUSS THE EGYPTIAN PROPOSAL IN DETAIL, "BECAUSE IF THEY STUDY IT AND DISCUSS IT AND ANALYZE IT AND DECIDE ABOUT IT, WE ARE DONE FOR."

32. PERHAPS THE CABINET STATEMENT COULD SAY SOMETHING LIKE THE FOLLOWING. ISRAEL HAD RECEIVED THE EGYPTIAN PROPOSAL WHICH WAS NOT A PEACE PLAN. IT WAS NOT ACCEPTABLE TO THE GOVERNMENT OF ISRAEL. THE GOI CONTINUES TO SEE THE AUTONOMY PLAN AS THE BEST BASIS FOR NEGOTIATION. BUT, ISRAEL WAS READY TO SEND ITS FOREIGN MINISTER TO LONDON TO TRY TO ADVANCE THE PEACE PROCESS. AARON SAID HE THOUGHT THAT WOULD BE A SATISFACTORY ISRAELI RESPONSE. DAYAN CONCLUDED THE CONVERSATION BY SAYING HE MIGHT NOT BE ABLE TO GET ANYTHING SO MODERATE OUT OF THE CABINET. BETWEEN NOW AND SUNDAY, AND BETWEEN NOW AND JULY 18, THERE WILL BE INTERVIEWS, PUBLIC STATEMENTS BY BOTH SIDES, PROBABLY FURTHER ESCALATION OF RHETORIC. IT WAS QUITE POSSIBLE, DAYAN SAID, THAT THE ISRAELI CABINET RESPONSE WOULD BE MUCH SHARPER AND TOUGHER THAN THE ONE HE HAD JUST OUTLINED.

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SECRET SECTION 6 OF 6 TEL AVIV 8529

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33. COMMENT: DAYAN WAS NEITHER SURPRISED NOR PARTICULARLY DISAPPOINTED BY THE SUBSTANCE OF THE EGYPTIAN PLAN. HOWEVER, HE CLEARLY WISHED THAT HE DID NOT HAVE TO MANEUVER HERE IN A DOMESTIC ENVIRONMENT WHICH HAS BEEN MADE MORE DIFFICULT BY THIS DISPLAY OF EGYPTIAN RIGIDITY. HE IS CLEARLY LOOKING FOR WRIGGLE ROOM, AND WORRIES THAT HE WILL GET PINNED BETWEEN BEGIN'S THEOLOGY AND SADAT'S PRINCIPLES.

34. THIS FEAR LEADS HIM TO WANT TO GET INTO THE DETAILS OF THE ARRANGEMENTS ON THE WEST BANK AND GAZA DURING AND AFTER THE INTERIM PERIOD AND TO STAY AWAY FROM ABSTRACTIONS. HE WAS CLEARLY TRYING TO SHOW US TODAY THAT IF HE COULD GET INTO A SITUATION IN WHICH DETAILS DOMINATED, HE WOULD BE ABLE TO SHOW SOME FLEXIBILITY. THAT IS CERTAINLY WHAT HE WOULD LIKE TO HAVE OCCUR IN LONDON, BUT HE IS CONVINCED THAT KAMEL WILL BE UNWILLING AND UNABLE TO ENGAGE IN THIS WAY. EVEN SO, DAYAN IS READY TO GIVE IT A TRY.

35. THAT LEAVES IT UP TO THE EGYPTIANS. IF KAMEL GOES TO LONDON UNWILLING TO ALTER HIS "BIBLE" IN ANY WAY, OR TO PROCEED TO DETAILED SECURITY DISCUSSIONS UNTIL ISRAEL AGREES TO ALL OF HIS HOLY TEXT, THE TALKS WILL PRODUCE NOTHING EXCEPT PERHAPS THE NECESSARY FAILURE BEFORE WE PUT FORWARD OUR OWN IDEAS. AS DAYAN INDICATED, MANY ISRAELIS SUSPECT THAT WE HAVE BEEN COLLUDING WITH THE EGYPTIANS TO PRODUCE JUST SUCH A SITUATION, JUST SUCH A RIGID EGYPTIAN PLAN, JUST SUCH A REQUIREMENT FOR U.S. INTERVENTION.

36. IT SEEMS TO ME THAT THAT BEING THE CASE, WE SHOULD GO ON TRYING TO CONVINCE SADAT BEFORE LONDON THAT WE DO NOT SEE THAT

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MINISTERIAL MEETING AS A PRO-FORMA AFFAIR BEFORE THE INTRODUCTION OF U.S. IDEAS. WE WANT SOME BUSINESS, ESPECIALLY ON THE SECURITY ISSUE, TO BE DONE THERE. DAYAN WAS ATTEMPTING TO FIND SOME SLACK IN BEGIN'S LEASH THROUGHOUT OUR CONVERSATION TODAY. HE WILL BE DOING THE SAME THING IN LONDON. IT WILL BE A PITY IF WE ARE UNABLE TO TAKE ADVANTAGE OF THIS INCLINATION ON DAYAN'S PART, AND WASTE OUR TIME IN LONDON HEARING THE VIRTUES OF THE AUTONOMY PLAN AND EGYPTIAN SPEECHES ON TOTAL WITHDRAWAL AND PALESTINIAN SELF-DETERMINATION. IF THAT HAPPENS, MANY ISRAELIS, PERHAPS DAYAN HIMSELF, WILL CONCLUDE THAT WASHINGTON IS MANAGING THE CURRENT PHASE OF THE PROCESS WITH ONLY ONE OBJECTIVE IN MIND -- TO GET IN A POSITION TO CONVINCINGLY ARGUE THAT IT HAS NO OTHER CHOICE BUT TO PUT FORTH U.S. PROPOSALS TO BREAK THE IMPASSE. THAT IS PROBABLY THE WAY IT WILL TURN OUT, BUT IT WOULD BE A MISTAKE TO GIVE THE ISRAELIS THE IMPRESSION THAT WE ARE SO DEAD SET ON THIS COURSE THAT NOTHING, INCLUDING A SLIGHT CHANCE OF PROGRESS AT LONDON, WILL KEEP US FROM IT.

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- 11 - 3

Vice President's Luncheon with President, Tuesday, July 18, 1978

Legation, M. T. Day, et
FOREIGN POLICY ISSUES

Tomlinson
International Economic Summit

- Note that press coverage of the Bonn Summit was excellent -- positive for the President.
- Invite the President's assessment of the mood of the allies, and their assessment of likely trends in trade, economic and energy developments.

Meeting with Mrs. Shcharansky

- Note that you met with Mrs. Shcharansky on Monday morning, that she continues to look to the U.S. for some form of assistance for her husband.
- She asked two major questions:
 - (1) Is there any prospect that an exchange can be worked out for her husband?
 - (2) Would the President be willing to meet with her?

Middle East Developments

- Note the growing disunity in the Israeli government following Sadat's meetings with Peres and Weizman.
- Note that Sadat, who is, in fact, making a number of important suggestions and compromises, including agreement to the Kreisky formula for the West Bank and agreement to continuing Israeli military and administrative presence, appears to be determined to build up the image of Israeli moderates in the hope of tipping the balance against Begin's hard line.
- Reports from Israel indicate that the Labor Party has found renewed unity and strength as a result of the Peres mission.

B. J. Jones
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per 5/31/06 NSC ltr.
NLJC-06-081
BY *BAE* NARA, DATE *26/06/06*

- The issue of how to treat Begin becomes all the more important. It would seem best to note with approval the renewed direct contact and the indications of possible progress -- while avoiding any criticism of Begin.

SALT

- Note the NSC staff assessment following the Vance-Gromyko talks that "in sum, with the package the Soviets fielded on main issues, and taking either of the two interpretations on the omitted issues (cruise missile definition, cruise missile range, heavy bomber definition and cruise carriers), the Soviets are clearly telling us they are ready to get into end-game dealing and trading of positions."
- ✓ -- Ask the President how Vance saw his talks with Gromyko.

US-USSR

~~History~~
- ~~Recd~~

- Restraint & Progress

Halfield re Judge

Tax Policy -
- Payroll Tax

SECRET/SENSITIVE

Reviews of Sanctions, Kentucky, Illinois
- Govt

OFFICE OF THE VICE PRESIDENT
WASHINGTON


INFORMATION

~~SECRET~~/SENSITIVE

Memo No. 505-78

July 17, 1978

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift 
SUBJECT: Luncheon with President, Tuesday,
July 18, 1978

I am forwarding (at Tab A) talking points on foreign policy issues for your use during your luncheon with the President on Tuesday, July 18.

~~SECRET~~/SENSITIVE

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APR 5/31/06 NSC 14.
NLIC-OC-081
BY BAE NARA DATE 6/6/06

OFFICE OF THE VICE PRESIDENT
WASHINGTON

July 21, 1978

MEMORANDUM FOR THE VICE PRESIDENT

FROM: RICHARD MOE

SUBJECT: TALKING POINTS FOR LUNCHEON WITH THE PRESIDENT
MONDAY, JULY 24, 1978

I. Turkish Arms Sales

II. Meeting with Ambassador Towe (see attached)

III. Middle East (see attached)

IV. U.S.-Soviet Relations

- Scharansky
- SALT

V. Rhodesia/Namibia

- Helms amendment

VI. Energy Bill

VII. Civil Service Reform

VIII. Signing in N.Y.C. for Financial Aid Bill

IX. Inflation

- Timber Study
- Oil Pricing

~~Legal Counsel~~
~~USDA~~

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Per 5/31/06 NSC 14r.
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BY BAE NARA DATE 6/6/06

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July 21, 1978

MEMORANDUM FOR DICK MOE

FROM: Denis Clift *151*

SUBJECT: Insert for Vice President's Luncheon with
President

I am attaching at Tab 1 an insert for the luncheon talker for July 24. Please insure the most careful control of this document, with no copies and the original to the Vice President. Thank you.

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DEC 5/24/06/ NSC Hr.
NLJC-06-081
BY BAE NARA DATE 6/6/06

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INSERT FOR VICE PRESIDENT'S
LUNCHEON WITH PRESIDENT
Monday, July 24, 1978

Meeting with Ambassador Towe

During your meeting with Ambassador Towe, he brought up the sensitive issue of separatism in Canada, the Prime Minister's approach to this issue (Canadian paper at Tab A) and concerns about certain U.S. perceptions. You indicated that you would wish to touch on this with the President.

Middle East -- Consultations with Jewish American Community

During the Azores meeting at the conclusion of your visit to Israel and Egypt, members of the private American delegation were extremely positive in their assessment of the visit. It was suggested at that time that it would be good to get together again with as many members of the delegation as possible.

You may wish to suggest to the President that you invite the delegation to a meeting before the end of the summer to touch base and to keep the spirit of increased friendship and consultation which resulted from the delegation's participation in the visit to Israel. (Jim Johnson concurs.) A list of the delegation is at Tab B.

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BY BAE NARA, DATE 6/6/06



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