

HAK Trip
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November 21

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PRESIDENT'S FRIDAY (THURS?) BRIEF

For the President

Middle East Situation: Following my Mid East trip, the following are the main areas of activity:

--Peace Conference: Once Egyptian and Israeli military representatives agreed on how to implement the resupply of Suez City and 3rd Army, evacuation of wounded, exchange of prisoners and installation of the UN presence, both sides turned to the issue of disengagement of forces. Since disengagement raises the key issue of withdrawal and since military representatives are unlikely to make progress on this issue, I have reiterated to the Egyptians the view that disengagement would best be dealt with as the first issue in the formal peace talks. We are awaiting the Egyptian reaction on this point and their final agreement on procedures for the peace conference.

--Palestinian role: With the prospect of peace talks, there has been a dramatic rise in interest among the Palestinian organizations in what position they should take toward a peace conference and ~~toward~~ toward their representation there. Fatah leader ~~Arafat~~ Arafat has forged a united front for consultations with other Arabs and has led a delegation to Moscow. Our best intelligence on their current position is that they will not oppose Jordan's position of negotiating for the return of the West Bank in the first phase of peace talks. At the same time, a provisional Palestinian government may be formed and might demand a role in the talks at a later stage when the issues of refugees and self-determination for the Palestinians arise. This position could, of course, change rapidly, especially if pressures develop at the Arab summit next week for full Palestinian participation in peace talks from the outset.

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--Oil: We have made the point in Arab capitals that the Arab oil embargo is not conducive to the US developing public support for its positions in any peace talks. As I hoped, *other Arab leaders have* ~~we are now being helped in registering~~ that concern with key Arab leaders such as Faisal. The Shah, King Hussein and Hassan and even President Sadat have passed our message to Arab oil-producers, and the Lebanese have asked how they may be helpful. Though there have been no dramatic reversals in the oil embargo, Faisal, at the Shah's urging, has taken a small step of freezing the ^{current} ~~percentage~~ cutback until January, pending the outcome of the opening of peace talks. *Evidence suggests that Faisal's advisers may be seeking ways to relax the embargo, but as far as we*

--Arab Summitry: There will probably be an Arab summit in Algiers on November 26, though even the Egyptians and Saudis are now concerned that such a public airing of the Mid East problem could reduce ^{the} ~~prospects for~~ flexibility in the talks. The Libyans and Iraqis ^{will not} ~~will not~~ attend, which should reduce the danger of radical pressures. King Faisal will probably attend, but King Hussein has said he will not. Our main interest in these events -- and there is talk of a follow-on Islamic leaders summit -- is that they not produce positions which make it more difficult for Egypt and Syria to enter into peace talks with Israel.

know, no decision is yet assured.