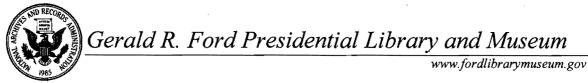
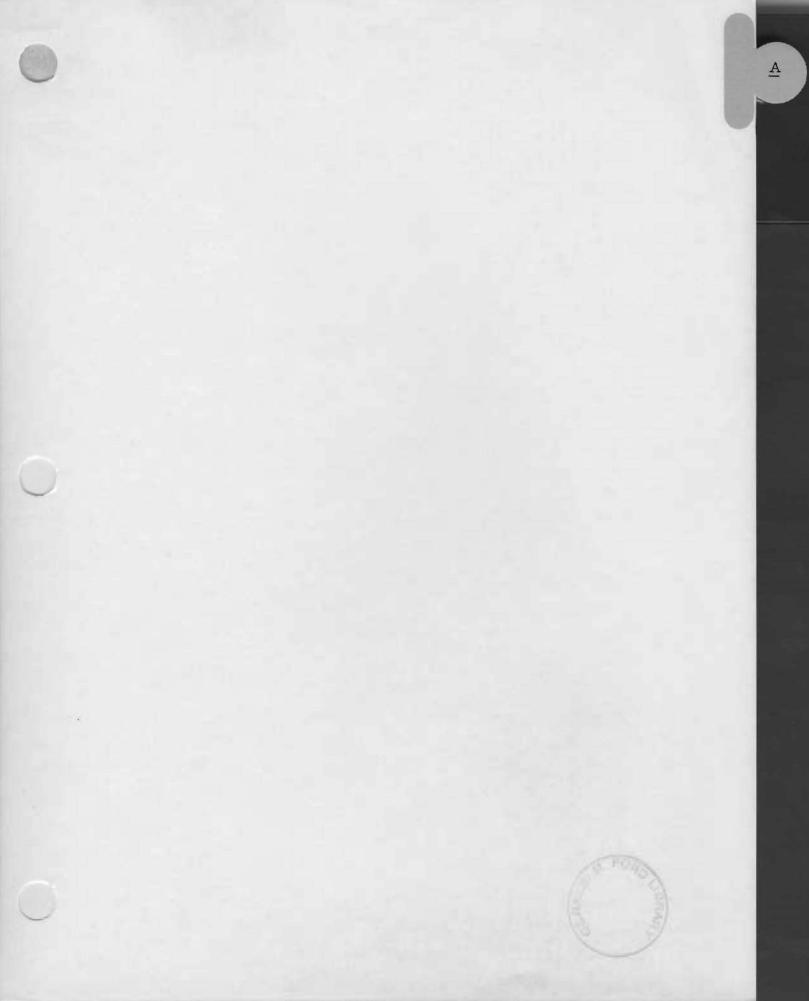
Scanned from the Kissinger Reports on USSR, China, and Middle East Discussions (Box 4 - August 21 - September 1, 1975 - Sinai Disengagement Agreement - Vol. I (2)) at the Gerald R. Ford Presidential Library



Library: 1000 Beal Ave., Ann Arbor, MI 48109 Museum: 303 Pearl Street, NW, Grand Rapids, MI 49504 (734) 205-0555 fax (734) 205-0571 (616) 254-0400 fax (616) 254-0386

# The documents in this folder continue from the previous folder.





## AGREEMENT BETWEEN EGYPT AND ISRAEL

The Government of the Arab Republic of Egypt and the Government of Israel:

Resolving that the conflict between them and in the Middle East should not be solved by military force but only by peaceful means;

Recalling that the Agreement concluded by the parties January 18, 1974, within the framework of the Geneva peace conference, constituted a first step towards a just and durable peace according to the provisions of Security Council Resolution 338 of October 22, 1973; and

Desirous of reaching a final and just peace settlement by means of negotiations called for by Security Council Resolution 338 and as a significant step towards that end;

Have agreed as follows:

## ARTICLE I

The Preamble is an integral: part of this Agreement.

#### ARTICLE II

(1) The Parties hereby undertake not to resort to the threat or use of force against each other and to settle all disputes between them by negotiations or other peaceful means.

DEGLASSINED 5.0. 19550, CHO, A.5 XTL DEFT, CHOCHINES KHL - MALANESHT /0//0/03 -SECRET-

(2) The Parties have given a further written assurance to the Government of the United States of America to this effect.

2

#### ARTICLE III

(1) The Parties reconfirm their obligation pursuant to the disengagement agreement of January 18, 1974, to scrupulously observe the ceasefire on land, sea and air and to refrain from all military or para-military actions against each other; (Israelis want following words added <u>after "against each other"; unacceptable to U.S.</u>: "or blockades against each other directly or indirectly.")

(2) The Parties also confirm that the obligations contained in the Annex and, when concluded, the Protocol shall be an integral part of this Agreement.

#### ARTICLE IV

The Parties agree that the United Nations Emergency Force is essential and shall continue its function and that its mandate shall be extended annually. (<u>Israelis want</u> following language, unacceptable to U.S.:

"The Parties agree that the United Nations Emergency Force is essential, and that it shall continue its functions and that its mandate shall be extended annually until this Agreement is superseded by another agreement.")

## ARTICLE V

The Parties hereby establish a Joint Commission under the auspices of the United Nations for the duration of this

#### SECRET

\_\_SECRET-

Agreement in order to consider any problem arising from this Agreement and to assist the United Nations Emergency Force in the execution of its mandate. The Joint Commission shall function in accordance with procedures established in the Annex.

#### ARTICLE VI

(1) All cargoes destined for or coming from Israel shall be permitted through the Suez Canal.

(2) The Parties regard the Straits of Bab el-Mandeb leading into the Red Sea as an international waterway for ships of all flags. Neither Party shall interfere with the free and unimpeded transit of any ship or cargo through those Straits or with the flight of aircraft over those Straits. (Israel wants following language, unacceptable to the U.S.:

"The Parties regard the Red Sea, its approaches and straits leading to it, the Straits of Bab el-Mandeb as international waterways for ships of all flags. Neither Party shall interfere with the free and unimpeded transit of any ship or cargo through those Straits or with the flights of aircraft over those Straits and other areas mentioned above.")

#### ARTICLE VII

The details concerning the new demarcation lines, the redeployment of the forces and its timing, the

SECRET

3

## SECRET

limitation on armaments and forces, aerial reconnaissance, the operation of the early warning and surveillance installations, the UN functions and other arrangements will all be in accordance with the provisions of the Annex and map which are an integral part of this Agreement and of the Protocol which is to result from negotiations pursuant to the Annex and which, when concluded, shall become an integral part of this Agreement.

# ARTICLE VIII

(1) This Agreement is regarded by the Parties as a significant step toward a just and lasting peace. It is not a final peace agreement.

(2) The Parties shall continue the diplomatic efforts to negotiate a final peace agreement within the framework of the Geneva Peace Conference.

## ARTICLE IX

This Agreement shall enter into force upon signature and remain in force until superseded by a new agreement between the Parties.

# ARTICLE X

This Agreement shall be deposited with the Secretary General of the United Nations in accordance with Article 102 of the Charter of the UN.

Israelis want additional Article XI, unacceptable to U.S.:

4

"The Parties hereby declare that the obligations imposed on them under the present Agreement shall prevail over any other obligation conflicting with this Agreement."

Done at\_

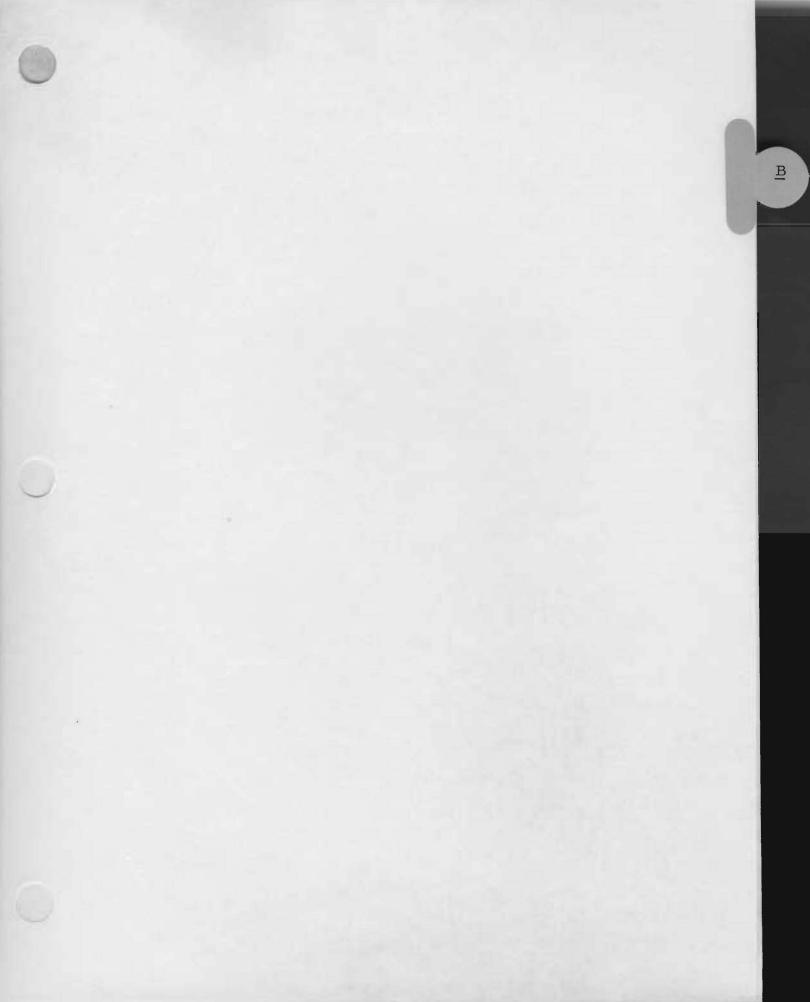
on the

1975, in four copies.

For the Government of Israel

For the Government of the Arab Republic of Egypt

Witness



SECRET

## DRAFT OF LETTER BY PRESIDENT FORD TO PRIME MINISTER RABIN

Dear Mr. Prime Minister:

I wish to inform you that the U.S. recognizes that the Israel-Egyptian Interim Agreement entailing withdrawal from vital areas in Sinai constitutes an act of great significance on Israel's part in the pursuit of final peace and imposes additional heavy military and economic burdens on Israel.

I want to assure you that the U.S. will make every effort to be fully responsive within the limits of its resources and congressional authorization and appropriation on an ongoing and long-term basis to Israel's military equipment and other defense requirements as well as to Israel's economic aid needs, all of this based on the requests submitted by Israel, joint studies and previous U.S. Presidential undertakings.

Further to those undertakings, it is my resolve to continue to maintain Israel's defensive strength through the supply of advanced types of equipment, such as the F-16 aircraft. The USG agrees to an early meeting to undertake a joint study of high technology and sophisticated items, including the Pershing ground-to-ground

10/10/03



#### -SECRET

missiles with conventional warheads, with a view to considering Israel's requests sympathetically. The U.S. Administration will submit annually for approval by the U.S. Congress a request for military and economic assistance in order to help meet Israel's economic and military needs.

Realizing as I do the importance of the Interim Agreement to the Middle Eastern situation as a whole, the U.S. will make every possible effort to assist in the establishment of conditions in which the Agreement will be observed without being subjected to pressures or deadlines.

## (Israeli proposed language:

In the spirit of the special relationship existing between the U.S. and Israel, the U.S. will not put forward nor support during the duration of the Interim Agreement, new proposals, including proposals relating to an overall peace settlement, which Israel would consider unsatisfactory. The U.S. will consult with Israel in order to reach agreement with Israel on the modalities, nature and substance of such proposals.)

## (U.S. proposed language:

In the spirit of the special relationship existing between the U.S. and Israel and in light of the determination of Qboth sides to avoid a situation in which the U.S. and

2



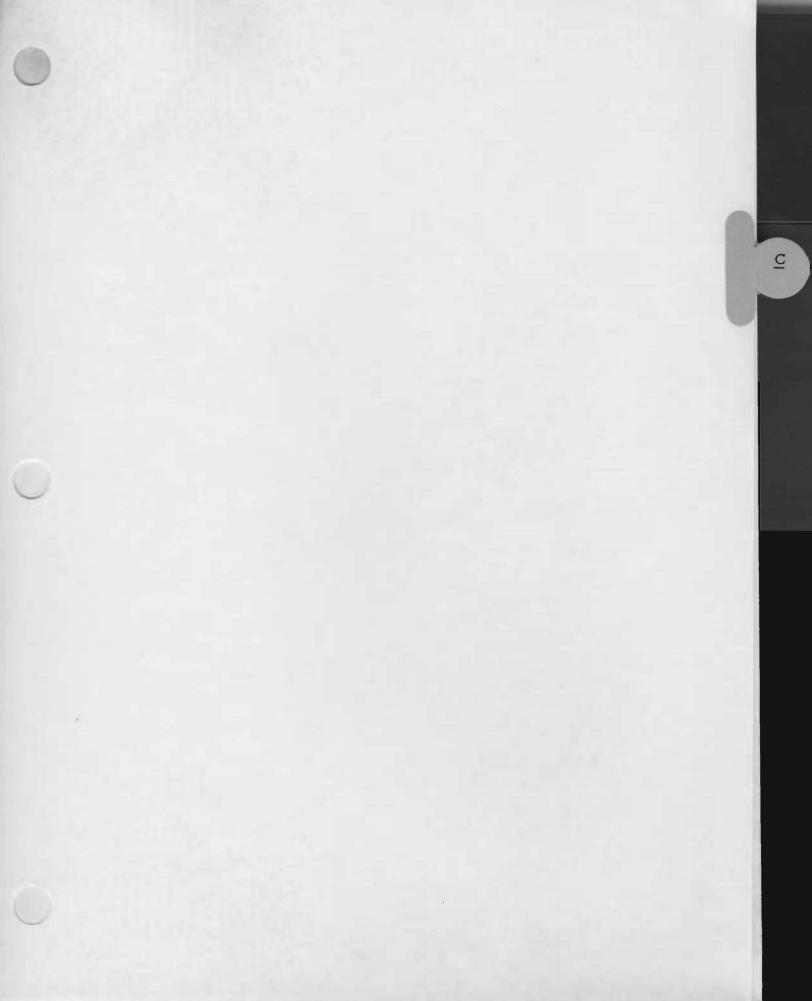
#### SECRET

Israel would pursue divergent courses in peace negotiations, the U.S. will take the position that these are negotiations between the parties. Should the U.S. desire to put forward proposals of its own, it will make every effort to coordinate with Israel its proposals with a view to refraining from putting forward proposals that Israel would consider unsatisfactory.)

The U.S. will support the position that an overall settlement with Syria in the framework of a peace agreement must assure Israel's security from attack from the Golan Heights. The U.S. gives great weight to Israel's position that any peace agreement with Syria must be predicated on Israel remaining on the Golan Heights. (<u>Additional Israeli</u> <u>language unacceptable to U.S.</u>: The U.S. will not press Israel to go down from the Golan Heights.)

Sincerely,

3



MEMORANDUM

## THE WHITE HOUSE

WASHINGTON

INFORMATION August 8, 1975

## SECRET/NODIS/XGDS

SEGRET/NODIS/XGDS

MEMORANDUM FOR SECRETARY KISSINGER

FROM: PETER W. RODMAN

SUBJECT: Israelis Out of the Passes.

Attached is the negotiating record in which the Israelis assured us they were out of the passes, and exacted compensation.

The starting point is Caneel Bay on July 1, when they first agreed to move down off the summit. You suggested that they should move 2-3 kilometers down from the summit (p.1). You agreed that being on the eastern slope was "substantially out of the passes" (p.1) and you said you would view their proposal with sympathy (p.2). However, you said they had to be "totally out of the passes" if they were going to get American stations (p.1), and that if they kept part of the eastern slopes Egypt would have to be compensated by symmetrical posts on the other end. (pp. 1-2).

Sisco emphasized to Dinitz on July 3 that we felt they had to be out of the passes, though we were not committed to the Egyptian definition--the foot of the slope(p9.3-5).

On July 7, Israel asked for compensating changes in the line north and south of the passes, plus dropping the Egyptian forward posts, now that they had moved their line "out of the passes." (pp.5-6).

Rabin in Bonn on July 12 told you "I can prove to anyone who comes to Israel that Sadat can say we are out of the passes," and reiterated that Egypt could not have its forward companies "when we leave the passes." (p. 8).

Dinitz stressed on July 7 (p. 6), July 23 (p. 8) and August 5 (p. 9) that earlier Israeli concessions, such as the June line and the forward Egyptian positions, were based on the "earlier concept" of not being out of the passes.



SECRET - XGDS (3) CLASSIFIED BY: HENRY A. KISSINGER

#### -SECRET/NODIS/XGDS

On July 7 (p. 5), July 23 (p. 8), and August 9 (p. 9), the Israelis cited Egypt's long-standing demand that Israel leave the passes, with the implication that it now had achieved its demand.

- 2 -

#### \* \* \* \*

At the end of the March negotiation there was an implication that an Israeli warning station was the quid pro quo for leaving the passes. After the March negotiation, <u>duration</u> was emphasized. In July it was clear that the <u>American stations</u>, <u>dropping the two</u> <u>Egyptian companies</u>, and <u>moving back the blue line</u> to the north and south were also the quid pro quo for leaving the passes. If you add in also the <u>weaponry</u> they are getting for the agreement, plus the <u>financial reimbursement</u> for moving the line, they have sold you the passes seven times and still not left the passes!



#### SECRET/NODIS/XGDS

### HAK/Dinitz, Caneel Bay, July 1, 1975

<u>Dinitz:</u> [after outlining "American box" proposal:] In other words, we are out of the passes for strategic purposes; being on the slope is like leaving the passes.

\* \* \*

-1-

<u>Kissinger:</u> Realistically, Simcha, you must be out of the passes under this arrangement.

\* \* \*

<u>Kissinger</u>: Let us be realistic. If you are going to get this American proposal, you will need to go totally out of the passes. We need that in return for any American troops.

<u>Dinitz:</u> Right; out of the passes. But where do we go on the eastern slope?

Kissinger: That I can't now discuss.

\* \* \*

<u>Kissinger</u>: Let me think out loud, now. If we go to this concept [the proposal for an American square], we need to think about symmetry -- the symmetry of this as an Israeli outpost for the two Egyptian outposts. In fact, you probably have a right to another outpost.

\* \* \*

<u>Kissinger</u>: It looks to me that wherever you put yourself on the eastern slope can be presented as substantially out of the passes.

\* \* \*

Kissinger: I would think that if you are well back from the summit, whether 2 or 3 kilometers I can't say, would be enough.

There is a real problem with the American force idea.

OF BALO



Dinitz: We need to man strategic spots.

<u>Kissinger:</u> That could be done with a few hundred men. But then you must be well out of the passes, well back, very close to the present blue line, if there are to be American forces.

-2.-

<u>Dinitz</u>: As long as we remember the bulge. I assume that the line would be east of that. The Prime Minister said not on the summits, but on the eastern slopes; exactly where can be negotiated.

\* \* \*

<u>Kissinger:</u> ..... I think that if you get off of the summits toward the exits, we would try to bok at it with sympathy.

## HAK/Dinitz, Caneel Bay, July 2, 1975

<u>Kissinger:</u> I'm trying to tell you that the minimum the Egyptians might accept is the eastern slopes.

<u>Dinitz</u>: I understand. But you should see that the best for us is to stay where we are. The American proposal, that is, the proposal that would get us out of the passes, is a compromise. If there is no American proposal, then we can't get out completely. Thus, the next question is what we can do with regard to the summits.

[You say] You can't tell us how far so long as we are out of the summits. As far as the summit is concerned, with regard to the two roads, we also have a special problem.

Kissinger: I've told you we'd try to balance that with the outposts.

\* \* \*

<u>Kissinger</u>: In the event that you are prepared to get off the summit, then the specific line is not necessary for discussion now.



## Sisco/Dinitz, State Department, July 3, 1975

<u>Dinitz</u>: The second point is the most sensitive. I want to get some idea about the concept of the eastern line of the passes. We want to get the clearest possible idea of what you mean by the eastern line of the passes. I spent a lot of time with the Secretary on this. This question will be crucial.

-3-

<u>Sisco:</u> I will put this in my own words. The original Egyptian position was that Israel should get out of the passes and Egypt should take possession of them. That was the Egyptian position at the beginning. Now it is fair to say -- and we have said this to you on numerous occasions -- that if there is to be an agreement, Israel will have to be out of the passes but not in circumstances where Egypt will occupy the passes. So this reflects a shift in the Egyptian position. We do not want to my where the line should be drawn. But whatever the line, it has to be genuinely portrayed as Israel being out of the passes. I want to explain to you what I think Egypt would regard as Israel's being out of the passes. This would be nothing less than Israel's withdrawal to the foot of the eastern slopes.

#### Dinitz: The eastern foot?

<u>Sisco</u>: They would like a line some distance further east of the passes. As I have reviewed the record, it is very clear. It is very difficult for people to play games with a map. The people who know what the map means will know where the lines are in relation to the passes.

What is the strategic conception which Israel has? You talked about where your defense line would be.

<u>Dinitz</u>: First, let me make one point. If you are talking about the opening positions at the beginning of the negotiations, you could recall that we started with a position west of the passes and then in March we split the passes in half. What the Prime Minister was trying to tell the President and the Secretary was that, in order to maintain Israel's eastern defense line, it is imperative that Israel remain in the eastern side of the passes.

I understood subsequently from Henry that there was a semantic misunderstanding between the meeting between him and the Prime Minister and the meeting between the Prime Minister and the President. The Prime



Minister definitely had in mind that Israel will be on the summits on the eastern side of the passes. When he put this on the map, the Secretary and President felt that it was not the concept they had in mind.

-4-

The question that I cannot answer now is where, if at all, Israel can put a line on the eastern side or whether anything on the eastern slopes will be possible.

It is a political question for Egypt. It is partly a political question for Israel but for us it is primarily a military question. Why? The passes are not the vehicle for a massive armored attack. But to protect our northern defense complex at Bir Jifjafa it is necessary for us to control the passes. I am sure the President does not want Israel to desert its northern defense complex so we have to reconcile that with holding enough of the passes.

The reason for my request is to know whether you have any idea of what line would be acceptable. Do you endorse the Egyptian position? The Secretary said that you are telling us what is needed for an agreement. What we want to hear is not what Egypt wants but what can produce an understanding between us on what is needed for Israel's defense.

<u>Sisco</u>: We cannot pinpoint this. It is a terrible responsibility for us to try to say where the line should be. All we can say is that to meet the situation the line has to reflect the fact that Israel is out of the passes.

Dinitz: It depends on your definition of the passes.

<u>Sisco</u>: I think the one thing I have been able to add to the Secretary's conversation with you is that I have reviewed the record -- which he does not have with him -- and I have described to you clearly the Egyptian concept of what it means to have a line that is out of the passes.

<u>Dinitz:</u> Can I say that the Egyptian and the U.S. concepts are not necessarily the same?

<u>Sisco:</u> Yes, but I am not drawing any line. I don't think we can carry this point much further.

<u>Dinitz</u>: The third question is.... (At this point Shalev interrupted for a conversation with Dinitz in Hebrew). What Shalev has said more



concisely, going back to our earlier point, is this: Could there be a line in the east that does not coincide with the Egyptian idea of where the line should be and yet it would be a line on which the U.S. and Israel would agree?

-5-

Sisco: I can't be precise. We have an interest in achieving an agreement. We will look at it and....

Dinitz: ..... judge it on its merits.

Sisco: We will judge it in the most positive way we can.

Shalev: That's what I wanted to hear from you.

# HAK/Dinitz, State Department, July 7, 1975

<u>Dinitz</u>: [reading from instructions] "Eighth, if the American presence in the area of the passes will be agreed upon between us and you and all other points are agreed as enumerated between you and us and you and the Egyptians, then the Ministerial team will be prepared to recommend to the Government moving the Israeli line from the place marked by the Prime Minister to the eastern slope of the passes to an agreed line taking into account the military requirements. The exact line will be shown to you by the Prime Minister [in Bonn], but I repeat, it will be outside the summits.

\* \* \*

"Ten, this movement of the line will require adjustments in the line from the Giddi to the Mediterranean. It will endanger the Rifidim complex unless we make a change in that curve northwards."

Kissinger: How much?

Dinitz: Approximately 10 kilometers. "Eleven, the above change in the line in the passes will also require an adjustment south of the passes, in the line that connects the Mitla Pass to the corridor."

\* \* \*



#### -<del>SECRET</del>/NODIS/XGDS

Kissinger: You also dropped the Egyptian posts.

Dinitz: If we don't have forward posts, they don't get them. They become American posts. Because we are out of the passes.

\* \* \*

Dinitz: We will be clearly out of the passes. There was blood over it, I'll tell you. What Gamasy says to Sadat is nothing compared to what Motta Gur says. He says 'I wouldn't do it but it is a political decision.'

\* \* \*

Dinitz: The logic in the north is to protect this [complex]. In the south it is not to allow the Egyptians to retake this ridge.

<u>Kissinger</u>: But the effect is to undo [what's been done in] the passes.

Shalev: We can't forget that up to now the main subject is the passes.

<u>Kissinger:</u> [Laughs]: What they have seen, and if a concession in one place is balanced by . . .

\* \* \*

<u>Kissinger:</u> The Egyptians will have seen this one [the blue line] already.

Dinitz: But it is a different concept. It is one concept when we are in the passes.

\* \* \*

SECRET/NODIS/XGDS



#### -SECRET/NODIS/XGDS

Kissinger: Gamasy will see through this in two seconds. And they are losing their two forward positions.

Dinitz: Which were part of the concept of our not leaving the passes. Plus they have two forward alert systems.

\* \* \*

Dinitz: We are prepared to have the presence of American personnel with Israelis running it, and he has the prerogative of having his people there with American personnel.

Kissinger: His objective is to get Israelis off his soil.

Dinitz: His purpose has been to get the Israelis out of the passes, and we have been forthcoming and this should be appreciated.

## HAK/Rabin, Bonn, July 12, 1975

<u>Rabin:</u> . . . I don't want to do a detailed map. There is no purpose putting every time a new map that is rejected. Let's agree on the principle in terms of the line, in the passes, north of the passes, south of the passes, which we can then translate in detail to a map.

When I presented the map in Washington, it was so they could explain they had forces in the west end. Now we're out of the passes....

Kissinger: But you're not out of the passes.

Rabin: It depends on your definition. We're outside the highest point. ... In terms of height, we're down.

SEGRET/NODIS/XGDS

#### SECRET/NODIS/XGDS



Rabin: With respect to the passes, I can prove to anyone who comes to Israel that Sadat can say we are out of the passes.

Here [in the Mitla] we are going to the Destroyed Memorial, where we are out.

\* .\* . \*

-8-

Rabin: In the passes themselves, Sadat can say we're out.

Rabin: I have to say now, the Egyptian companies present a major problem, when we leave the passes.

Kissinger: I understand.

## HAK/Dinitz, State Department, July 18, 1975

Dinitz: ..... But you can't say we're not out of the passes, even though we keep this northern straight line to protect two things -- first, the Umm Khisheiba complex, and (b) protecting so they can't go after the complex -- Refidim -- from the south.

\* \* \*

Dinitz: Parker is an Englishman. who constructed the road there. It's now partly destroyed -- we call it the "destroyed memorial." It marks the end of the passes. Any general will know that.

## HAK/Dinitz, White House, July 23, 1975

<u>Dinitz:</u> [commenting on Egyptian counterproposal:] Secondly, I see air forward line is a combination of elements taken from our June proposal, which was based on a different concept where we were not out of the passes...

\* \* \*

<u>Dinitz:</u> .... From the beginning, he's wanted two things: the passes, and uninterrupted access to the oil fields. How can he say this is only miserly terms?



## -9-

## HAK/Dinitz, State Department, August 5, 1975

Dinitz: We weren't out of the passes in our blue line [in June].

\* \* \*

Dinitz: Tomorrow we will have the picture.

Kissinger: All right.

Dinitz: Secondly, since you and the Egyptians don't know where Parker is buried, on Sunday you will have a big map.

Kissing er: I don't want to show it exactly; I want to tell him that you and we are working with good will to find exactly where you are out of the passes.

<u>Dinitz</u>: In the power of ignorance one can make the most convincing arguments, Goldaused to say. This is something that can be determined. We will come to some understanding, and you will come to some understanding with the Egyptians.

Kissinger: All right, but you understand that our position depends on being able to claim you are clearly out of the passes.

Dinitz: This phrase, "clearly out of the passes," is of recent vintage. It used to be "at the eastern end," and then "off the summits."

<u>Kissinger:</u> But you also used to say, "Now that he got what he wants, you can be more understanding of our concerns."

## HAK/Dinitz, The White House, August 9, 1975

<u>Dinitz:</u> [reading from instructions:] The Prime Minister asks me to bring up the following points from our conversation: "From the beginning of the negotiations the Egyptians have wanted the oil fields, uninterrupted access to the oil fields, and for Israel to be out of the passes. Now they wanted the Beta line to be moved eastward and to undermine the principle



of demilitarization. Also they want to undermine the early warning for Israel by having Americans there, and they wanted a post of their own, which would have given them, with the roads, linking with their two posts in the north, and where they wanted to put a company in the passes -- control of all the approaches in the buffer zone. Also they want to undermine the principle of the American presence. In return we get non-use of force and extension of the UNEF.

"The Prime Minister wants to make the following points:

"(3) In the passes themselves, there is the question of the definition of being out of the passes. We have emphasized that our line will be east of the summits on the road. The Prime Minister visited the place today and he says the line is east of the summits on the road. Regarding the Mitla it is clear. Regarding the Giddi, it might be possible to argue that it's not out of the passes. The Prime Minister suggests the Secretary send an authorized person to see the spots on the Giddi and the Mitla, and make a judgment. We cannot say in advance that this judgment will be final."

Kissinger: That's fair.

\* \* \*

<u>Dinitz</u>: The history is that the Secretary asked us to be out of the summits and out of the eastern slopes.

<u>Kissinger:</u> No, no. When the Egyptian companies were there, I said you could balance it on the slopes. You've now said 'The Egyptians got what they wanted, now we want consideration of our view.' The Egyptians see it as not out of the passes.

Dinitz: We're talking about.....

Kissinger: 500, 600, 700 yards.

<u>Dinitz</u>: The history means the two companies were not in this context but in the context of the blue line.

\* \* \*



## THE WHITE HOUSE

WASHINGTON

INFORMATION August 23, 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

SECRET

BRENT SCOWCROFT

Secretary Kissinger asked that the following report of his meeting with Rabin be passed to you:

"I have just completed my first round of talks with Rabin and his negotiating team, including Foreign Minister Allon and Defense Minister Peres lasting five hours. My overall impression is they want to achieve the interim agreement -- not because they view it as opening a new chapter in Israeli-Egyptian relations and ushering in new hope for the future, but rather because the terms they are expecting to get will leave them in a strategic position in the Sinai not significantly inferior to their present position and because an agreement provides the vehicle to ensure continued Israeli military supremacy resulting from the \$2.5 billion in aid and the military equipment Rabin seeks and because it will stabilize American-Israeli bilateral relationships.

"In addition, Mr. President, the mood I found in Israel will be of interest to you. The basic attitude of the negotiating team seems dominated by domestic political considerations. Allon has carved out his niche in the Cabinet minutes in the forefront of those insisting that "there must be more political concessions" from Sadat to show that Israel is getting a piece of peace for withdrawal from the passes and the oil fields. Peres' domestic political strategy combines hawkish public statements with an insistence that there must be an American presence in the passes which will help deter Egyptian attack, add strategic stability, and be credible. To achieve this, he pressed hard for six American posts. Rabin is somewhere in the middle, determining his position on the kind of consensus he can achieve in his coalition on each of the various elements of the agreement. The mood and mode of operation is strikingly different from the negotiations of the 1974 Disengagement Agreement with Meir and Dayan, during which the talks reflected a common framework and assessment, and characteristic close friendly ties. This is not the case with the group -the new generation of Sabral leadership. The talks have taken on more

SECRET

DECLASSIFIED State Sept Review E.O. 12058, 950, 3.5 SF 9/18/03 1500, 11/24/08, CURRENTED CHIOTELIPTED 1500, 11/24/08, CURRENTED CHIOTELIPTED 1500, 11/24/08, CURRENTED CHIOTELIPTED





the character of exchanges between adversaries than between friends; more the character of a necessary bargain to be struck with America; something Israel feels it must do, and do in such a way as to assure that at least part of the blame can be placed on the U.S. if something goes wrong in the future. In other words, the mood is grudging not generous, more concerned with finding a scapegoat than a common strategy.

"The public mood is feverish and emotional, partially as a result of months of negative conditioning by the Israeli leadership since last March towards the interim agreement and partly out of genuine concern. by other Israelis regarding the future. The demonstrations are from the same groups who demonstrated in 1974 against the disengagement agreement. I get the impression that the government is not making a major effort to halt them using them as a protection against pressures for further concessions. They are obviously taking measures to keep them from getting out of control.

"The principal issues that now remain are:

- -- The Israeli line in the passes, although we may have made a little progress on that today depending on how other issues come out.
- -- An advance in the Egyptian main line a kilometer or two east of the present UN buffer zone.
- -- The arrangements at the Israeli and Egyptian intelligence stations.
- -- Whether there will be any U.S. stations and, if so, how many.
- -- The level of U.S. aid.
- -- Some specific commitments on military equipment.

"In this situation there are two options:

"1. We can continue the negotiations even though the agreement will not be taken by Sadat as a reflection of a genuine desire on the part of Israel

- 2 -

SEGRET



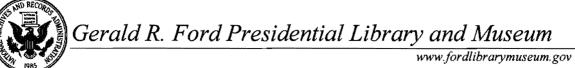
to move towards peace. The arguments for this are the same as for the agreement initially -- that it will reduce the risk of war, give new momentum to the U.S. -managed diplomatic effort toward peace in the Middle East, keep the Soviets on the sidelines, and avoid pressures to divide us from our allies.

"2. We could break off the negotiations after the first round if we judge that the Israelis will continue to insist on a price that is too high. The main argument for this approach is that the Israelis are plainly using this agreement not as another step toward peace but as a means of strengthening their position to resist efforts to achieve an overall settlement in the long run on any terms the Arabs might accept. This agree-• ment grudgingly achieved will not do what the step-by-step approach was designed to achieve -- increase confidence and provide stepping stones toward peace. The tactical argument for breaking the talks off quickly, if that is our judgment, is that what Israel is asking will still be starkly clear.

"It is still a bit early to make this judgment, but I wanted you to have a chance to consider the options. I will make every effort to bring Sadat along, but if the Israelis decide they are going to drag this out, a decision may need to be made by the middle of the week."

SECRET





Library: 1000 Beal Ave., Ann Arbor, MI 48109 Museum: 303 Pearl Street, NW, Grand Rapids, MI 49504 (734) 205-0555 fax (734) 205-0571

 $(516) 254-0400 \quad fax (616) 254-0386$ 

# The documents in this folder continue into the next folder.