

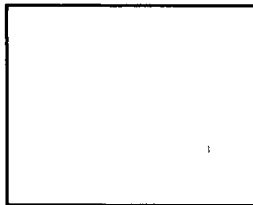
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Friday 22 September 1978

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SYRIA: Steadfastness Front

[ ] *Syrian President Assad is apparently trying to develop an Arab consensus to isolate Egyptian President Sadat. In his first public comments since the Camp David talks ended, Assad somberly criticized Sadat for abandoning the Arab cause and agreeing to a separate peace with Israel.*

[ ] In his remarks on Wednesday night to the Arab hardliners' summit in Damascus, Assad carefully avoided attacking President Carter. He tried to appeal to moderate Arab states--especially Jordan and Saudi Arabia--as well as to the hardliners in the hope of forming a broad Arab front opposed to an Egyptian-Israeli settlement. Assad emphasized that the Camp David accords do not promise to restore Arab sovereignty to Jerusalem or to the West Bank--issues of particular importance to the Jordanians and the Saudis.

[ ] The initial critical official reactions to Camp David from Jordan and Saudi Arabia have clearly encouraged Assad to pursue this strategy. Syrian Foreign Minister Khaddam praised both statements yesterday and stressed the theme of Arab unity. Assad's endorsement of Jordan's statement reflects his concern about being isolated if King Hussein accepts the Camp David framework. Syria recognizes that, if the moderate Arabs join the negotiations, the hardliners will be unable to provide much meaningful support to an isolated Syria.

[ ] Syria's radical allies, particularly the rejectionist Palestinians, are certain to urge Assad to break completely with the peace process as they have at previous summits of the Steadfastness Front. Assad will probably continue to avoid such a precipitous act. [ ]

ISRAEL: Dayan Smoothing the Way

[ ] *Israeli Foreign Minister Dayan, in a television interview, has sought to minimize Israel's concessions on the Palestinian issue--apparently to smooth the way for Knesset approval of the Camp David accords. His remarks reveal the tough stance Israel is likely to adopt once negotiations resume over the status of the West Bank and Gaza, as well as over the Golan Heights should Syria agree to hold talks.*

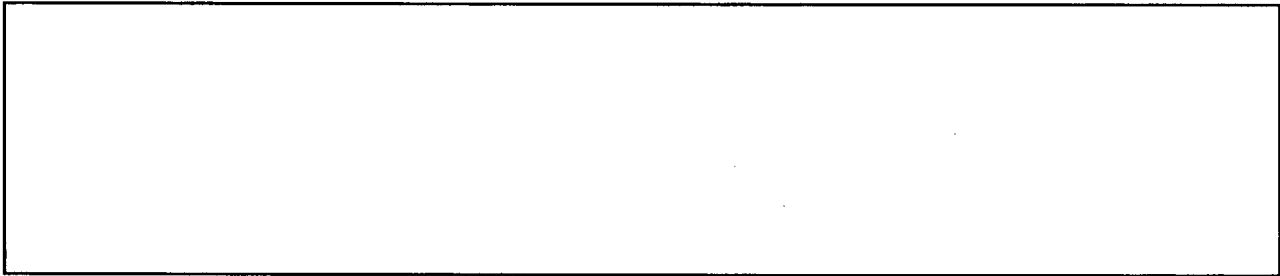
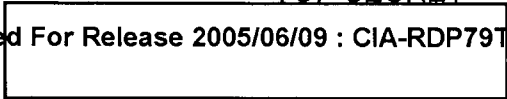
[ ] To allay public fears, Dayan made clear that Israel retains a veto over the arrangements for establishing a self-governing authority in the West Bank and Gaza. He said the *status quo* would continue if agreement with the Arabs could not be reached. Similarly, Dayan indicated that the transitional regime would continue indefinitely if no peace treaty were reached with Jordan within five years.

[ ] Dayan declared that Israel had made no commitment on the specific powers of the autonomous regime and that Israeli military and settlement activity would not be subject to local Arab authority. Dayan indicated the Israeli settlements would be one of the subjects of further negotiations after the end of the three-month freeze Israeli leaders say they have agreed to.


[ ] Dayan also maintained that Israel had not agreed to withdraw its forces from the West Bank--only the military government--and suggested that there would be only a minimal change in the deployment of Israeli troops. If Israel now had 10,000 soldiers in the West Bank and Gaza, Dayan said, 9,000 would remain.

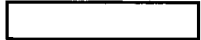
[ ] On the Palestinian refugee problem, Dayan said that Israel had not agreed to allow any of the refugees who left in 1948 to return to Israel or the West Bank and Gaza and that Israel continues to insist that they be resettled where they are now. Only those refugees who left the West Bank and Gaza in 1967 will be permitted to return, Dayan said--and then only on terms acceptable to Israel, which will be determined through negotiations with Egypt, Jordan, and the Palestinians.


[ ] Dayan denied that the territorial agreement with Egypt sets a precedent for negotiations with Syria over the Golan Heights. The only basis for such negotiations, he maintained, is UN Resolution 242. [ ]

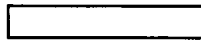


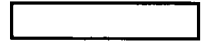
EGYPT: Governmental Changes

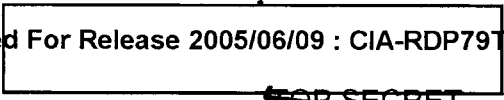
 *President Sadat is planning extensive changes in Egypt's national and regional governments. The changes will be part of Sadat's response to longstanding criticism of the performance of his Prime Minister as well as an extension of his effort of several months to mobilize support and solidify control in anticipation of a new and more controversial phase of peace negotiations.*

 Sadat told a gathering of Egyptian students in the US on Tuesday that he will carry out a "complete change in the structure of the state and its departments" on his return to Cairo this week. He called the promised changes an "administrative revolution."

 The changes will not be entirely keyed to the peace process. Since May, Sadat has been responding to those who have criticized the government of Prime Minister Salim--and indirectly the President--for ineffectiveness and corruption.

 To date, Sadat's measures have included suppression of two political parties and their leaders; silencing of critical journalists and newspapers; disbanding of the Arab Socialist Union, an umbrella organization that had governed political activity in Egypt since 1952; and the establishment of a new political party, which Sadat heads. Sadat is likely to hold a party congress soon and may tour Egypt's provinces in coming weeks.

 Egyptians expect the cabinet changes to be extensive. Sadat must at minimum name a replacement for Foreign Minister Kamil, who resigned during negotiations at Camp David. He may also name a new prime minister. The creation of Sadat's new



party has left Salim without a viable political organization; most assembly members belonging to the ruling centrist party that Salim headed flocked to Sadat's party. Salim has so far played no role in organizing Sadat's new party.

[redacted] Sadat's political "restructuring" is far from complete. The popular response, at least before Camp David, was unenthusiastic and tinged with cynicism. The most important practical effect of the changes would be the emergence of some new political faces and a deliberate lessening of Sadat's aloofness from the day-to-day political process. [redacted]