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The Director of Central Intelligence

Washington, D.C. 20505

C/NIC Chron

National Intelligence Council

NIC 05117-85
15 October 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: Graham E. Fuller
National Intelligence Officer for NESA

SUBJECT: Figuring Out Arafat's Game

1. Events of the past several weeks pose a particular challenge in trying to assess what Arafat is up to. Whatever our hopes may have been, it is now fairly clear that Arafat is determined to pursue a two-track policy:

- On the one hand, continue direct attacks against Israel; and
- Continue exploration of peace options through Jordan's King Hussein.

2. During the Spring we received strong indications that the 11 February Accord Arafat negotiated with Hussein was serious, and broadly accepted within the PLO leadership. Since Spring, however, the peace process has crept to a near halt. The PLO has not yet been able to bite the bullet about announcing the acceptance of UN Resolution 242 and Israel's right to exist. Much time has been consumed over the desirability of a Murphy meeting with major Palestinian leaders in Amman. A US arms deal for Jordan is far from certain yet. Continuing spontaneous terrorism on the West Bank has hardened Israel's view of negotiations. Israeli hardliners have sought to portray Arafat as the implacable enemy and want to bomb PLO Headquarters in Jordan.

- Given all of these events, Arafat seems to have decided that he cannot afford to put all his eggs in the negotiations basket. He has been under considerable pressure from hardliners around him not to appear to be acting out of weakness. The Syrian-supported radical PLO wing works to challenge Arafat's credentials in "the struggle." Under these circumstances Arafat has at least agreed to the continuation of the armed struggle through various PLO elements--but possibly without his own close personal involvement in these activities.

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3. It will be very difficult for us to establish clearly the degree of Arafat's involvement in any number of operations including the Cyprus murder of three Israelis and the recent ship hijacking. Whatever Arafat may say about these incidents it is hard to avoid implicating him. Yet it only does him limited good to deny the armed struggle when that is the image he is trying to maintain.

4. The irony is that our Estimates have clearly pointed out the prospects for terror and violence from Syria's side should the peace process move forward. I would have anticipated that these recent incidents had their origin in Damascus. Unless these operations are very clever indeed, however, we lack evidence of Syrian involvement.

-- We are in something of a no-win situation with terrorism. Arafat may feel compelled to pursue the armed struggle until such time as the peace process seems certain to work for him, while the Syrians will embark on significant terrorism precisely when the peace process in fact does seem to be working.

-- As terrorism continues, it will be hard for us to determine just where it comes from and what its specific tactical motivation is--anti-Israel, anti-Arafat, anti-peace, anti-US, etc. Whatever the motivation, Arafat's insistence on maintaining even an appearance of terrorist capability and keeping his armed option open will render US contacts with him extremely difficult, if not impossible. It will also play fully into the hands of Israelis who are unwilling to deal with the PLO in any form. Indeed, most Israelis will try to establish Arafat as the author of almost any incident that takes place. One thing is for sure, Arafat is not helping his cause under present circumstances.

5. Arafat has his own severe limitations, however. He does not wish to go back to the Syrians--the only real headquarters for a serious armed struggle against Israel. An overt rejection of the present Arafat-Hussein Accords will only lead to his expulsion from Jordan--a move which would have very harmful consequences for Arafat. Whether or not Jordan serves as a center for operations against Israel, his presence there is highly symbolic. Arafat will probably sincerely attempt to keep his peace options open as well while working through Jordan--hoping for improved circumstances.

6. Even if Arafat should openly reject the Hussein-Arafat Accords (very unlikely) and is expelled from Jordan, Hussein will not be able to deal with Israel without the PLO. The West Bank is by definition Palestine, and Hussein knows he has no mandate to negotiate on behalf of the Palestinians.

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7. In sum, the outlook is rather bleak at present. Arafat will go on trying to build a stronger consensus for a peace option, but will have to deal with those in his own council who see no progress and wish to maintain their own strength vis-a-vis Syria and Israel. Jordan will not want the idea of the peace process to die definitively either. The Israelis will hope to exclude the PLO from any negotiations as long as possible. The same old dilemma exists: neither the Palestinians nor the Israelis feel they can afford to recognize each other's existence.

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