

Conflict to Cooperation : A Case Study of Egypt-Israel Relation

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C E R T I F I C A T E

This is to certify that the dissertation entitled "CONFLICT TO COOPERATION: A CASE STUDY OF EGYPT-ISRAEL RELATION" submitted by Mr. JYOTI KUMAR in partial fulfilment of the requirement for the award of the Degree of MASTER OF PHILOSOPHY of the University, is his original work according to the best of my knowledge and may be placed before the examiners for evaluation.


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(JYOTI KUMAR)

PREFACE

The aim of the study entitled "Conflict to Cooperation: A case study of Egypt Israel Relation" is to examine the shift in conflictual policies of two belligerent nations. The change in policy added a new dimension in the intra-regional politics as well as in the pattern of relationship between regional powers and great powers.

In the first chapter INTRODUCTION, a general background of the Arab-Israeli conflict especially in Egyptian perspective has been highlighted. The Egyptian policy towards Israel took a new turn after the consolidation of power by Gamel Abdel Nasser in 1954-55. Arab-Israeli relations continued to deteriorate after 1956. Further, the bilateral relations intergrated into the Cold War rivalry and the support of the super power to regional powers. Included in this chapter are the 1956 War and the famous June War, the role of UNEF and making of Un resolution 242. This chapter also include the Rojer's Peace Plan and Egyptian approval of it. The process of reconstruction of War-torn economy of both the countries is also highlighted. After the death of the most strident Arab leader Gamel Abdel Nasser, Anwar Sadat's pragmatic policy and his peace proposal with Israel in 1971, is also dealt with. Where Egypt's relations with USSR deteriorated, it improved with

the US and Western Countries.

In the second chapter, "Peace Treaty : Implications", the impact of the October War, The first & second disengagement agreements between Egypt and Israel as a result of the subsequent development in which Henry Kissinger played a pivotal role, are included. In this process the role of the USSR was also diffused.

In the third chapter "Structure of Cooperation", political economic and military dimension of cooperation between Egypt and Israel are dealt with. The economic cooperation, though very nominal, shows remarkably good in two sectors, like tourism and agriculture. Sadat's visit to Jerusalem, and the signing of Camp David Agreement along with Peace Treaty are extensively dealt with. In this chapter, the implication of Arab boycott of Egypt is included.

The fourth chapter "Hindrances of Cooperation", included, the impediments of cooperation like Israel's invasion on Lebanon in June 1982, Taba dispute and the Palestinian question. This chapter also includes various peace initiatives for the settlement process in the volatile region.

In conclusion, a summary of all the above chapter are highlighted. The framework of Peace Treaty, however is extensively used for the futher peace initiatives in this region. The recent Gulf crisis of August 1990 and the Egyptian response has also been studied.

CHAPTER I

INTRODUCTION

In, 1970s relationship between Egypt and Isarel entered into a new phase of non-belligerency. Prior to that, their relation was that of conferontation primarily based on the plaestinian issuse. This issue was the idealogical constituent of "Pan-Arabism" and was a counter to the growing threat óf Zionism. However, the policy of non-belligerency pursued by Egypt didnt mean getting away from the plaestinian problem, but perhaps shifting of importance. Egyptian policy underwent a change from its earlier perception of Arab nationalism as the first priority. The policy of "Egypt-first" has enabled this shift. This change in the foreign policy of Egypt, emerged in post - 1973 War. the policy of non-confrontation was embarked even during the last phase of Nasser's life when he accepted the Roger's peace plan in July 1970. In 1971 Anwar Sadat also proposed 'peace' with Isarel but it was not properly heeded by Isarel. The October War changed the situation. As a result of the Kissinger Diplomacy the first disengagement agreement (1974) followed by the second one (1975) came up as remarkable turning point in the relationship between Egypt & Isarel. Egypt also began to lean more to the United States and the Western Bloc and started drifting away from the USSR, the old friend. The dramatic visit to Jerusalem by Sadat in 1977 gave a new impetus which led to the signing of Camp David Agreement of 1978 and the Peace Treaty with Isarel in 1979.

History of the strained and conflicting relationship between Isarel and Arab states can be traced back even before the creation of Isarel as an independent Jewish State in May 1948. It led to the first Arab-Isareli War soon after the UN General Assembly Resolution on the partition of Palestine. The lead to the growing opposition of Arab nations to the creation of Isarel & the existance as an independent state was given by Egypt, especially after the consolidation of power by President Nasser. Isarel saw that it was Egypt of all Arab nations, which was its most strident and vocal critic and that it was undertaking measures which threatened the existence of Isarel. Isarel Therefore, joined Britain and France to invade Egypt in 1956. She occupied Gaza Strip and Sinai Penisula, but vacated under UN pressure. UNEF replaced the Isareli presence there. Isarel occupied the same area in June 1967. Egypt-Isareli relations were governed under Resolution 242 of the UN Security council. Efforts to get the territory vacated were abortive leading to the October War.

The change over policy of conflictual relations to that of cooperation, in case of Egypt and Isarel, can also be discerned from the reversal of Egyptian committment to the policies and resolutions of the Arab League. Arab League, in cordination with the member states had passed resolutions against Isarel on three points : non-recognition of and rejection of peace with Isarel, economic blockade and boycott of Isarel. Moreover, Arab

States accepted the principles that armistice did not amount to peace and hence argued that a state of war existed between them and Isarel. It was obligatory on the part of Egypt being one of the founder members of league of Arab States, to abide by the decision taken by the Arab League. But in the pursuance of the policy of non-confrontation especially after 1975, Egypt diluted more or less the three broad policies that Arab League had adopted against State of Isarel.

It is ~~notable~~^{notable} that League Council resolution of April 1, 1950, forbade any member state "to negotiate the conclusion of a unilateral peace or any political, military or economic agreement with Isarel or to conclude such peace or agreement"¹ Any State taking such steps "shall be considered expelled from the league in accordance with Article 18 of the League pact"² Moreover, the League Council resolution of April 13, 1950, imposed some measures like reverance of political and consular relations with the offending States, the closing of common border between it and other member States; the suspension of Commercial, economic and financial relations with it, the prohibition of all financial or commercial transactions, whether direct or indirect between the nationals of the contravening state and nationals of other Arab States.³

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1. Hussein A. Hassouna; The League of Arab States and Regional Disputes. A study of Niddle East conflict. 1975, Oceana Publication, New York.
 2. Ibid, p: 267.
 3. Ibid, p: 269.

The economic boycott envisaged by Arab League was a measure not only to prevent the entry into Arab Countries of goods produced by Zionist firms in Palestine but also a politico-economic weapon against the Western firms supporting Israel. Under the Unified law, all natural or artificial persons were prohibited from entering into transactions with any persons or firms resident in Israel, or of Israeli nationality, or acting on behalf of or in the interest of Israel, if the object of these transactions was commercial financial or any other kind of dealings.⁴ A further application of the Arab boycott of Israel was the measure taken by the United Arab Republic in connection with the passage through the Suez canal of Israeli bound Cargo and Israeli Ships. This was also based upon the agreement that Egypt and Israel were in a state of war and hence Egypt had a right to blockade as well as the right to deny the free passage through Suez canal. The Constantinople convention of 1888 provided for that right to Egypt. In fact that right had been invoked by Britain during World War I and II when the Suez canal was closed to the shipping of Axis forces. Arab's hostile relation with Israel also got complicated due to haphazard delineation of boundary lines under the armistice agreements of 1949. The agreements were negotiated and concluded separately between Israel and each Arab State. This took place under the supervision of the UN Active mediator. The armistice terms had greatly revised

4. Ibid, p-271.

the UN Partition plan to the disadvantage of the Arab States who insisted that the boundaries be settled on the basis of the partition plan. Isarel on the other hand, held that the armistice terms should be the basis for peace negotiations since it was Arab States that went to war for the specific reason of destroying the partition plan.

The Egyptian policy towards Isarel took a new turn after the overthrow of the monarchy in 1952-53, and more so after the consolidation of power of Gamel Abdel Nasser in 1954-55. The Arab defeat in the first Arab-Isareli war, in which Naseer had also taken part, was one factor that had prompted the Egyptian army elite to revolt. Once that elite came to power it was natural that Egypt-Isareli confrontation would become more intense. Egyptian support to the Palestinian refugees in Gaza strip increased the tension leading to the Isarel attack on the Gaza Garrison in Feb. 1955. Remarkably enough after the raid on Gaza, Nasser started a propaganda campaign for the sake of uniting the Arab states into one "Arab nations", under Egyptian hegemony. In an interview with the New York Times, Nasser said

"War is not an easy decision for anyone, especially for me - No Arab is saying now that we must destroy Isarel, the Arabs are asking only that the refugees (from Palestine) receive their natural right to life and their lost property which was promised to them by United Nations resolutions seven years ago.. No, we are not aggressive. The threat is from other side".⁵ Nasser felt that a great injustice was committed against the million of Palestinian Arabs who were now refugees.⁶

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5. Quoted in Lt. General E.L.M. Burns; Between Arab and Isarel, The Insitute of Palestine Studies, Beirut, 1969.
 6. Christina Phelps Harris, "The New Egypt After 1952", Current History, Vol.52, no.306, February 1967, p-91.

The Gaza raid convinced Nasser that the existence of Isarel was not only a grave injustice to Arab population of Palestine but a threat to the security of his own country. Egypt along with its Arab league partners, had enforced a blockade of Isarel. the policy of containment of Isarel scored a major victory of Bandung in April 1955 when Egypt and other Arab countries thwarted Isareli entry into the Afro-Asian confernece by threatening not participate in it if Isarel was admitted.

Isarel's relation with the Arabs, particularly with Egypt, contiuned to deteriorate. It was more hostile towards Egypt than towards any other Arab country because it was Egypt which had persisted in its refusal to open the Svez Canal to Isareli navigation and in denying its access to the Gulf of Aqaba from the Red Sea. Isarel propaganda also alleged that the Arabic word fedayeen was synonymous to marauders, cutthroats & murders.⁷ However Arabs gave it the ancient meaning of a person ready to give his life for his companions, a participant in forlorn hopes; as usually translated by English Newspapers the term as "Commandos".⁸

When President Nasser nationalised the Svez Canal Company on 26 July 1956, and refused to accept Western proposals for Canal's internationalization; France, Britain and Isarel secretly agreed to a joint military attack on Egypt. Isarel welcomed the

7. George Lenczowski; The Middle East in World, New York, 1962), pp.5431.

8. Lt. General E.L.M.Burns, n.5, p-85.

opportunity to destroy Arab Commando bases of Egyptian military power to force open the canal and Gulf of Aquba to its ships, and to compel Egypt to stop depending on the UN as an intermediary and to enter into direct peace negotiations.⁹ To conceal the intension to attack Egypt, Isarel explained that military reserves had been called up becuse of Fedayeen attacks and because of the recently concluded military alliance between Egypt, Jordan and Syria which provided for a unified command. On 29 October, Isarel invaded the Simai area and on 31 October, Britain and France, alleging that they were intervening merely to protect the canal & so began military operations against Egypt. Isarel occupied the Gaza strip and the Sinai Peninsula along with the Sharm el-Shaikh overlooking the Strait of Tiran. The Sinai campaign opened the strait of Tiran for Isareli navigation through Port Elath via the Red Sea and the Indian Ocean thereby creating new openings for Isareli relations with the countries in Asia and Africa.

Britain and France had not taken USA into confidence before launching such a campaign. USA called Isareli attack a serious violatin of the UN charter, and called for urgent security council meeting and introduced a strong resolution (S/3710) which directed Isarel to wirthdraw her forces behind the armistice

9. Fred, J.Khoury, "United Nations Peace Efforts", Malcolm H.Kerr; The Elusive Peace in the Middle East Edited, (New York 1975), p-51.

lines "immediately" and urged all UN members to refrain from giving military, economic or financial assistance "so long as it had not complied with the resolution".¹⁰ Britain and France vetoed the U.S. proposal, thereby further hardening the US position, especially when France and Britain joined Israel in the military action against Egypt.

With the United States and the Soviet Union on the same side of an issue for once, the United Nations condemned the British-French-Israeli attack under tremendous international pressure in General Assembly and due to and near-unanimity among the two superpowers, Britain and France were forced to evacuate their forces from Egypt. Israel was also forced out but under some conditions. The UNEF was created not only to act as a buffer between Egypt and Israel but also to see that the Gulf of Aqaba was open for Israeli shipping.

Arab-Israeli relations continued to deteriorate after 1956. These bilateral relations got integrated into the Cold War rivalry and the support of the super powers to regional powers. Though USA had offered full support to Israel but it had also taken a tough stand against Israel when it launched an attack on Egypt in 1956. Soon such a policy of even handedness was to undergo a major change and Arab-Israeli rivalry and the Super Power strategy in the region, especially in the sixties.

10. Ibid, p-55.

Arab especially Egypt and Syria had begun to acquire Soviet bloc arms since 1955. But the sixties, Isarel was depending upon UK and France for its weapons.

By the middle of the sixties the USA began to take a greater interest in military relationship with Isarel. In the first hay of the sixtees, US arms, supplied to West Germany were transferred to Isarel under War reparation. That could not have been possible without US permission. Moreover, in 1964-65, the first major direct arms transfer took place when USA transferred sophisticated HAWK surface to air missiles to Isarel. Soon Isarel began to depend more upon USA for its weapons.

This new strategic relationship was the result of possibility of deployment of Polark SLBM with Mediterranean Isarel thus emerged as the strategic ally of USA. Moreover, USSR also had enhanced to navel presence in the region and needed base facilities. Thus, Egypt and Sryia acquired new strategic significance for USSR in Eastern Mediterranean. This strategic linkage between USA and Isarel and USSR and Egypt as well as Syria got reflected in the new alignment of forces on the eve of the Arab-Isareli war of June 1967.

The boarder between Isarel and its neighbours especially Syria and Jordan had become voltatile because of two reasons. The one was the raid said by Palestinian fedayeen into Isarel and the other was due to dispute over the use of waters of River Jordan.

Under the threat of Isareli attack in November 1966 a defence pact was signet between Syria and Egypt. The situation in the early months of 1966 was summed up, according to Mohmoud Riad,

"accelerating U.S. military, economic and political support to Isarel, deteriorating Egyptian-U.S. relations, a unified Arab command in its embryomic stage, constricted by Arab political differences and a lack of necessary funds; the engagement of part of the Egyptian army in Yemen and the Arab differences which had negatively affected the Eastern Front".¹¹

Isreal also took suitable measures,

After three Isareli soldiers were killed and six injured by a land mine in the Mount Hebron area in Jordan the Isareli crossed the border and blew up forty houses after evacuating the residents there. It was followed by the shooting down of six Syrian MIG-21s by the Isareli air force in 1967. In the midle of May, President Nasser sent a large body of troops into Sinai in anticipation of Isareli attack on Syria.

On 16 May, 1967 Egypt demanded the withdrawal of the UNEF from the Gaza strip, Sinai and Sharmel-Sheikh which was agreed to by then UN secretary General U Thant. On 24 May, Nasser announced his intention of blockading the strait of Tiran to Isareli shipping. It was opposed by Levi Eshkol, Ber Gurion's sucessor who teemed it as 'an act of Aggression'. Nasser replied that he was ready to wage a total war, against Isarel

11. Mahmoud Riad; Struggle For Peace in the Middle East, (London, Quartel, 1981), p-16.

immediately. Such determination caused extreme tension and on 5 July 1967, Israel suddenly attacked the Arab states surrounding it. Israel inflicted heavy loss to its opponents and destroyed the air force of Egypt, Jordan, Iraq and Syria. It reached the Suez Canal. The Sinai, Gaza Strip, East Jerusalem, the West Bank and the Golan Heights were speedily occupied and Israel's territory more than doubled.

The faulty preparation of war, personality clash in army officers, factionism against Nasser and internal power-politics are held responsible for Egyptian humiliating defeat.¹² Apart from that, political error on the part of Egypt was also responsible for the Arab defeat. It was also suggested that Soviet Union's extravagant promises created a wrong impression that Soviet Union would side with Arabs if Israel initiated aggression. The official communique which Kremlin issued on 23 May 1967, said, "Any aggression in the Middle East will be met not only with the United Strength of the Arab countries but also with strong opposition to aggression from the Soviet Union".¹³ But ultimately Soviet Union did not supply arms to Egypt as it promised.

Nasser accepted his failure and made a tragic announcement of resignation. But people extended their support and faith in his leadership causing his withdrawal of resignation.¹⁴

12. Ibid, p-34.

13. Ibid, p-36.

14. Ibid, p-39.

Shortly after the war begun, Isarel claimed that the Arabs by "illegally" closing the Gulf of Aqaba, mobilizing their armes and calling for its "etermination were the aggressor and that Isarel was merely exercising its "right of self defence". As provided by Article 51 of the UN character.¹⁵ The Arabs in turn, contended that Isarel was the aggressor and that it deliberately started the war in disregard of UN obligations, despite Egypt's assurances that Egypt would not any offesive military action.¹⁶

Thr Arabs held that Article 51 provided for the right of self defence only in case of an "armed attack", and no such attack had been made against Isarel.¹⁷ They insisted that the UN should as it had done during the Sinai war with American support, order an immediate and complete withdrawal of Isareli troops from all occupied areas as a part of any ceasefire resolution.

Unlike 1956, when USA and USSR were firmly united aganist the aggressors, in 1967 the politics in the UN was governed by Cold War considrations with USA fully backing Isarel and USSR supporting the Arabs. The Soviet Union strongly supported Arab arguments on the withdrawal issue. The United States on the other hand, backed Isarel's insistence on an unconditional ceasefire. As soon as it was obvious that the Arab military positon was determiorating and continue the armed conflicting

15. Ibid, p-39.

16. Ibid, p-40.

17. Fred J.Khoury, n.9, p.60

could merely bring about greater Arab losses, USSR decided despite Arab opposition, to vote for an "immediate ceasefire" without specifically mentioning withdrawal. It was passed unanimously on 6 June and on 7 June, Jordan, the UAR and finally Syria reluctantly agreed to a ceasefire which did not provide for an Israeli withdrawal.

The ceasefire resolution of June 1967 however did not bring peace and armed confrontation continued especially between Egypt and Israel. It appeared that full scale war would start again. In that context, Britain introduced a compromise draft resolution in the Security Council, where it passed by a unanimous vote on 22 November. This resolution (242)¹⁸, after "emphasizing the inadmissibility of the acquisition of territory by war" and the need to work for a just and lasting peace in which "every state" in the Middle East could "live in peace and security" affirmed that a just and lasting peace required the "withdrawal of Israeli armed forces from territories occupied in the recent conflict" and the termination of all claims or state of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace with secure and recognised boundaries free from threats or acts of war". It also asserted the necessity" for guaranteeing freedom of navigation through international waterways in the area", achieving a just settlement

18. Ibid, p-

of the refugee problem", and guaranteeing the territorial inviolability and political independence of every state in the area, through measures including the establishment of demilitarized zones".¹⁹

While some Arab states accepted security council resolution 242, others led by Syria, Algeria and Palestinian leaders, denounced it. Isarel was unhappy with the resolution, for it preferred to bypass the UN and deal directly with the Arabs, using its formidable bargaining position—based on its superior military power and control over Egyptian, Syrian and Jordanian territories to compel the Arabs to make peace largely on its own terms.

The resolution 242 was accepted by the 1967 war and soon so the confirming confrontation along the Suez Canal in which guns and aircrafts were extensively used but the minor political and economic strains on Egypt. Domestically, Nasser was facing grave economic problem, but he wanted to continue his struggle against Isarel with the help of other Arab states. Nasser asked all the Arab states in November 1969 at the Rabat Summit,²⁰ to shoulder the responsibility. But he was disappointed by the negative response of other Arab nations. He reminded other Arab nations, how Egypt had scarified the most Egypt had spent 500 million Egyptian pounds on the arms budget along with the loss of 250 million Egyptian pounds as a result of the closing down of the

19. Source : UN Document S/RES/242 (1967), in Fred J.Khouri, n. 9, p-189.

20. In A.R. Taylor's, The Arab Balance of Power, (New York, 1982), pp-105-106.

Suez canal. Thus Egypt sacrificed 750 million Egyptian pounds to support the battle. The negative attitude of the Arab nations disillusioned Nasser. One of the reasons for Egypt's accepting Rogers' Peace Plan in July 1970, can be associated with negative response of the Arab states regarding war with Isarel.²¹ Regarding the Roger's initiative the official stand of Egypt was that, though falling short of the conception of a comprehensive settlement, it was the first American step on the correct path. As put by Mahmoud Riad, "in this the U.S. was not motivated by friendliness to the Arabs, or by a weakening of its alignment to Isarel but rather in order to safeguard its own interests- a vital and essential matter for any foreign policy".²² Roger's plan, which final shape in June 1970, was a proposal aimed at doing three things : getting a ceasefire between Egypt and Isarel in order to end a dangerous state of open warfare; forestalling development of a situation in which Soviet and possibly American forces were likely to be engaged in that warfare; and reviving the moribund peace mission of Gunnar Jarring. Rogers proposal included a ninety-day ceasefire, adherence by the conflicting parties to the Security Council Resolution 242 of 22 November 1967 and their agreement to continue negotiations with the states involved under Rogers mediation. Egypt accepted the Roger plan on 23 July 1970. A ninety day ceasefire went into

21. Mahmoud Riad, *opcit*, no.14, p-.

22. Ibid, p.

effect on 7 August 1970 after Isarel agreed to it under US pressure. The acceptance of Roger plan by Egypt, Jorden and some others led to a rift in the Arab solidarity on the question of confrontation with Isarel.²³ Nasser was even criticized by the Palestinians for that.

Nassers death on 28 September 1970 came as a profound shock and it was feared by many that it would reduce chances of achieving peace in West Asia. Anwar Sadat took over immediately as a provisional president in a national referendum. Before his death, President Nasser had even named Anwar Sadat in the end of 1969 as the Vice-president of UAR, a clear expression of his political testament.²⁴

The passing of Nasser set new forces in motion in the West Asia" political arena. Anwar as Sadat who succeeded Gamel Abdel Nasser had different sets of priorities, both domestic and foreign policy. In his domestic policy his first task was to consolidate his power vis-a-vis the group led by Ali Sabri. He accomplished that by 1971. Simultenously Sadat kept USSR in good humour by signing the Treaty of Friendship in 1971. But, Sadat was more keen to reach a negotiated settlement with Isarel because of economic compulsions. He also sought US help in

23. K.R.Singh, "Roger proposals and Arab Reactions", Foreign Affairs Reports, Vol.19, no.6,7,8, June, July and August 1970, (New Delhi), pp. 60-61.

24. Peter Mansfield, "Anwar Sadat - Nasser's Choice", Middle East International, no.1, April 1971.

arriving at a negotiated settlement with Isarel. Hence, Sadat came out with his first peace proposal. He said that Egypt would clear and reopen the Suez Canal on certain conditions. They were :-

- i) Isarel should withdraw its forces in Sinai to the passes.
- ii) That Egyptian forces would cross East Bank and take up positions.
- iii) Isarel should show its readiness to implement the UN Security Council Resolution 242.
- iv) to sign a peace agreement with Isarel through the efforts of Dr. Jarring. ²⁵

Though Sadat had put high hopes on his initiatives and had called 1971 as the year of decision, the response from Isarel and the USA to Sadat peace initiative was not satisfactory. Sadat tried again in 1972 to reach a settlement with Isarel but failed. Then two failures were largely responsible for the October war. In the meanwhile the equation of superpowers and regional powers was undergoing a dramatic change.

Egypt relation with Superpowers : New Shift

Soviet influence in Egypt was more real than anywhere else. An arm deal (1955) between the two countries via Czechoslovakia was not the only evidence. USSR had made substantial tangible investment in Egypt. It was in the form of huge projects like

25. White Paper on the Peace Initiative Undertaken by President Anwar Sadat (1971-1977) Cairo, ARE, Ministry of Foreign Affairs 1978, pp.5-16.

Aswan Dam (completed in 1971), the Helwan Steel works, an aluminium plant and rural electrification plus billions of dollar of military and commercial assistance given to Egypt. At the sametime the Soviets progressively broadened their military presence in the Suez region by acuqiring base facilities in a number of Arab countries. At the Egyptian airfields of Jiyankhis, Mansura, Aswan, Cairo West and Inchas, the Soviet had maintained advanced bombers with missiles capabilities. They also had access to facilities in the Egyptian naval base of Alexandria, Port Said, Sollum and Mersa Matruh. In may 1971, the two countries formalised their relations by concluding a Treaty of friendship and cooperation in political affairs, Economic Developemnt, Science and Technology and Culture. This treaty provided for continued Soviet training of Egyptian military, personnel in the handling of modern Soviet weapons, and contained a pledge by Egypt to continue its development in accordance with Socialist principles. The agreement signed in Cairo by President Sadat and President Podgomy asserted that "unbreakable friendship will always exist between the two countries".²⁶

But the relation between Egypt and USSR could not remain the same. In spite of the 15 years Friendship Treaty signed by Sadat, there was a sharp decline in faith between the two old friends. Sadat noted in his autobiography that "The Soviet had

26. Abdul Latif Middle East International, August 1972.

thought at one time that they had Egypt in their pocket, and the world had come to think that the Soviet Union was our guardian. I wanted to tell the Russians that the will of Egypt was entirely Egyptian; I wanted to tell the whole world that we are always our own masters".²⁷ This kind of strained relation was a culmination of a number of developments in the early 1970s.

Sadat had proclaimed of 1971 as the 'year of decision'. The failure was attributed to the delay of arm supply by USSR. It is notable that President Sadat wanted a war with Isarel because the year 1972 was the election year of American president and it was expected that Jewish lobby in American congress was to be promised for further grant to Isarel.²⁸ The level of irritation of both side within the Soviet-Egyptian relationship showed clearly through the events that followed. The first of them was the Egyptian order of expulsion of Russian personnel from Cairo in July 1972.

Sadat was also convinced that Moscow had favoured his rivals in the domestic power struggle of May 1971.²⁹ Sadat called his rival Aly Sabry and his group, 'Soviet agent'.³⁰ Sadat was further aware of the Soviet anger over his role in frustrating the attempted coup of July 1971 in Sudan, in the aftermath of which hundred of Sudanese communist party members were executed or

27. Anwar el-Sadat, In Search of Identity, (William Collins sons and Col. Ltd., Britain, 1978), pp 276-277.

28. R.Isareli (Ed.) The Public Diary of President Sadat, The Road to War, September, 1970-October 1973, part I..

29. Anwar el-Sadat, opcit no.29, pp 266-269.

30. Ibid., p.267.

imprisoned.³¹ Again, Soviets did not provide Egypt with the weapons necessary to launch a limited war against Isarel in 1971. And this was the most explicit reason behind the cloudy relationship between Egypt and the Soviet Union. President Sadat expressed his discontent and said "for a generation and through five wars (the 1969-70) "War of Attrition" is always included), we paid by far the greatest price in blood and treasure of all the Arabs. The Russians used us for their own purposes, manoevured us into the 1967 War and then refused us the support required to regain the Sinai".³² He also hinted to get along with Western Countries and particularly America. He viewed that "only the U.S. and its leverage with Isarel can accomplish this, and only the U.S. help us economic ally and technically on the scale required to resolve our vast internal problem."³³ Thus Sadat was seeking to swtich superpower partners.

Sadat pointed out that the USA possessed 99 per cent of the cards at play for an Arab-Isareli settlement. Egypt even under President Nasser had accepted U.S. mediation in Arab-Isareli negotiations. Sadat began to involve USA more and more in that process, especially after the October War. It was one month after the October War that Sadat restored diplomatic relations with the USA and gave his strongest support to the US effort to reach a settlement. And it was through 'Henry's shuttle

31. Ibid., pp.270-71.

32. In, David Nes. "Egypt Furns Inwards", Middle East Inter-national, n.55, January 1976, p.13.

33. Ibid, p.13.

Diplomacy', that Egypt reached two disengagement agreements with Isarel and supported another one on the Syrian front in May 1974.

Isarel relation with Superpowers

So far Isarel's relations with Soviet Union was concerned, Soviet Union had been after Czechoslovakia, the first communist country to enter into diplomatic relations with Isarel. In the strategic assessments to Soviets, the main goal of removing the British from Palestine had been achieved. The next concern was to undermine British influence in Arab States and this could not easily be accomplished if the Soviet Union was perceived by Arabs to be pro-Isareli. Consequently, the Soviets moved toward a position of neutrality in regard to the Arab-Isareli conflict. USSR-Isarel relations soon got strained at political level. However in 1954-56, Soviet Union was still covering some 30-40 per cent of Isarel's oil needs.

For Isarel, ties with the West became stronger than those to the East. When it opted for supporting the West in the Cold War and thus get political, economic and military support, especially from USA. There was a need for economic assistance, donations from Western Jews, and a guarantee of her security. Isarel's democratic electrol system also was more compatible with Western political values. Isarel had support of the largest Jewish group in the world from the United States. It also contributed money in astonishing amounts to the Jewish lobby of America demonstrates its support to Isarel to the extent that Senators and successive

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presidents of the United States had to reconcile the demand of this lobby. Decision in favour of Isarel thus became an obligation on American Presidents.

Soviet disenchantment with Isarel in 1950s was due to Isarel's growing identification with the West during Korean War which began in June 1950. In January 1951, Foreign Minister Moshe Sharett told the Knesset that Isarel should be pro-western because it was dependent on aid from Western Jews.³⁴ More significantly, the "Egyptian-Czech" arms deal of September 1955 alarmed Isarel, despite Soviet claims that those arms were not directed against Isarel. In the mid 1950s the estrangement with Isarel was more or less complete, even though it was not until the 1967 war that diplomatic relations were severed. Diplomatic relations were surely broken in 1967, as they had been once previously in 1953, but extensive contacts have been maintained and active secret diplomacy had been conducted. In fact, Soviet emissaries were even received by Prime Minister Yitzhak Rabin during their Convert April 1975 Mission.³⁵

Isarel relations with USA had undergone wide fluctuations. Although the United States was one of the first countries to recognize the new state of Isarel, United State did nothing for Isarel during her war of indepdence and Sinai campaign of 1956.

34. Arthur Jay Klinghoffer, with Judith Apter, in Isreal and the Soviet Union, Alienation or Reconciliation ? (Lodon, 1985), p.18.

35. Ibid., p.2.

In fact, in 1957, President Eisenhower forced Isarel to pull her troops out of Sinai. However, finanacial aid was visible since 1952, when the U.S` gave Isarel an \$86.4 million and over the following two years Isarel received another million in U.S. grants. U.S. aid to Isarel however declined around the mid 1960s from high of \$93.4 million in 1962 to a low of \$37 million in 1964.

In fact the U.S. military aid played almost no role during the fist 14 years of Isareli existence. However, military assistance was extended during the period immediately prior and subsequent to the six-day War.

By contrast, in 1970s, U.S. aid to Isarel was drastic and all encompassing. The quantum jump occured in 1971, when it increased almost nine fold from \$71.1 million in 1970 to \$600.8 miillion in 1971. From that point, the level never declined below \$400 million per annum and in 1979 reached on all high of \$4.81 billion. The bulk of US aid to Isarel included military and economic assistance.

The U.S.-Isareli cooperation and coordination developed and expanded in the seventies. USA became Isarel's chief arm supplier, replacing France and Britain and providing the economic help needed for participating in the arms race in this region on a hitherto unknown scale. "The deep-raid bombings in Egypt in early 1970, and the joint U.S.-Isareli effort to save the Jordanian monarchy in September 1970, were from an Isareli point

of view, the best examples of U.S.-Israeli strategic cooperation in the Middle East. They inaugurated a three-year period (September 1970-September 1973) which in many respects was the golden age of U.S.-Israeli relations".³⁶

The October War had a dramatic impact upon the intra-regional politics as well as upon the pattern of relationship between regional powers and great powers. The Egyptian thrust for a negotiated settlement which had failed in 1971-72, got a new impetus with active involvement of USA prompted to a large extent by the desire to neutralize the oil weapon. Egypt also changed its basic stand from confrontation to cooperation. It discarded the Soviet option and relied upon USA to deliver the goods. This development had great impact upon Egypt-Israel relations during the second half of the seventies.

36. Bernard Reich, Quest for Peace : United States - Israel Relations and Arab - Israeli Conflict, (New Brunswick, 1977).

CHAPTER II

PEACE TREATY : IMPLICATIONS

The October War (1973) introduced a somewhat different pattern of Arab alliances and alignments, and changed perceptions of Arab capabilities & limitations as well as priorities. The perceptions of the October War and its achievements by the Arabs is an interesting, revealing, and relevant factor in inter-Arab relations. For the Egyptians, it constituted a departure that provided for them room for maneuver, both in regional Arab and international diplomacy. They believed that by crossing the canal they broke the impasse in the Arab or, more accurately, Egyptian-Israel conflict, extricated themselves from total dependence on the Soviet Union and by extension, restored their relations with the USA.¹

The October War inculcated confidence and pride in the potentiality of Arab military might. Egyptian troops stormed the famous invincible Bar-Lev Line of fortifications that ran the length on the Eastern bank of the Suez canal on 6 October 1973. Simultaneously, Syrian troops attacked the Golan heights. Israeli troops were hard pressed to defend their positions on the Golan Plateau. In the first day of the War, Arab forces astonished the world with their crossing of the Suez canal and swiftness of operations on the Golan heights.

USA called for an immediate ceasefire and return to the 1967 ceasefire lines—that is to the pre-October 6 positions a move

1. P.J. Vatikiotis; Arab and Regional Politics in the Middle East, (New York 1984), p. 91.

that would have cancelled out the Egyptian advances on the east bank of the Suez canal as well as Syrian advances with Golan Heights. Since the Arabs and the Soviets showed little interest in this kind of retreat the US stepped up its aid to Israel, initiating an airlift of sophisticated war material replacement jets, ammunition and other equipments. ²

By the end of the War's second week tide began to turn militarily. After the Kosygin-Sadat meeting in Cairo, October 17-18, Soviets called for a Ceasefire to try to preserve the Egyptian position. But this situation was already undermined by Israeli advances. The Soviets and Egyptians wished to have an immediate ceasefire so as to prevent further Israeli advances. By the time the ceasefire was being implemented The Egyptians were in serious trouble on both sides of the canal.

In the meantime the oil politics of the organisation of Arab Patroleum Exporting Countries (OAPEC) served as a weapon to exert pressure on American and Western power. The oil production cutbacks which had been threatened since the summer began to be carried out. Iraq nationalised remaining U.S oil holding and then the Arab oil producers agreed to decrease production immediately from 5 to 10 percent while several of them completely cut-off shipment to the US. Since yielding to such pressure was contrary to the US strategy, it minimised the impact of this on

2. MERIP Report, No 23, December 1973, p-9.

the public, juggling figures to make it appear that only about 6 per cent of US petroleum products came from the boycotting countries whereas the correct figure was 18 per cent. Only 6 per cent came directly from the 'Middle East' the rest come indirectly via refineries in Canada, the Caribbean and Europe.³

Whether the United States suffered or not by the Arab embargo of oil, it had to reconcile with the problem created by the imposition of oil embargo on America's allies in Europe and on a major trade partner, Japan. It was remarkable that Japan imported 90 percent of its total oil import from Arab Countries.⁴ The serious dislocation of oil supplies to the industrially advanced countries which followed the cutback in Arab oil production had an immediate impact. Both the European Economic Community (EEC) and Japan revised their stands towards the Arabs in the Arab-Israeli conflict. They supported the Arab demand for withdrawal by Israel from all occupied Arab territory. On the Palestinian question too, their position mellowed considerably, and they recognized a just solution of the Palestinian question to be an essential condition for stable and genuine peace in the region.

The October War forced a change in American attitude regarding its policy in West Asia. Kissinger told the Arab governments during his trip to West Asia in early November 1973,

3. Ibid, p-9.

4. Abdul Latif, "U.S policy and the oil Embargo" Middle East International No. 33, 1974.

that the pre-war position could no longer be maintained in a conflict situation.

The US foresaw that in the future a pro-Israel policy might entail much greater losses in the Arab World, particularly through Arab take-overs of oil investments and cut-backs in petroleum exports. For Americans oil and strategic interests were very important which led to change in US attitude in favour of the Arabs.⁵ This shift was visualised as important perhaps because of the threat by Bahrain which had decided to close the American naval base facilities after the US support to Israel. Again the third world countries and West European States had tended to side with the Arabs for a number of reasons, including fear of the oil boycott. During the October War, Turkey, Greece, Spain and Italy refused to allow US bases in their countries to be used for resupplying Israel. Both Britain and West Germany had taken similar positions. Finally, if the US could not produce a settlement it risked serious trouble in its relations with both Western Europe and Japan.

For All these reasons Kissinger reached an agreement with Sadat and Israel was also forced to accept it. Israel would allow a permanent corridor for the third crops with supply operations under UN supervision, a relaxation of the seize of Suez city, a prisoner exchange, the establishment of formal truce lines and an end to the Arab blockade of the Red Sea.

5. Newsweek, Nov 19, 1973, p-56.

It is significant to note that the efforts at conflict resolutions made by the super power in the Suez Zone after the War of October 1973 were characterised by a spirit of diplomatic competition between them rather than detente. "Detente meant here active collaboration and cooperation and respect for each others interests."⁶ The Whole thing boiled down to an almost unilateral Kissinger-style diplomacy rather than a concerted effort on the part of the super-powers to solve the Arab-Israeli conflict.⁷ The whole process actually by-passed Soviet Union to reap any political benefit and thus America achieved some short terms politico-military gains. This was true especially of the effective Egyptian-Israeli km 101 ceasefire agreement of 11 Nov. 1973. Subsequently a more detailed agreement was reached on 18 January 1974 on troops disengagement. It was reached through the mediation of Kissinger and under the overall patronage of President Nixon. USSR was notionally involved in the first disengagement between Egypt and Israel as well as between Syria and Israel. USSR was however, bypassed in subsequent Egypt-Israel-US negotiations.

As a part of disengagement agreements of 1974, Egyptian presence on the East bank was limited and was subjected to inspection by the United Nations. UNEF was formed under the

6. K.R.Singh; "Implications of the New US-Soviet Equation for West Asia", International Studies, Vol 13, No.4, October 1974, pp 695-718.

7. Ibid.

Security Council Resolution to monitor the agreement. Israel retained its bases in the Mitla and Giddi passes from where its armed forces had launched their counterattack on 14 October. Thus, with the troops disengagement agreement, Egypt gave up a strategic advantage it had enjoyed in return for the reopening of the Suez Canal.

Kissinger's diplomacy was in the interest of Israel and his method was to confine negotiations to the periphery rather than to touch the centre, to attempt minor breakthroughs rather than solve the fundamental question of Arab-Israeli dispute. In this pursuit, his next step was to bring Golan into fold. Israelis were obsessed by the military importance of Golan and wanted to retain it. It was so because they mistrusted the Syrians even more than the Egyptians. Kissinger initiated intensive negotiations designed to disengage opposition forces, first on the Sinai front then on the Golan Heights.

The discussions on disengagement were conducted separately on each front. Kissinger hoped that from these tactical talks could emerge a trust that might in turn give momentum towards a general settlement. Moreover Kissinger's incessant diplomatic efforts at relieving the US and its allies of the Oil embargo ultimately bore fruit when Sadat, as a part of a bargain, helped in persuading the Saudis to that end. Soon after the first disengagement agreement (18 January 1974) was signed, Sadat paid a visit to Saudi-Arabia, Kuwait and Algeria and subsequently

attended the four - nations Algier's summit meeting held in februrary 1974, in order to persuade the major OAPEC countries to lift the embargo.

Another fall out of Kissinger diplomacy was the rapid improvements in Egypt-US relations culminating in American President Nixon's visit to Cairo. The visit further improved realtion between the two countries. Sadat formerly announced the "Open-door" economic policy in April 1974, and intended to strengthen the economic ties with the US. USA reciprocated by making a joint declaration offering diplopmatic, economic and nuclear cooperation to Egypt.⁸

The second Disengagement Agreement Concluded between Egypt and Isarel in September 1975, was another major landmark. It was of decisive political consequence because the spirit of that agreement and its clauses crystallised the Egyptian position with regard to the national question, the Arab problem and international peace. The first line of the agreement reads as follows 'The Government of the Arab Republic of Egypt and the Government of Isarel have agreed on the following points'. On the basis of international law, this sentence does constitute official recognition of Isarel. The second clause to this agreement said, "the two parties undertake not to have recourse to force, threats or military blockade, one against the other". This was rendered explicit in the third clause : "the immobi-

8. Ibid.

lization of the Egyptian armed forces was further confirmed by the clauses contained in the annexes to the agreement, under the heading, 'Restrictions relating to forces and Arms', According to these restrictions, Egyptian forces authorized to be stationed on the East bank should not exceed 8,000 men, including the heavy armour. But the most serious of the clauses was that concerning the pre-alert system, which gave the United States the right to delegate 200 technicians for its operation and whose withdrawal could only be effected at the wish to the Americans or of the two partners. The presence of sophisticated American instruments not only prevented the unleashing of a war, but they do moreover, occupy a strategic position for American espionage directed towards the Middle East.⁹

The second Sinai Agreement concluded between Isarel, the United States and Egypt, was not simply a great political and military event but constituted a strategic turning point in the history of Egypt. Egypt permitted Isareli non-military Cargoes to transit through the Canal. Blockade on Babel Mandab was lifted and the Red Sea route was opened for Isarel.

The improvement in relation between USA and Egypt could be marked at this point with Sadat's willing to evolve a common strategy with the US against the Soviet Union. Sadat had already announced in April 1974 his 'Open-door' economic policy to

9. Ghali Shoukri; Egypt Portrait of a President; Sadat Road to Jerusalem (Zed Press London, 1981) pp 187-88.

strengthen economic ties with the West. The US reciprocated by making a joint declaration offering diplomatic, economic and nuclear cooperation to Egypt. There was a steady deterioration in Egypt's relation with the USSR which culminated in Egypt's abrogation of the Soviet-Egyptian Treaty of Friendship in March 1976.

It is argued that Egyptian economy was transformed from the centralised and protective measures of Nasser's time to decentralization and international competition. Sadat, who during the first year of his mandate carried on many of Nasser's policies, gradually moved the country towards other goals. In 1967, Egypt was more inspired with the policy of the USSR and was tending towards socialism. There was state intervention in the economy, and attempts were being made to redistribute income in favour of the poor and create channels for greater social mobility. Sadat who wished to build a more open and articulate society, allowed a certain level of pluralism to creep in. This open door economic policy, was an attempt to inject new life into the industrial sector by decentralising decision making and opening the economy to international competition. This reform also encouraged domestic investors to participate in the private sector. He also restructured public sector organisation. All these measures increased the pace of investment. While the open-door policy was given a greater role after 1974, Sadat had already initiated steps towards that goal as early as 1970, soon

after he had come to power. Sadat had taken a series of actions geared to promote the expansion of the private sector. In 1971, the Egyptian Central Bank contributed 500 million Kuwaiti dinars to the capital of the Arab Investment Guarantee Fund (instituted under the patronage of the Arab League) to guarantee private Arab investments against 'non-commercial risks'.¹⁰ In July 1971 an agreement was signed with Great Britain for the reimbursement of properties confiscated in 1960. In April 1972, a commercial treaty was signed by Egypt and the European Community, and an agreement was reached by Western Government's Oil Companies and Arab countries regarding the inter-national financing of the Sumed Project (an oil pipeline from Suez to the Mediterranean). In 1973, this policy of progressive liberalisation was continued.

1975 saw the beginning of a series of consultations with the International Monetary Fund. This was to lead to the adoption of a stabilization programme in order to assure USA and Saudi Arabia, Egypt's two main creditors, of the country's will to accept the rules of the international market and so convince them to start a large programme of financial assistance. Egypt's relation with United States improved because Sadat believed that the Arab-Israeli conflict and Palestinian issue could not be resolved without the cooperation of the United States. Apart from these considerations, other considerations were far more

10. Dessouki A.E.H; "Policy making in Egypt : A Case Study of the Open Door Economic Policy", Social Problems, Vol28, no 4, April 1981, pp 410-16.

far more important, e.g, economic development of Egypt.

US President Nixon's visit to Egypt in 1974 and Egyptian President Sadat's visit to America in 1975 improved the bilateral relation between the two countries. President Sadat firmly belived that the United States and not the Soviet Union, was the key to recovering Arab lands and boosting of so economic development of Egypt. He asserted that for a quarter century, Isarel's strongest weapon had been the unconditional, blind support of the United States but after the War of 1973, American attitude changed and no Arab nationalist could have foregone this opportunity. He further stated that when it came to the search for an acceptable peace formula, the United States holds 99% of the Card. These are the facts, whether the Soviets like them or not.¹¹ A number of reasons prompted President Sadat to abrogate the Soviet-Egyptian treaty of friendship of 1971, in March 1976. The crisis in the Soviet-Egyptian relations had lingered since 1971, and more noticeably since the 1973 War. However the new move marked the formal break with the Soviets and the shift that Sadat had taken Westwards. Three reasons were specified for this move; they were : Rusian refusal to allow India to supply spare parts to Egypt; the allegation that the USSR had violated the provisions of that same treaty by not supplying the weapons she was supposed to; and the accusation made by Brezhnev, at the

11. In Abdul Latif's, "End of an era", MEI, no59, May 1976, pp 17-19.

Congress of the Soviet Communist Party, that the Egyptian regime had "renege" on the principles of Egyptian Revolution.¹² Soviet Union also refused to reschedule Egypt's large debt. "Not only that", said Sadat, "The Russians even asked for twenty two million roubles in interest for delays in the repayment of military debts".¹³

Sadat's pressing economic needs and his break with the Soviet Union, took him to the West again. He toured some European countries like France, Germany, Austria, Yugoslavia and Italy, and concluded new deals in economic aid and in military acquisitions. Technological assistance, as well as French help in setting up an Egyptian arms industry, were also taken up during that trip. In January 1977 there was an agreement between Egypt and European countries which covered trade, economic, technical and scientific cooperation and financial aid to Egypt. This was the percussor of subsequent economic cooperation which expanded into various economic sectors. Moreover, the break with the Soviet opened an unexpected new avenue. The people's Republic of China rushed to offer spare parts and maintenance work on Egyptian Jet-engines which otherwise would have been inoperative, all this-free of charge.¹⁴ This was a significant development in the foreign policy of Egypt.

12. Raphael Isareli, "The public Diary of President Sadat; Part III, The Road of Pragmatism (June 1975-October 1976), Leiden E.J. Brill, 1979, p 1189.

13. Abdul Latif, n.10, p 19.

14. Raphael Isareli, opcit, no.11, p 1189.

Egypt-Isarel negotiation were stalled after 1975. While Sadat was taking several domestic and foreign policy moves to accomodate USA, there was no comparable movement in the direction of Egypt regarding the Sinai. Thus Sadat wanted to break that impass. The dramatic visit of Anwar Sadat to Jerusalem, on 19 November, 1977 and his appeal for Peace in the Knesset, caused varied responses in the World. It also gave a new boost to US initiative under President Carter, to accelerate the process of rapproachment between Egypt and Isarel.

Sadat's visit to Jerusalem was the result of his pragmatic profile for a peace with Isarel as he already had tried to have in 1971. Perhaps the reopening of Suez Canal and heavy cost incurred on its clearing operation and reconstruction of Port town provided enough hint at least psychologically that Egypt wanted no more confrontation with Isarel.

President Sadat also mentioned in his autobiography, two incidents by which he cultivated good will with the Isarelis. He did so by returning in 1975 bodies of 39 Isareli soliders who had died during the 1973 War and which were unearthed in Swez zone. Not only that, the dead Isareli soliders were given full military honour by the Egyptian soliders. In 1977, the same incident took place when 19 dead bodies of Isareli soliders were returned in the same manner. ¹⁵

15. Anwar el.Sadat, In search of Identity : An Auto-Biography, (Willian Collins & Co. Ltd., Britain, (9187), p 328.

In his speech to the Isareli Knesset on 20 November 1977, President Anwar Sadat said, "... together we have to admit that that wall fell and collapsed in 1973; yet, there remains another wall. This wall constitutes a psychological barrier between us, a barrier of suspicion, a barrier of rejection; a barrier of fear, of deception, a barrier of hallucination without any action, deed or decision".¹⁶

The rapproachment between Egypt and Isarel under the US initiative led to the signing of Camp David Agreement on 17 September, 1978. It was signed by Anwar Sadat, the President of Egypt and Menachem Begin, the Prime Minister of Isarel. They signed two documents, one of these dealt with the bilateral problems between Egypt and Isarel, which the two leaders undertook to resolve by concluding within three months a peace treaty providing for an Isareli withdrawal from Sinai and establishment of normal relations between the two countries. The other dealt with the wider question of the future of Palestinians in the West Bank and the Gaza.

The previous US peace initiative launched by William Rogers, US Secretary of State on December 9, 1969 and June 19, 1970 had totally ignored the Palestinian presence in the determination of their own fate. The latter initiative, known as the Roger's plan, suggested a temporary ceasefire, a declaration

¹⁶ Ibid, p-336.

by the parties concerned of their acceptance of the Security Council's resolution and Willingness to implement its provisions and holding of discussions through the intermediary of Dr. Gunner Jarring with the object of establishing peace. But none of the plans Heeded the Palestinian right to participate in the determination of their future Resolution 242 had treated the Palestinian question as the refugee problem only. Hence, it could not be the basis of a negotiated settlement for setting then political rights. Camp David Accord did not seek to impose a solution on the Palestinians. "All we did at Camp David was to show we wanted to end the Israeli occupation of the West Bank and the Gaza Strip, setting out a transitional period before the Palestinians ruled themselves".¹⁷

Egypt-Isarel Peace Treaty was signed in Washington on 26 March 1979. It confirmed to the principles stipulated in the Camp David framework for Peace. However, "the Isareli side managed to introduce a new principle in Article Six which practically cancelled Egypt's Arab Commitments through its membership of the Arab League and the Arab Joint Defense Agreement. Article Six read 'the parties undertake to fulfil in good faith their obligations under this Treaty, without regard to action or inaction of any other party and independently of any instrument external to this Treaty' which, in practical terms,

17. Anwar Sadat, Those I have known, (Cairo, 1989), p 111.

meant that if either Jordan or Syria was attacked by Israel, Egypt would have no right to extend support or assistance to either".¹⁸ The spirit behind that particular item had been conveyed by Israel to Egypt through Jarring as early as 1971.

Peace Treaty and Arab Response

Egypt had received till 1978 substantial aid from Arab countries. Tourism and remittance of the Egyptian workers employed in Arab countries were very important source of revenue for Egypt. Besides that trade in goods and services with Arab countries was also substantial. Following the Camp David Agreement in November 1978, a summit meeting of the heads of Arab nations was held in Baghdad from November 2-4, 1979. A consensus was reached among all the Arab States at that summit to impose political and economic sanctions on Egypt. That decision reflected a compromise between the radical faction, including Iraq, Syria, Libya, Algeria and the PLO which demanded strong and effective sanctions and the moderate faction headed by Saudi Arabia which supported a more temperate condemnation.

The Baghdad Summit of November 1978 called for peace based on Israeli withdrawal from Arab territories occupied in 1967, including Arab Jerusalem, substantiated with guarantee for the national rights of the Palestinian people and for the formation

18. Mahmoud Riad, The Struggle for Peace in the Middle East, (Quartel Book, 1981) p. 335.

of an independent Palestine State on Palestinian Soil. Apart from the financial aid allotted to the PLO, Syria, Jordan and the occupied lands, the Summit witnessed the conciliation of PLO with the Iraqi and Jordanian regimes with a view to opening a new page in their mutual relations.¹⁹

The Baghdad Summit of March 1979 decided that all forms of economic aid to Egypt from Arab governments, organisations and companies be halted. The Gulf Organisation for Development in Egypt (GODE) cancelled all existing agreements and was dissolved by announcement of the financial minister of Kuwait. The Arab countries stopped all bilateral aid to Egypt. The transfer of resources to Egypt from various Arab aid funds declined. Some funds however continued to finance projects already underway.²⁰

Kuwait and Saudi Arabia, generally regarded as political and economic moderates, began to exert financial pressure on Egypt behind the scene. By the end of 1979, i.e., after Egypt had signed the Peace Treaty Arab economic aid to Egypt had dried up almost completely.

During April and May of 1979, Egypt was suspended from dozens of Inter-Arab organisations and Companies including OAPEC, the Arab Monetary Fund, the Organization of Islamic Conference, and various transport and shipping companies, banks and

19. William Youssef Kosman, Sadats Realistic Peace Initiative, (Vantage Press New York, 1981) pp. 40-41.

20. MEED, 22 June, 1979, and MEED 17 August, 1979.

institutions and Federation.²¹ Those organisations which declined to suspend Egypt immediately after the March 1979 Baghdad Summit, did so in the Course of 1979 and 1980.²²

But the Arab boycott proved highly selective in the banking sector. For example Faisal Islamic Bank, the Joint Arab Investment Corporation, the Misr-Iran Development Bank, all increased their capital investment. Undoubtedly, the Arab sanctions brought a temporary decline in Arab investment in Egypt. But most project that were cancelled in 1979 were resumed in 1980.

The hardness of the resolution adopted by the Arab States in 1979 and also of the previous resolutions of 1950 adopted by the Arab League, was softened due to the intervention of important Arab States like Saudi Arabia, Morocco, Sudan, Oman and Somalia. Some of whom did not even sever diplomatic relations with Egypt. Moreover, while diplomatic relations between Egypt and several Arab States were cut off, Egypt was not subjected to an intense economic and trade boycott as was envisaged in these resolutions. Subsequently even the political boycott was lifted though Egypt had not been formally re-admitted to the Arab League till 1990.²³

x The Egyptian-Isareli disengagement agreements of 1974 and 1975 started Sadat on the road to the American sponsord peace.

21. MEED, 18 May, 1979.

22. MEED, March 28, 1980..

23. K.R.Singh, "The Arab League and Isarel" in R.S.Melkote, (ed;) Regional Organisation, the Third World Perspective, (Edited) Sterling Publication, 1990, p 159.

It led to the establishment of an Egypt-American-Israeli strategic alliance at the expense of Egypt's traditional role in the Arab World. Henry Kissinger was successful in achieving the overall strategic goal because this development meant separation of Egypt from not only from the general Arab and Palestinian aspirations but also further removed it from radical forces in the region. The foreign policy implication of the Peace treaty led to two important developments. The first was the strained relation between Egypt and USSR lead to Egypt breaking away from USSR, and the second was the building up of political, economic and military links with the West.

This treaty not only undermined the Soviet role in this region but also weakend its influence. In the development subsequent to the famous annoucement of Sadat of expulsion of Soviet personnel in 1972, Sadat never tried to develop good relation with USSR. It was only in the October War that Soviet supply of advanced tanks and shipments was momentarily appreciated by Egypt. But in April 1974, Sadat announced that Egypt would end its exclusive reliance on Soviet arms and shipments. It definitely gave a severe jolt to 1971 friendship treaty between Egypt and USSR. Relation deterioratd further in mid 1975 and in 1976, the friendship treaty, itself Nasser was abrogated. Subsequently, in 1977 Egypt announced a mortorium on Egypt's large debt to the Soviet Union. It was the implication of Peace treaty that in 1981, the Soviet ambassador and some 1500

technicians were expelled.

To sum up, the Egyptian policy of peace with Isarel had deep implications in both domestic and foreign policies of that country. It was a dramatic way of demonstrating the complete reversal of the earlier Nasserite policy. In domestic matters, Egypt gradually began to replace the single party system with multi-party system. Ikhwan was allowed to emerge as a counter force to Nasserite and pro-USSR influence. The socialistic policy was reversed and open-door policy (infitah) was substituted. In foreign policy Egypt began to give primacy to Egyptian interest rather than Pro-Arab interest. Also the reliance upon USSR as a countervailing forces to USA was replaced by the policy of competing with the West in general and USA in particular vis-a-vis Isarel. These were very far reaching changes that Sadat sought to compress in a very short time of less than five years. No wonder Egypt formed itself isolated in the Arab world during the last day of President Sadat and even his pro-US friends could not rescue him from the Arab/Islamic boycott. It was lifted only after the death of Sadat.

CHAPTER III

STRUCTURE OF COOPERATION

Cooperation is defined as a joint and collaborative behaviour that is directed towards some specified goals and in which there is common interest or hope of reward. However, there is no limit to the potential range for cooperation, it is to be found in groups as small as the dyad and as large as leagues of sovereign states.

In the context of international relations, especially for two past belligerents cooperation has a different meaning. It starts not only with the initiative for peace and normalisation of relation in a non-confrontationist profile, but also interdependence that takes precautions toward off future course of conflict. The harmful consequences and hostile outcome resulted from conflicting interest, forces them to seek the path of cooperation. Interdependence in this connection is an offshoot of cooperation which enhances the integration of national interests. It is seen as wise to develop more intensive integration with others, even to protect one's own interest. These consideration result in the removal of restriction on trade, expansion of bilateral, scientific and technical exchange programmes, increase in communcations and exchange of persons and intensification of deplomatic exchange and negotiation.¹

1. Synder Edward F., "Deterrance : from fear to Interdependence", Bulletin of Atomic Scientists; Vol 41, no.9, 1985, October; pp 40-42; in M.S.deVries, "Interdepdence, Co-operation and Conflict : An Empirical Analysis"; Journal of Peace Reserch, Vol 27, no4, 1990, pp 429-44.

Rising interdependence creates a brave new world of cooperation, to replace the bad world of international conflict. However, cooperation does not mean absence of conflict and conflict, the absence of cooperation. "Cooperation takes place only in situation in which actors perceive that their policies are actually or potentially in conflict; not where there is harmony, cooperation should not be viewed as the absence of conflict but rather as a reaction to conflict or potential conflict".² In case of relations between Egypt and Israel, cooperation is more likely to begin in the field of avoidance of conflict. It is passive rather than active cooperation where the significance of passive cooperation is far more important than what the passivity connotes.

The most important aspect of this cooperation is in the political dimension. Where as two erstwhile belligerent nations decided to establish diplomatic relations, where such a move antagonised the group of Arab states which consolidated and coordinated a common plan of action against Egypt, treating it as an enemy. Thus, an individualistic decision of Egypt to establish bilateral relations with Israel, was perceived by other Arab states, as a betrayal and surrender of the Arab cause to the enemy. On the contrary, it was a big achievement for Israel since its tactic, to deal with Arab states one by one, got a start based

2. Keohane (R.O) and Nye (J.S.); 1977; p 7-8, In Michical S.deVries, Opcit no.1, pp 429-94.

on the framework of the Peace Treaty of 1979. It was a move towards the wider goal of acquiring legitimacy of Zionist movement and recognition of Israel as a Jewish state in this region. Therefore, the gain and loss of cooperation between Israel and Egypt may be seen in the background of this perspective. The establishment of "Comprehensive peace" in this region, therefore, favoured Israel in a big way. Though, normalisation is generally not specified in the peace treaty, it is left to the discretion of the parties. The normalisation of relations between the two countries Egypt and Israel, was an obligation imposed on Egypt.³

The part played by the intermediary is an inherent element of the normalisation of relations between a set of conflictual perhaps, Egypt and Israel in this case, and fits into the classic dynamic of dependence.⁴ Immediately after the October War, the Western Countries led by the United States, pooled their efforts to transform the principal components of Egypt's domestic situation under cover of progress and aid to the Third World. Although the United States played the dominant role, every country enjoying good relations with Egypt and Israel, contributed to the effort of normalisation of relations between the two countries. The intermediary's role slipped in under the

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3. Marie-Christine Aulas; "The Normalisation of Egyptian-Israeli Relations," Arab Studies Quarterly, Vol.5, no.3, 1983, p 221.
 4. Ibid, p.224.

shadow of development assistance. The U.S. extended assistance to Egypt, under the agreement PL 480, intended essentially for purchases of food products, principally wheat. It is in the broad and multifaceted context of U.S. technical assistance that the foundations of Egyptian-Israeli cooperation can be discerned.

Yusef Walli, Egyptian Minister of Agriculture stated that agriculture in Egypt developed in terms of three circles; first, Egypt the United States; second, Egypt the United States-Israel; third, Egypt-Israel - the Arab Countries. In early 1982, Israel, Egypt and the United States set up an international development committee for agricultural cooperation. Thus an area of cooperation was opened in certain structures of economic development. Throughout, the U.S. role has consisted of creating the conditions for dialogue between the two countries, with the ultimate aim of making Israeli cooperation necessary and indispensable to Egypt. A reciprocal relationship however, is apparently not in the cards.⁵ The part played by other Western Countries, as intermediaries is also important particularly in case of France, West Germany and many other Western Countries.

Thus, peace with Israel had the merit of accounting for Egypt's ties with the West and especially with America. No less important is the fact that the U.S. holds economic and political clout with Israel and Egypt and it has been also an active partner of the Peace Treaty of 1979. Moreover, the scope of

5. Ibid, p.227.

wider perspective is discerned in trilateral cooperation. Since the third party could come from a large number of countries (the U.S. and its Western allies), "the absolute number of potentially profitable trilateral cooperative ventures is likely to be much larger than the number of bilateral ones".⁶ Thus, the advantage of this kind of trilateral cooperation surfaced on the eighties in the area of economic cooperation between Egypt and Isarel. It is around this pattern that the normalisation of Egyptian-Isareli relations is based, where cooperation meant for Isarel, integration into the affairs of west Asia and north Africa.

Non-confronationist policy meant 'peace' in this region and bilateral negotiation between Egypt and Isarel involved "a more subtle psychological undercurrent, a new attitude and perception, among Egyptians that had possessed them ever since the October War and even before".⁷ It is also argued that the mass of Egyptians believed as expected that peace with Isarel would deliver them from their economic difficulties and other daily miseries.⁸

Perhaps, the desire for econmic stablity was the common interest of both the countries which could be ensured by 'peace'.

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6. Ruth Arad, Seev Hirschaul, Alfred Tovias; "The Economics of Peace Making : Focus on the Egyptian Isareli Situation", 1983, Mac Millian Press Ltd, London and Basingstoke, pp-71-82.
 7. P.J.Vatikiotis, "Arab and Regional Politics in the Middle East", (New York, 1984), p-228.
 8. Ibid, p.228.

War resulted in a sore economy and hardship for the people. People no longer wanted war, in the hope that country's resources would somehow and, in time, be diverted to the satisfaction of their immediate economic and social needs.

In the case of Isarel, Yom Kippur War had pushed the economy to the edge of cliff. With its massive trade deficit and overwhelming security burden, it had to grapple with unprecedented economic crisis. The economic crisis put an end of free scholarship for 14 years olds, a halving in the house-building programme; a two-thirds rise in unemployment, a 60% cut in food subsidies at a time when the price of many basic foods had already been rising three times faster than wayer; a cut in living standard etc.⁹ In the twelve months before the 1973 War, Isarel produced \$10,000 worth of goods and services and spent \$12,000 million. This gap was largely filled by American Aid, Jewish appeals and foreign investment. In 1973, it produced \$10,000 million and spent \$14,000 million, but the deficit could not be raised and by 1975, Isarel's foreign currency debts exceeded \$8,000 million or \$10,000 per family.¹⁰

Almost, all the rise in national expenditure had been in defense, which had doubled to more than \$3,000 million a year. In such a situation there emerged a View-Negotiate a peace settlement with the Arabs, make the necessary concessions,

9. Peter Kellner, "Isarel's Economy on the Brink", Middle East International, no.56, 1976, p-6.

10. Ibid, p-6.

reduce the necessity to spent so much on arms. A few left wingers and civil rights campaigners woke up with such an attitude, but they represented a small minority in the country. There were, however, indications that support for a serious negotiating position might appear from an unusual source : businessmen. One of the most articulate exponents of a negotiated peace was Meir Anirt, President of Isarel's largest corporation, Koor Industries, which was owned by the federation, Histadrut. The wish for peace was rooted in pragmatic rather than purely moral considerations.

Egyptian also believed that 'peace' would attract foregin investors and prompt the supposedly pro-Israelei banks and multi-national to take intereest in 'joint Egyptian-Israelei ventures. To some extent it proved to be so, because the head of Austria's Jewish community, the banker kahan, visited Cairo in 1979 and helped in negotiations for a fabulous \$1,800 million contract to moderzine Egypt's telecommunications system. A delegation of thirty-six Swiss-Jewish millionaries stated in Cairo that 'its visit would make a positive contribution to normalize relations between the Egyptian and Jewish peoples. Baron Edmond de Rothschild also paid a visit to Egypt and declared his radiness to finance construction projects.¹¹

The appeal for peace was greatest for the infatih capitalists who were expected to show the greateest dyanism.

11. Marie Christine Aulas, "State and Iedology in Republican Egypt; 1952-83", pp 133-166; 164 in Fred Halliday and Hamza Alavi; State and Ideology in the middle East and Pakistan, (London, 1988).

Any future cooperation with Isarel would enable them to adopt more rational practices and to undertake more daring initiatives. Osman Ahmed Osman came forward as a pioneer. He accompanied the head of state to Jerusalem and began to aruge that Egypt's future lay in high technology. His state funded Salheya Agricultural Project served this plsychological role, even though it proved to be an economic disaster.¹²

The possibility of economic cooperation between Egypt and Isarel is dominated by political consideration. Both parties are, of course, fully aware of the fact that peace between them is only the first step towards a comprehensive settlement of the Arab-Isarel conflict. As long as the prospects of a comprehensive settlement remains unclear, Egypt and Isarel are likely to refrain from taking steps inplying long-term commitments.¹³ In the longer run, economic relations will be influenced by the nature of the Peace-Settlement as well as the factors which normally affect economic relations between any pair of countries; such as their level of economic development, their relative abundance of complementary and competing resources and their policies towards international trade and investment.

The Peace Treaty singed between Egypt and Isarel in 1979 deals explicitly with economic relations between the parites in

12. Ibid, p-166.

13. Ruth Arad and others, n. 6, p-117.

Article 2 of Annex III. It sets out the basis of these relations as follows.

- i) The parties agree to remove all discriminating barriers to Article 2 of Annex III. It sets out the basis of these relations as follows.
- i) The parties agree to remove all discriminating barriers to normal economic relations, and to terminate boycotts of each other upon completion of the interim withdrawal.
- ii) As soon as possible, and not later than 6 months, after the completion of the interim withdrawal, the parties will enter negotiations with a view to conclude an agreement on trade and commerce for the purpose of promoting beneficial relations.¹⁴

Though there are several legal discriminations exercised against imports from and exports to the former enemy, the psychological barrier to trade with the former enemy is far more important hurdle of economic cooperation. Notwithstanding, there is a short-run prospects for economic relations between Egypt and Isarel. The short run being defined as the period perceding the establishment of a comprehensive peace. While overall economic cooperation and integration appears to be infeasible in case of these two ex-belligerent nations, the sectoral approach based on

14. Treaty of Peace between Isarel and the Arab Republic of Egypt; Instrument of-Ratification. Government Information Centre, Jeruslem, 1979, Annex III, p-1; in Ruth Arad and others, Ibid, p-118.

comprehensive economic integration, covering a limited sector, that is a single industry or a group of industries, seems possible. the textiles and clothing sectors are good example of possible sectoral approach of cooperation.¹⁵ It is notable that Egypt produces long-staple cotton which produce high quality yarn and farbic (such as poplins) where as Isarel produces medium-staple cotton. Further, exports of synthetic fibres from Isarel to Egypt appear to have good prospects in the short-run approach.¹⁶

Economic normalisation between the countries followed institutional lines and was subject to a variety of regulations. The key element at the start was Egypt commitment to supply Isarel with oil following the evacuation of the Southern Sinai Oil fields, occupied and worked by the Isareli since 1967. Egyptian oil sales to Isarel began on 26 November 1979, even before diplomatic relations were established.¹⁷ However, Egypt supplleid 2.5 million tons of crude oil annually, worth \$600 million, by 1982.¹⁸ In turn 1980, Isareli exports to Egypt totalled \$12 million and included banaas, apples, egg. chicks, Soyabeans, butter and paper.¹⁹ .ls1

15. Ibid, pp 128-130.

16. Ibid, p-131.

17. Middle East-International, December 1979.

18. Anlas, n.3, p230.

19. Middle East International, July, 1981.

Egypt and Isarel agreed on 6 November 1980 to open their land borders to commercial traffic.²⁰ But it was not until the end of March 1981, that the Egyptian people's Assembly (Legislature) ratified the agreement on commercial cooperation and the transformation of goods that was loaded on Egyptian trucks. In the Sinai, Isareli truck drivers were issued multiple entry visas, authorizing five border crossings in two months.²¹ Moreover, the commercial agreement opened the door to trade with Egypt's public sector, representing eighty-five per cent of its commerce.²²

A major Isareli contractor, Soheh-Boneh talked with Egyptian officials about a turn key housing programme near Helwan. the scheme involved building schools, hospitals and offices.²³ Again, Isarel offered help to set-up four 1000 acre farms in the Nile delta's Nuberiya area near Alexandria, as part of an agricultural cooperation agreement. It included Isareli provision of seeds, fertilizers, pesticides and irrigation equipment for the scheme. This scheme was planned to cover 250,000 acres of land. It also included joint fishing projects on the Dead Sea and Bardawil lake in north-Sinai. President Sadat in an effort to help promote settlement of the question of Palestinain autonomy and the Jerusalem issue. Even offered

20. MEED, 14 November, 1980.

21. MEED, 21 April, 1980. -

22. Aulas, n. 2, p-230.

23. MEED, 20 June, 1980.

to Isarel 1 million Cubic metres a day of Nile Water,²⁴ A special secretary was appointed at the Egyptian Ministry of Agriculture specifically to handle agricultural cooperation between Egypt and Isarel. Egyptian representative offices have been opened to market Isareli agricultural equipment in Egypt. The Tahal Company, a large Isareli semi-public enterprise that works the World Bank, took up land reclamation projects around the Farafra Oasis and Meidoun in Central Egypt.²⁵

Two sectors are particularly active in the econmic relations between the two countries. These are tourism and agriculture. President Sadat was reported to have told the Egyptian consulate in Tel Aviv that visa procedures for Isareli wishing to visit Egypt should not take longer than 48 hours.²⁶ The Egyptian Ministry of Tourism was requested from American-Isareli tourist agencies to include a visit to Isarel on the itinerary of Egyptian tours. Zim Isarel Navigation Company had an exculive agreement with Egyptian government for fowarding Cargo to Cairo by discharging at Alexendria Port. Freight and Trasnport rates were agreed, according to custom agrrangements.²⁷

However, despite the opening of the Hotel Sonesta in Taba in November 1982, the Ministry was reluctant to work with the Isareli counterpart.²⁸ The Taba dispute bedevilled Egyptian-

24. MEED, 28 November, 1980.

25. Aulus n .3, p-232.

26. MEED, 10 October, 1980, p-29.

27. MEED, 23 January, 1981, p-17.

28. Aulus, n. 3, p-231.

Isareli relations since the Isareli refused to Cede the 700-yard beach of Taba on the Gulf of Aqaba when they withdraw from Sinai in 1982. The Isareli alleged that Taba, was on the Palestinian side of an internationally recognised 1906 boundary between Egypt and what was then Ottoman-ruled Palestine. Egypt reiterated its claim over Taba in 1982 and complained to Isarel about the opening of an Isarel hotel on Taba beach, a small section of Sinai desert seashore, claimed as Egyptian territory. Not only that, Isareli exports to Egypt dropped, since the invasion of Labanon. The value of exports had fallen to \$800,000 a months from a previous \$1.25 million.²⁹ However, it was reported that Egypt's petroleum supplies to Isarel accounted for 20-22 per cent of total annual oil exports in December 1982. Again Isarel radio said that exports to Egypt, comprised mainly agricultural products worth \$2 million in October. Apart from oil Isarel imported only books and newspapers worth \$ 65,000 About 1,000 Isarelis were reported to cross the border each month.³⁰

The other dimension of normatisation of relations between id to Eygpt and Isarel, is the U.S. aid to Eygpt. Isarel's relations with Eygpt, follows its intrinsic affiliation with the Westren sphere of inflnence.³¹ Within the framework of Comp David, U.S. aid to Eygpt is inseparable from so-called normatisation with Isarel, the intensifying privatization of the

29. MEED, 12 November, 1982.
30. MEED, 3 December, 1982.
31. Aulas n. 3, p-226.

Egyptian economy, repressive legislation, dumping of U.S commodities and various manifestations of cultural imperialism.³²

The political function of U.S aid is clearest with regard to the security assistance program, which is intended to promote "stability in the areas where the United States has Special Security Considerations and where economic assistance is deemed useful in helping to support "Peace" or in promoting U.S. economic interests.³³ The political and strategic importance of Egypt is indicated by the very large amount of aid it received. In 1980, for example, Egypt and its 'Peace' partner Israel received \$1.5 billion of a total \$2 billion in economic support fund aid.³⁴

Thus the Us has become Egypt's major trading partner, its single most important source of aid, Virtually its sole source of armaments, and the provider of bulk of its basic grain needs.

The military cooperation between Egypt and America is remarkable. Chairman of the U.S. joint chiefs of Staff General David Jones discussed the possibility of military cooperation with Egyptian counterparts. U.S. and Egyptian forces held joint exercise in 1980 and Egypt temporarily allowed base facilities at Ras Banas to the U.S.³⁵ Besides, a nuclear-powered U.S. naval

32. Soheir A.Morsy, "U.S aid to Egypt: An Illustration And Account of U.S. foreign Assistance Policy," Arab Studies Quarterly, Vol 8, No.4, '1986, pp 358-389; pp- 358-59.

33. Ibid, P-360.

34. Waterbury (John), The Egypt of Nasser and Sadat, (Princeton, Princeton Univ. Press, 1983), pp 402-403.

35. MEED, 2 January, 1981.

vessel was allowed to pass through the Suez canal for the first time in 1984. The Suez canal Authority had in the past strongly opposed the requests, that the ban on nuclear-powered vessels in the waterway be lifted.³⁶ Again, joint naval manoeuvres with the U.S. took place on 5-7 November 1984. During the exercise—codenamed Sea wins E-2c Hawkeye early Warning and control aircraft were used for the first time in Egypt to coordinate fighter and anti-fighter guns.³⁷ Egypt has also signed nuclear cooperation agreements with Canada, France, West Germany, Italy, the U.K and the U.S. for Peaceful use of nuclear energy Egypt, also Signed nuclear cooperation agreement with Belgium.³⁸

Change in Egypt's policy also opened upto Egypt the European-market since 1974. While modest by the standards of Iran or Algeria, Egypt had upto 1980 drawn on nearly \$ 1 billion in Eurodollar loans. Over the same period Egypt's outstanding debt to the governments of Western Europe and Japan rose to \$ 1.2 billion with the FRG being the single largest creditor.³⁹ Many projects and construction works in Egypt have been financed by European countries like France, Spain, Belgium, West Germany. The Taylor Binnie and Partners of U.K had \$ 12.3 million (\$ 14.75 million) contract to manage and supervise the east bank section to the Greater Cairo waste water projects in October

36. MEED, 9 November, 1984, p-11.

37. MEED, 9 November, 1984.

38. MEED, 16 November, 1984.

39. Waterbury, n. 34, p-414.

1984.⁴⁰ Canada also agreed to provide \$ 34 m in grants and \$ 6 million in concessionary loans for a soil improvement scheme in the Dakahlia region. It was however conditional on the participation of Canadian firms.⁴¹

Egypt negotiations with the IMF, the World Bank, IBRD, the United States and Paris Club creditors have been acrimonious. In spite of huge loan given to Egypt, the economy is sore on account of perennial government deficit, which resulted due to high cost subsidy offered by the government, faulty pricing system, high internal interest rate etc. The Egyptian economy under Mubarak continues the infitah open door policy, though it has come under severe strains. Thus, it goes without doubt that the open door policy has globalized Egyptian economy and changed it into a free market economy; a convenient term used by the industrialised countries to exploit the natural resource and big markets of Third world countries.

The end result of the new policy orientation has been that Western Countries under the leadership of the U.S have come in a big way to Egypt. The U.S holds a great influence as a partner in the peace process and as the main broker of peace between Egypt and Isarel. By using its tremendous influence the U.S put pressure on Egypt to resume talk on palestinian autonomy with Isarel. Relation between the U.S and Egypt, based on gain and loss, has improved, so far the financial and military assistance

40. MEED, 19 October, 1984.

41. MEED, 26 October, 1984.

are concerned. But relations between Egypt and Israel have not been a smooth going affair. Though the peace treaty is intact but Egypt has tried a lot to regain the Arab world. Its various pro-Arab stances have made Egypt's keenness very explicit. It is no less important to note that Egypt has raised time and again the Palestinian issue and autonomy talk on West Bank and Gaza Strip. Moreover, several Arab issues have become impediments in the way of good bilateral relations between Egypt and Israel. Israeli invasion of Lebanon in July 1982, and Israeli involvement in the massacre of the Palestinians at the Shabra and Chatila refugee Camp in Beirut, led to freezing of relations between Egypt and Israel. Taba issue was another impediment which strained the bilateral relations.

It is however, important to note that despite the ups and downs of Egypt-Israel bilateral relations the two States have not repudiated the basis of their improved bilateral relations. Rather, the framework of that relationship, however inadequate that might seem to be, has become the basis of Arab-Israeli talks after the end of the Gulf War of 1991. No one denies that these relations still remain conflictual at the Arab-Israeli level but on other levels they have reached a stage where cooperation is not frowned upon as an un-Arab activity. That itself should be counted as a major landmark in cooperation among the two erstwhile antagonists.

CHAPTER IV

HINDRANCES OF COOPERATION

The normalisation of relations between Egypt and Israel received a jolt when Israel invaded Lebanon in June 1982. Israeli invasion was sought to be justified on the ground of an attempt by non-PLO Palestinians to assassinate the Israeli ambassador in London and the subsequent two-day artillery exchange between the Israeli Defence Force (IDF) and the PLO.¹ There were two major assumptions underlying the Israeli move. First, that the political power of the PLO and its influence on the West Bank could be eradicated if its territorial bases in Lebanon were destroyed. Second, that Israel's active intervention would help the Maronite Phalangists preserve hegemony over the more numerous Lebanese Muslim population. Such a phalangist government, dependent on Israel for its continued existence, was also expected to sign a peace treaty with Israel.

Thus, Israeli invasion of Lebanon soon after its withdrawal from the last part of Sinai was aimed at consolidated Israeli hold over Gaza and West Bank by liquidating PLO. This event put Hosni Mubarak, the Egyptian President, in a very awkward position. Egypt's Foreign Minister, Kamel Hasan Ali, called the invasion, a "devastating blow" to peace effort, Egypt decided to freeze negotiations with Israel on Palestinian autonomy besides also freezing trade with it. Again the massacre of the

1. MERI Report - Israel, (Croom Helm, 1985), p 40.

Palestinians at Shabra and Chatila refugee camps in Beirut and Isarel's involvements in it, put a halt to further improvement in relations between Egypt and Isarel. Egypt withdrew its Ambassador from Isarel and denounced 'the bestial Isareli acts in Lebanon'.

Relations between Egypt and Isarel were very strained, though the Peace Treaty remained intact. It was revealed when Egypt informed the US that it intended to resume talks on autonomy with Isarel only after Isarel had fully withdrawn from Lebanon. Thus, the Lebanese crisis heralded the era of cold peace between these countries, which proved to a great set back for the on-going Egypt-Isareli process.

Egypt had been accused that while it had signed the peace treaty with Isarel, it had sacrificed the interest of the Palestinians. Hence, Egypt was Keen to pursue the question of autonomy for the Palestinians, an issue that was agreed upon during the Camp David Agreeemnt. But that issue of autonomy for the West Bank and Gaza was another factor which exasperated Egypt against Isareli intransigence. As it is on record that, President Sadat had even offered in November 1980 of an added 'incentive 1 million Cubic metre a day of Nile Water, in exchange for settlement of the question of Palestinian autonomy and Jerusalem issue, Isarel did not respond favourably to it. The talk on the issues of West Bank and Gaza, was suspended in March 1982 over the Isareli demand that the meeting be held in Jerusalem. Egypt

refused the Isarel demand, since it did not want to recognize Isareli claims over the city. Thus, Isareli intransignece prevented the Camp David accord from providing the basis for a comprehensive peace settlement in West Asia. Minister of State for Foreign Affairs, Boutros Boutros Ghali, while commenting on the fourth anniversary of the pact, said on 26 March, 1983 that lasting peace had not been achieved because of Isarel's intransigence and (its) desire to annex the West Bank and Gaza.²

Apart from the above issues which obstructed a healthy bilateral relations between Egypt and Isarel, Taba issue was directly related to both the countries. As it has been mentioned elsewhere that the Taba dispute bedevilled Egytian-Isareli relations since the Isareli refused to cede the 700 yard beach of Taba on the Gulf of Aqaba when they withdrew from Sinai in 1982. The Isareli alleged that Taba was on the Palestinian side of internationally recognised 1906 boundary between Egypt and what was then the Ottoman-ruled Palestine.

Egypt fomally complained to Isarel about the opening of an Isareli hotel on Taba beach, and claimed Taba as Egytian territory. President Mubarak said, "We are prepared to resume talk on Taba and hope it will be settled by peaceful means". Isarel was reported to have agreed to talks provided wider issues

2. MEED, 1 April 1983.

concerning bilateral relations were discussed. The Avia Soneste hotel in disputed Taba area was opened formally in November 1982.³ It is argued that Taba issue was a useful shield with which Egypt, warding off Isareli overtures and US attempts to warm up the Egyptian-Isareli peace. It is also argued that behind Taba issue, lurked a host of other reasons why the Egyptians tried to keep the Isareli at arms length. At home, peace with Isarel had become a sensitive political and the opposition parties with religious overtones regarded the peace with a passionate hatred.

Reportedly, in his meeting in September 1984 with the Isarel's Prime Minister, Shimon Peres, the Egyptian charge 'Affairs in Isarel, Muhammad Basyuni, had stated that Isarel must withdraw from Lebanon, improve relations with the Palestinians and resume negotiations over Taba in order to enjoy improved relations with Egypt. It was also hinted that the Egyptian ambassador might return to Tel Aviv following on IDF withdrawal from Lebanon Mubarak had also declared that the return of Egypt's ambassador to Isarel was linked to Isarel's complete withdrawal from Lebanon and progress on the Taba and Palestinian issues.⁴

These differences were not expressed exclusively from the side of Egypt against Isarel. Isarel also noted some events as a sign of break in the bilateral relations between the two .ls1

3. MEED, 5 November 1982.

4. MENA, December 6, 1984; in Mideast file, 1986, Vol 4, no.2, (2030), pp 181.

countries Yasser Arafat's meeting in Cairo with President Hosni Mubarak was as dramatic an event as the late Sadat's trip to Jerusalem to address the Israeli Knesset in November 1977. Israeli officials complained to a senior Egyptian official who had travelled to Israel shortly after the visit of Arafat, that it was a severe blow to the peace process. However, Palestinian participation in the peace negotiation had from the outset been the Egyptian policy.

Egypt handled both situations with utmost care to maintain normal relations with Israel in line with the peace treaty. The first event helped Egypt's rehabilitation in the politics of Arab nations. Though nothing came of Arafat's initiative, but it came at a particularly convenient time for the Egyptian leader who was facing one of the worst prospects on the foreign front with the announcement between Israel and the United States of closer strategic cooperation. The Arafat-Mubarak meeting showed, if nothing else, that Egypt's relegation to the sidelines, could not be taken for granted any longer. With regard to second event, Egypt denounced the murder of Israeli diplomat in Cairo, and the Egyptian Minister of Tourism resumed his plans to visit Israel.⁵

Egypt's Minister of Tourism, Wajih Muhammad Shindi affirmed that all restrictions on travel by Egyptians to Israel were lifted after the withdrawal of Israeli troops from Lebanon. Egypt wanted a balanced tourism between Israel and itself. In

5. Economists, Vol 296, no.7409, August 31, 1985, pp 40-43.

1984, 37,000 tourists including those from a third country, went from Isarel to Egypt, while 60,000 travelled from Egypt to Isarel.⁶ Reportedly agreements were reached in July 1985 between Isarel's Ministry of Energy and Infrastructure and Egypt's Ministry of Electricity and Energy on Isarel's willingness to help Egypt convert its electricity generating facilities to coal. They also agreed to cooperate in developing alternative energy sources.⁷

Relations between Egypt and Isarel, again received a jolt following the Isareli raid on PLO headquarters in Tunisia in early October 1985. Negotiations over Taba were suspended and chances for a summit between Isarel's Prime Minister Shimon Peres and Egypt's President Husni Mubarak disappeared. Though the delegates of Egypt-Isarel talks maintained that the first priority was to restore communications, cut after Isareli raid on PLO headquarters in Tunisia, the Taba border dispute, the return of Egypt's ambassador to Isarel and the normalisation of relations were among the topics to be discussed.

In 1986 the framework of Peace Treaty was retained. The border between th two countries remained peaceful. There was some trade in oil and embassies were exchanged. However the peace disappointed both, the Isarelis who expected warmth and friendship from Egypt and not just the absence of War and the

6. Jerusalem Post, August 22, 1985.

7. Voice of Isarel, July 8, 1985, and SWB, Weekly Economic Report, July 23, 1985, Mideast File, opcit, no.4, p 30.

Egyptian, who believed that peace would help overcome Egypt's economic hardship, lead to a solution of the Palestinian problem and serve as an example to other Arab states. In March 1986, Avraham Sharir, the Isareli Minister of Tourism, stated that Egypt and Isarel had signed a tourism agreement and Egypt had lifted all restriction on mutual trade and tourism. Foreign Minister Yitzhak Shamir stated that Egypt should ensure peace by actions rather than promises. In June 1986, joint ventures were conducted between private entrepreneurs and the transactions expedited through a third country such as Greece, Cyprus or Turkey. It was held that Egypt's private market, comprising about 10 per cent of the economy could absorb all of Isarel's export surpluses, both in agriculture and in industry. The companies involved preferred to avoid publicity. Koor industries and Agrexco maintained offices in Egypt and conducted business there on a regular basis. It was reported in June 1986 that trade with Cairo reached about 70 mm.⁸

Egypt-Isarel relations improved in 1986 : In a commentary by Tom Porteous on the achievement of the Egyptian-Isareli summit meeting in Alexenderia in September, 1986, it was claimed that Egyptian President Hosni Mubarak and Isareli Prime Minister Shimon Peres, achieved an agreement on an international

8. Tzamar, Auram Ha'aretz, June 15, 1986, p 1, (Hebrew), in Mideast file, opcit, no.4, p-541.

conference.⁹ However, PLO maintained its refusal to accept UN resolution which implicitly recognised Israel and the US adamantly refused to deal with the PLO. Egyptian-Israeli relations did improve after the talks, symbolized by the return of Egypt's ambassador to Israel, but many Egyptian and other Arab opposed this normalisation.

Differences in major issues including PLO participation and Palestinian self-determination could not be narrowed because the Summit came too late during Shimon Peres's term and before Yitzhak Shamir took office and was harmed by the ongoing Taba dispute. However, it allowed Egypt to strengthen its economic and political ties with US.¹⁰

A joint communique was issued following the meeting between Egypt's President Husni Mubarak and Israel Prime Minister Shimon Peres in Alexandria on 11-12 September 1986. The arbitration regarding Taba issue enabled the two sides to declare 1987 to be the year of negotiations for peace. Mubarak added that the two sides agreed on an international peace conference towards solving the Palestinian problem. However, differences between Egypt and Israel surfaced over PLO participation at an international peace conference, following a meeting between President Husni Mubarak and Israel Foreign Minister Shimon Peres in February, 1987. Peres believed that the PLO should be excluded from the

9. Porteous, Tom, "The Alexandria Summit : Just a Publicity Shot ?" Middle East International, no 284, September 26, 1986, pp 3-4.

10. Economists, Vol 300, no 7464, September 20, 1986, pp 53-54, 59.

conference because it was a terrorist organisation and he also refused a joint Jordanian-PLO approach to peace negotiations. Egypt maintained that the Palestinians should choose their own representatives to such a conference.¹¹

Egyptian perceptions of Isarel had undergone a change since the visit to Jerusalem in 1977 of President Anwar Sadat. Isarel no longer figure as a separate subject in Egyptian books but is increasingly viewed in the context of international regional and inter-Arab relations. Although the attitude may not be less hostile than before, Isarel is being treated as a state among other states. Moreover, the states bordering Isarel : Egypt, Jordon, Syria and Lebanon, have all come to terms with Isarel and adjusted form of accomodation. These accomodations are based on a cost-benefit calculus which recognizes Isarel's superior military strength and staying power and the Arab weakness.¹²

So far as the negotiations regarding an Arab-Isareli peace settlement is concerned, it is argued that Isareli policy of inaction has had limited success but it could not replace a long term plan.¹³ The PLO and the Arab countries have moderated their position regarding Isarel. They have moved towards an implicit recognition of the UN Security Council Resolution 242.

11. Tom, Porteous; Middle East International, no, 295, March 4, 1984, pp 9-10.

12. Miller Aaron, David, "Chaging Arab attitudes towards Isarel", Obris, Vol 32, no 1, Winter 1988, pp 69-81.

13. Michael, Curtis, "Camp David and Beyond", Middle East Review, Vol 20, no 1, Fall 1987, pp 3-12.

The Palestinian uprising in the West Bank and the Gaza called the intefida, added further complication to the Egypt-Isarel relations. Egyptian President Husni Mubarak had tough time confronting the critics from both the right and left who had united temporarily and had demanded a harsh response to Isarel's suppression of the riots which were initiated by the Palestinians in the West Bank and the Gaza Strip in 1987. The opposition demanded that Mubarak should abrogate the the peace treaty with Isarel. But he remained convinced that the way to full Arab-Isareli peace lies through an international conference at which Palestinians and Isarelis would come to acknowledge each others rights. This stand also assures continued US financial aid. As noted earlier, Egypt-Isareli relations were constantly subjected to the pressure of a comprehensive Arab-Isareli peace, including the settlement of the Palestinian question. In that context, the attitude of Egypt and Isarel to various 'peace' proposals assume great significance. After the conclusion of 1979 Peace Treaty, a number of peace initiatives were proceeded, though none of them has able to bring a comprehensive peace of the Arab, Isareli conflict. A brief study of several peace initiatives are as follows :-

On 13, June 1980 the European Community (EC) issued a 11-point declaration which was more open on the question of PLO participation than American positions, but was also more explicit in its concern and recognition of Isarel than Arab positions.

This declaration was rejected by Isarel and the PLO, but was received positively by the Egyptian government.

The Reagon plan, announced on 1 September 1982, was an extension of the Camp David process; but was more precise in some areas where Camp David Accord was intentionally vague. The Isareli Government rejected the plan because, as the Isarelis said, it deviated from and contradicted the Camp David agreement. The Arabs neither accepted nor rejected the Reagon Plan.

On 9 September 1982, the Arab world (with the exception of Libya) reached a consensus on principles for peace in West Asia. The Fez plan was derived from a eight-point declaration issued by Saudi-Arabian king Fahd on 6 August 1981. The plan was significant because it implied recognition of Isarel's right to exist and was based on UN resolution, including Security Council Resolution 242 of 1967. President Reagon called the 1981 Fahd Plan a hopeful sign and a starting point for negotiations. Official US statements, following the September 1982 Fez Plan, were equally positive. The Fez summit did not reject the Reagon Plan, announced only days earlier, despite the clear divergence on the question of a Palestinian State. The PLO, in its National Council Meeting in Algeria in February 1983, endorsed the Fez-Fahd Plan as "the minimum for political moves by the Arab states".

On 15 September 1982, Leonid Brezhnev announced a 6 point peace plan, closely paralleling the Fahd Plan of August 1981 and

the Fez Plan of 9 September 1982. Brezhnev suggested that permanent members of the Security Council could serve as guarantors for the settlement. On 29 July, 1984, the Soviet news agency Tass announced a Soviet Peace Plan, similar to the previous Soviet proposals on the reconvening of the Geneva conference. Co-chaired by the US and USSR, to address comprehensive peace based on total, Israeli withdrawal from the occupied territories. The Soviet proposal called for the creation of a Palestinian State, with all borders guaranteed by the Security Council. The Soviet proposal was rejected by Israel and applauded by all the Arab States.

On 11 February 1985, the PLO and Jordan announced that they had reached agreement on a formula for a joint action in future peace negotiations. Egypt's President Husni Mubarak interpreted Article 5 of the joint agreement, the Call for an international conference, as the final step to approve a solution reached through direct Arab-Israeli talks. Israel's Prime Minister Shimon Peres responded positively to Mubarak's proposal. Mubarak suggested that the United States meet with the Jordanian-Palestinian joint delegation as a preliminary step to full talks.

Egyptian President Husni Mubarak called for a 6-month moratorium on violence in the occupied territories, a halt to all Israeli settlement activities; respect for the Palestinian Peoples' political rights and basic freedoms; an international

force to guarantee Palestinian safety, and efforts to convene an international peace conference.

The Egyptian President discussed his proposals with US envoys, in late January, but the Mubarak initiative apparently was undertaken by the Shultz initiative in February 1988.

US Secretary of States, George Shultz was unable to convince Israeli Prime Minister Yitzhak Shamir to agree to an international peace conference, to accept the land-for peace formula incorporated in UN Resolution 242 and 338, or to commit Israel to negotiations on the final status for the territories. In June 1988, Secretary Shultz ended his peace initiative. Some observers suggested that the primary reason for the Shultz initiative was the hope that peace talks would defuse the Palestinian uprising (intifadah) against Israeli occupation that had begun in Gaza on 9 December 1987.

Israeli Prime Minister Shamir rejected the Shultz proposal. Thirty US Senators sent Secretary Shultz a letter on March 4, voicing their "dismay" at Shamir's statement that he rejected the territory for peace formula embodied in UN Resolution 242.

Prior to the Arab Summit meeting at Algiers on 7 June, Bassam Abu Sharif, an advisor to Arafat, released a paper that recognised the Jewish people's need for a homeland, offered direct negotiations between the PLO and Israel, suggested a West Bank/Gaza referendum to select a Palestinian negotiating delegation if Israel did not accept the PLO, and accepted a UN

Peacekeeping force on the Palestinian side of a border with Isarel. Subsequently, Palestine National Council meeting in Algiers on 12-15 November 1988 accepted UN Resolution 242 and 338, which included an implied, but not explicit recognition of Isarel, renounced terrorism, and declared the formula of an independent Palestinian State in the West Bank and Gaza Strip. Arab State immediately recognised the new announced state despite the absence of a government or sovereign territory. Isarel dismissed the declaration and the United States said that the statements were ambiguous.

President Yasser Arafat clarified the PLO position by repeating the PLO acceptance of Isarel, Resolution 242 and 338 and the renunciation of terrorism, during his speech at the UN General Assembly meeting in Geneva on 13 December 1988. The meeting was held in Geneva after the United States refused Arafat a visa. Again Arafat clarified his remarks in a press conference the next day. The State Department announced on 14 December that the PLO had met the US conditions and that a US representative would meet the PLO on 16 December in Tunis. Isarel complained that the United States violated the 1975 pledge not to recognise or negotiate with the PLO.

Prime Miniter Shamir offered a peace plan during his visit to Washington in 12-16 April 1989. Apart from asking for the renewal of commitment to Camp David and Peace to Egypt and United States, Shamir asked the US and Egypt to persuade Arab States to

end their hostility toward Isarel and accept negotiations. Isarel offered West Bank/Gaza Palestinians elected without PLO intimidation, to form a delegation that would agree in advance to negotiate an interim settlement that would be followed by negotiations for a final settlement.

On 2 May 1989, Arafat told a Press Conference in Paris after his meeting with President Mitterrand that the 1968 Palestine National Charter was suspended. Isarel had claim that the PLO charter called for the destruction of Isarel, and that the PLO could not become a party to negotiations until the PLO changed its charter.

The attitude of the new US administration was not a favourable towards Isarel as it used to be in the past. On 22 May 1989, in a speech at the American Isarel Public Affairs Committee (AIPAC), of the Secretary of State, James Baker, reiterated that the United States believed in a comprehensive settlement, with a transition period and not in a dictaed solution to the Palestine problem. Secretary Baker said that Isarel should stop its settlement activities and end the annexation plans intended to create "greater Isarel". Baker said that the PLO should also amend its covenant, end violence, and seek a peaceful dialogue with Isarel. Isareli Prime Minister Shamir retaliated by saying that Isarel did not accept the Baker statement and called the statement "useless".

In early July 1989, Egyptian President Hosni Mubarak secretly offered a 10-point proposal for conducting election in the occupied territories. However, it was made public on 11 September 1989. Palestinian reaction to the 10-points was mixed.

Some Palestinians said that the plan failed because it did not call for an independent Palestinian State, others stated that the 10-points were a good starting point for peace negotiations. The Isareli Labour Party accepted the commitment for final status of the territories, voting for east Jerusalem Arabs, a halt to new settlements, and a commitment to the exchange of land for peace incorporated in UN Resolution 242. The Isareli Likud Party rejected all the 10-points. On 6 October 1989, the Isareli Cabinet voted 6 to 6, and therefore defeated, a motion to accept Mubarak invitation to go to Cairo to meet with Palestinians and discuss the 10-point plan.

Thus, the solution of the over-all Arab-Isareli dispute continued with the chief impediment to the greater cooperation between Egypt and Isarel. Egypt, under President Anwar Sadat, had taken a bold step in signing the Camp David Accord and the Peace Treaty and had even accepted the isolation and boycott of the Arab-Islamic States. However, even Sadat had realised that Egypt-Isarel peace treaty and normalisation of relations were finally conditional upon the settlement of the over-all Arab-Isareli conflict, especially the Palestinian question. Egypt could not negotiate on behalf of Syria or Jordon but it did

incorporate certain common agreement vis-a-vis. The Palestine question as its accord with Isarel that were guarenteed even by USA. The Isareli rejection of those accord has not only widened the rift between Egypt and Isarel but also between Isarel and U.S.A. Indirect, this is a major gain for the Arabs in general and more particularly for the Palestinian who are getting greater support from the U.S.A. than ever before.

CONCLUSION

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The change from the policy of conflict to cooperation between Egypt and Israel has a far reaching impact on the politics of West Asia and North Africa. This shift is generally attributed to the pragmatic policy of Anwarel-Sadat who wanted to get over the burden of Yegular War and the economic cleverages that Egypt was facing. This is discerned also from the reversal of Egyptian committment to the policies and resolution of the Arab-League. For Israel, it was a very important gain because it wanted to deal each Arab-State separately. Moreover, the political recognition by an Arab State in the map of this region was an important acheivement for Israel. Egypt being the Staunch supporter of 'Pan-Arab' movement had sought peace and cooperation with Israel. It was seen as harbinger of a comprehensive peace between Israel and the Arab States in this region.

The bilateral relations between Egypt and Israel integrated into the Cold War rivalry and the strategic linkage between USA and Israel and USSR and Egypt as well as Syria had got reflected in the new alignment of forces on the eve of the Arab-Israel War of June 1967. Unlike 1956, when USA and USSR were against the agressors for their own reasons, in 1967 the politics in the UN was governed purely by Cold War considerations; with USA fully backing Israel and USSR supporting the Arabs. The ceasefire resolution of June 1967, however, did not bring peace and armed confrontation continued especially between Egypt and Israel.

Though Gamel Abdel Nasser continued his struggle against Israel, the negative response of the other Arab States broke his confidence. It was so because Egypt bore the heaviest loss in the several Arab-Israel conflicts. One of the reasons for Egypt's accepting Rogers' Peace Plan in July 1970 is attributed to this negative response of the Arab States.

Anwarel-Sadat who succeeded Gamel Abdel Nasser, had different sets of priorities in both domestic and foreign policies. In domestic matters, Egypt gradually began to replace the single party system with multiparty system. The socialistic policy was also reversed and open door policy (infitah) was substituted by Anwar Sadat. In foreign policy Egypt began to give importance more to Egyptian interests rather than to "Pan-Arab" interests. Sadat sought US help in arriving at a negotiated settlement with Israel, because he was disillusioned with the USSR, the old friend. It was due to sharp decline of faith between Egypt and USSR. Though Sadat kept USSR on good humour by signing Treaty of Friendship in 1971, he also hinted to get along with the Western Countries and especially with the USA. Henry Kissinger reaped the benefit by mediating in two disengagement agreements between Egypt and Israel. He also diluted the 'Oil Weapon' which acted as a catalyst in putting pressure on the Western nations and the USA during and after the October War. The whole process put USA on a high pedestal in the Super power rivalry. The Egyptian-Israeli disengagement

agreements of 1974 and 1975 started Sadat on the road to the American sponsored peace. But the Egypto-American-Israeli strategic alliance was established at the expense of Egypt's traditional role in the Arab-World. Owing to the Peace Treaty of 1979 between Egypt and Israel, the Arab States boycotted Egypt.

Egypt's relation with most Arab States improved dramatically in late 1980s. Since the assassination of Sadat Hosni Mubarak has seized every opportunity to improve Egypt's Arab credentials. He embraced Yasser Arafat's cause as the PLO Leader. Despite this boycott of Egypt in the eighties, the Arabs themselves began to offer several peace plans to settle Arab-Israeli conflict including the Palestinian question. A common approach to the Palestinian question was one issue which brought Mubarak and King Hussein together when Jordan became the first Arab State to restore formal diplomatic relations with Cairo after the 1979 Arab boycott. Hosni Mubarak also severed diplomatic relations with Israel due to Israel's attack on Lebanon in June 1982. Likewise, whenever Mubarak found appropriate environment to restore healthy relations with Arab-States, he never missed the chance. It was a mark of Mubarak's political finesse that he improved Egypt's relations with most Arab States without appearing at any moment to have begged for Arab forgiveness for Camp David, and without going back on his peace with Israel and Egypt relation with Washington. In 1986, Mubarak also met the then Prime Minister of Israel, Shimon Peres in Alexandria and

thus forestalled any Israeli complaints that he had improved his position among the Arabs at the cost of damaging peace with Israel. The United Arab Emirates, Iraq, Morocco, Bahrain, North Yemen and Saudi Arabia announced that they were restoring formal relations with Egypt.

In case of relations between Egypt and Israel, cooperation is more likely to begin in the field of avoidance of conflict. It is passive rather than active cooperation where the significance of passive cooperation is far more important than what the passivity connotes. Moreover, Egypt and Israel are experiencing bilateral cooperation in two important economic sectors; tourism and agriculture. In other areas, cooperation is not very significant. However, the possibility of economic cooperation is dominated largely by political consideration. It depends upon the prospect of comprehensive peace settlement of Arab-Israeli conflict. Further, the psychological barrier to trade with the former enemy is far more important hurdle in economic cooperation. The other dimension of normalisation of relations between Egypt and Israel is the US aid to Egypt. Thus US holds a great influence as a partner in the peace between Egypt and Israel. The US and its western allies are having favourable terms of trade with Egypt owing to infitah policy of Anwarel-Sadat, which is being carried on by the Mubarak government.

The framework of this relationship, however inadequate that

might seem to be, has become the basis of Arab-Israeli talks after the end of the Gulf War of 1991. Though these relations still remain conflictual at the Arab Israel level but on other levels they have reached a stage where cooperation is not frowned upon as an un-Arab activity. It is a fact that, Egypt could not negotiate with Israel on behalf of Syria or Jordan but it did incorporate certain common agreement vis-a-vis the Palestinian question in its accord with Israel that were guaranteed even by USA. Indirectly, this is a major gain for the Arabs in general and more particularly for the Palestinians who are getting greater support from the USA than ever before.

Iraq's invasion of Kuwait on 2nd August, 1990, put Egypt in a quandary. On 3 August 1990, Egypt issued a carefully worded statement calling for the immediate withdrawal of Iraqi troops from Kuwait. This was an opportunity for Egypt to retain the regional pivotal role which had been threatened by Saddam Hussein's various actions. The crisis also provided opportunity for Egypt to be welcomed back to the Arab Camp after its ouster from it because of the signing of the Peace Treaty (1979) with Israel. Thus it was quite obvious for Egypt to be active in this crisis.

Mubarak held meetings with the leaders of Jordan, Yemen and the PLO to articulate the need to find an Arab solution to the crisis. But this stance of Egypt came under pressure around 7-8 August when the US made it clear that US military and economic

aid to Egypt would be stopped, if it was not supportive of the former's policy towards the crisis.¹ Being a client state, Egypt had to fall in line with the US. Moreover, Arab Summit's inability to unanimously condemn the aggression and demand Iraq's withdrawal, left Mubarak disillusioned. Egypt decided to support the international effort to remove Iraq from Kuwait. It endorsed all security council resolution, allowed Suez Canal to be used by the US Warship. Egypt contributed approximately 35,000 troops to the multinational forces. Hosni Mubarak stated that the Egyptian troops in the Gulf were under Saudi command and that were purely for the defensive purposes. The emphasis on the defensive purposes. The emphasis on the defensive nature of Egyptian deployment in the Gulf was the design to defuse any popular restiveness. The west hailed Cairo's courage to give support to the former to stand against an Arab country. The US wrote off a large part of Egyptian military loan. The estimated loss from the Iraq-Kuwait war amounted to more than \$20 billion. But it is reported that the US persuaded other western countries to reduce Egypt's \$35 billion debt by 50 per cent. The GCC states have floated a fund of \$10 billion and Egypt is principal beneficiary of it. Apart from writing off the debt to Egypt, USA has also decided to waiver \$115 million from Egypt's overall commitment of \$815 million in 1989-90. Five grant agreements of \$2789 million

1. Sreedhar, War For Kuwait : An Indocentive View (ABC) Publishing House, New Delhi, 1991), p.47.

have been signed under the auspicious of US AID programme on 21 August 1990 to strengthen the infrastructural base of the country.²

Besides, Egypt has been benefitted in 1991, by the various soft loans and grants of financial aid by the western powers. Finland signed an agreement by which Egypt will get FM 36 million as a grant to be used in potable water and sewage projects.³ The Portuguese government has agreed to write off a \$3.2 million loan owed by Egypt due to its positive role in the Gulf Crisis.⁴ Belgium offered Egypt a loan of \$10 million to be paid back over 30 years after a 10 year grace period. Belgium also offered for a joint contribution to a number of reconstruction projects in Kuwait, in which Egyptian firms would offer trained manpower.⁵ The Japanese government offered Egypt a \$176 million of soft loan. Apart from that a number of projects have been financed by the African Development Funds.⁶ Moreover, Egypt won a \$524 million World Bank loan package to help ease its transition to a market economy. Included in the package is a \$300 million structural adjustment loan to support Egypt's budget, now running at a deficit equal to around 10 per cent of gross domestic product.⁷

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2. Pant. G. "Economic Impact of Gulf Crisis", National Seminar on Gulf Crisis, 25-26 October 1990, SIS, JNU, p.24-25.
 3. Economic Review of the Arab World, Vol.XXV, no.4, April 1991, p.4.
 4. Ibid., p.4.
 5. Ibid., p.5.
 6. Economic Review of Arab World, no.10, October 1991, p.6.
 7. Economic Review of Arab World, no.6, June 1991.

Thus, the Egyptian response to the Gulf Crisis was a pragmatic one. It had allied itself with the winning side and had proved its worth in the process. Egypt was accepted back into the Arab community and it prepared the ground for Egypt to play a dominant role in subsequent Arab politics.

The post war Arab-Israeli peace process initiated by USA has enabled Egypt to play a crucial role. Not only is Egypt close to Israel and USA but also to other Arab States and especially to the Palestinians. Egypt has taken an active part not only in pre-Madrid conference diplomacy but also during the five conferences held so far. Its position was very clear. The Likud-led government in Israel had blocked the peace process by its refusal to accept 'land for peace' framework and had refused to discuss the return of occupied Arab-territories. Egypt had taken a strong exception to that, so also had USA. Now, with the formation of the new Labour-led government in Israel. It is expected that the Arab-Israeli peace process might get a new lease of life. In that case Egypt is destined to play a crucial role in the new peace process. If Egypt can succeed in helping to evolve an acceptable peace formula that will be a major contribution to strengthening Egypt-Israel cooperation.



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APPENDIX

APPENDIX I

CAMP DAVID : THE FRAMEWORK OF PEACE IN THE MIDDLE EAST

Muhammad Anwar al-Sadat, President of the Arab Republic of Egypt, and Menachem Begin, Prime Minister of Israel, met with President Carter of the USA at Camp David from 5 September to 17 September 1978, and agreed on the following framework for peace in the Middle East. They invited other parties to the Arab-Israeli conflict to adhere to it.

GENERAL SURVEY

Preamble:

The search for peace in the Middle East must be guided by the following:

The agreed basis for a peaceful settlement of the conflict between Israel and its neighbours is Un Security Council Resolution 242 in all its parts.

The historic initiative by president Sadat in visiting Jerusalem and the reception accorded to him by the Parliament Government and people of Isarel, and the reciprocal visit of prime Minister Begin to Ismailia, the peace proposals made by both leaders, as well as the warm reception of these missions by the peoples of both countries, have created an unprecedented oppourtunity for peace which must not be lost if this generation and future generations are to be spared the tragedies of war.

The provisions of the Charter of the UN and the other accepted norms of international law and legitimacy now provide

accepted standards for the conduct of relations between all states.

To achieve a relationship of peace, in the spirit of article 2 of the UN Charter, future negotiations between Israel and any neighbour prepared to negotiate peace and security with it, are necessary for the purpose of carrying out all the provisions and principles of Resolutions 242 and 338.

Peace requires respect for the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force. Progress toward that goal can accelerate movement towards a new era of reconciliation in the Middle East marked by co-operation in promoting economic development in maintaining stability and in assuring security.....

Framework

Taking these factors into account, the parties are determined to reach a just, comprehensive and durable settlement of the Middle East conflict through the conclusion of peace treaties based on Security Council Resolutions 242 and 338 in all their parts. Their purpose is to achieve peace and good neighbourly relations. They recognize that, for peace to endure, it must involve all those who have been most deeply affected by the conflict. They therefore agree that this framework as

appropriate is intended by them to constitute a basis for peace not of its other neighbours which is prepared to negotiate peace with Israel on this basis. With that objective in mind, they have agreed to proceed as follows:

A. West Bank and Gaza

1. Egypt, Israel, Jordan and the representatives of the palestinian people should participate in negotiations on the resolutions of the Palestinian problem in all its aspects to achieve that objective, negotiations relating to the West Bank and Gaza should in three stages.

(A) Egypt and Israel agree that, in order to ensure a peaceful and orderly transfer of authority, and taking into account the security concerns of all the parties, there should be transitional arrangements for the West Bank and Gaza for a period not exceeding five years. In order to provide full autonomy to the inhabitants, under these arrangement the Isreali military goverment and its civilian administration will be withdrawn as soon as a self-governing authority has been freely seected by the inhabitants of these areas to rep;ace the existing military government.

To negotiate the details of transitional arrangement, the Government of Jordan will be invited to join the negotiations on the basis of this framework. These new arrangements should give due consideration to both the principle of self-government by the

inhabitants of these territories and to the legitimate security concerns of the parties involved.

(B) Egypt, Israel and Jordan will agree on the modalities for establishing the elected self-governing authority in the West Bank and Gaza. The delegations of Egypt and Jordan may include Palestinians from the West Bank and Gaza or other Palestinians as mutually agreed. The parties will negotiate an agreement which will define the powers and responsibilities of the self-governing authority to be exercised in the West Bank and Gaza. A withdrawal of Israeli armed forces will take place into specified security locations.

The negotiations shall be based on all the provisions and principles of UN Security Council Resolution 242. The negotiations will resolve, among other matters, the location of the boundaries and the nature of the security arrangements. The solution from the negotiations must also recognize the legitimate rights of the Palestinians will participate in the determination of their own future through:

- (i) The negotiations among Egypt, Israel, Jordan and representatives of the inhabitants of the West Bank and Gaza to agree on the final status of West Bank and Gaza and other outstanding issues by the end of the transitional period.
- (ii) Submitting their agreement to a vote by the elected representatives of the inhabitants of the West Bank and

Gaza.

(iii) providing for the elected representatives of the inhabitants of the West Bank and Gaza to decide how they shall govern themselves consistent with the provisions of their agreement

(iv) Participating as stated above in the work of the committee negotiating the peace treaty between Israel and Jordan.

The agreement will also include arrangements for assuring internal and external security and public order. A strong local police force will be established, which may include Jordanian citizens. In addition, Israeli and Jordanian forces will participate in joint patrols and in the manning of control posts to assure the security of the borders.

(C) When the self-governing authority (administrative council) in the West Bank and Gaza is established and inaugurated, the transitional period of five years will begin. As soon as possible, but not later than the third year after the beginning of the transitional period, negotiations will take place to determine the final status of the West Bank and Gaza and its relationship with neighbours, and to conclude a peace treaty between Israel and Jordan by the end of the transitional period. The negotiations will be conducted among Egypt, Israel, Jordan and the elected representatives of the inhabitants of the West Bank and Gaza.

Two separate but related committees will be convened; one committee, consisting of representatives of the four parties which will negotiate and agree on the final status of the West Bank and Gaza, and its relationship with its neighbours; and the second committee, consisting of representatives of Israel and representatives of Jordan to be joined by the elected representatives of the inhabitants of the West Bank and Gaza, to negotiate the peace treaty between Israel and Jordan, taking into account the agreement reached on the final status of the West Bank and Gaza.

2. All necessary measures will be taken and provisions made to assure the security to Israel and its neighbours during the transitional period and beyond. To assist in providing such security, a strong local police force will be constituted by the self-governing authority. It will be composed of inhabitants of the West Bank and Gaza. The police will maintain continuing liaison on internal security matters with the designated Israeli, Jordanian and Egyptian officers.

3. During the transitional period, the representatives of Egypt, Israel, Jordan and the self-governing authority will constitute continuing committee to decide by agreement on the modalities of admission of persons displaced from the West Bank and Gaza in 1967, together with necessary measures to prevent disruption and disorder. Other matters of common concern may also be dealt with by this committee.

4. Egypt and Israel will work with each other and with other interested parties to establish agreed procedures for a prompt, just and permanent implementation of the refugee problem.

GENERAL SURVEY

B. Egypt-Israel

1. Egypt and Israel undertake not to resort to the threat or the use of force to settle disputes. Any disputes shall be settled by peaceful means in accordance with the provisions of article 33 of the charter of the UN.
2. In order to achieve peace between them, the parties agree to negotiate in good faith with a goal of concluding within three months from the signing of this framework a peace treaty between them, while inviting the other parties in conflict to proceed simultaneously to negotiate and conclude similar peace treaties with a view to achieving a comprehensive peace in the area. The framework for the conclusion of a peace treaty between Egypt and Israel will govern the peace negotiations between them. The parties will agree on the modalities and the timetable for the implementation of their obligations under the treaty.

Associated Principles

1. Egypt and Israel state that the principles and provisions described below should apply to peace treaties between

Israel and each of its neighbours - Egypt, Jordan, Syria and Lebanon.

2. Signatories shall establish among themselves relationships normal to states at peace with one another. To this end, they should undertake to abide by all the provisions of the Charter of the UN. Steps to be taken in this respect include :
 - a) Full recognition.
 - b) Abolishing economic boycotts.
 - c) Guaranteeing that under their jurisdiction the citizens of the other parties shall enjoy the protection of the due process of law.
3. Signatories should explore possibilities for economic development in the context of final peace treaties, with the objective of contributing to the atmosphere of peace, co-operation, and friendship which is their common goal.
4. Claims commissions may be established for the mutual settlement of all financial claims.
5. The United States shall be invited to participate in the talks on matters related to the modalities of the implementation of the agreements and working out the timetable for the carrying out of the obligation of the parties.
6. The UN Security Council shall be requested to endorse the peace treaties and ensure that their provisions shall not be violated. The permanent members of the Security Council

shall be requested to underwrite the peace treaties and ensure respect for their provisions. They shall also be requested to conform their policies and actions with the undertakings contained in this framework.

The second agreement signed at Camp David was a framework for the conclusion of a peace treaty between Egypt and Israel. The actual Treaty was signed on 26 March 1979, and is reproduced below.

APPENDIX II

THE PEACE TREATY BETWEEN EGYPT AND ISRAEL

SIGNED IN WASHINGTON ON 26 MARCH 1979

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

Preamble

Convinced of the urgent necessity of the establishment of a just, comprehensive and lasting peace in the Middle East in accordance with Security Council Resolutions 242 and 338 :

Reaffirming their adherence to the 'Framework for Peace in the Middle East agreed at Camp David', dated 17 September 1978:

Noting that the aforementioned framework as appropriate is intended to constitute a basis for peace not only between Egypt and Israel but also between Israel and each of the other Arab neighbours which is prepared to negotiate peace with it on this basis:

Desiring to bring to an end the state of war between them and to establish a peace in which every state in the area can live in security:

Convinced that the conclusion of a treaty of peace between Egypt and Israel is an important step in the search for comprehensive peace in the area and the attainment of the settlement of the Arab-Israeli conflict in all its aspects :

Inviting the other Arab parties to this dispute to join the peace process with Israel guided by and based on the principles

of the aforementioned framework:

Desiring as well to develop friendly relations and co-operation between themselves in accordance with the UN Charter and the principles of international law governing international relations in times of peace :

Agree to the following provisions in the free exercise of their sovereignty, in order to implement the 'framework for the conclusion of a peace treaty between Egypt and Israel'.

Article I

1. The State of war between the parties will be terminated and peace will be established between them upon the exchange of instruments of ratification of this treaty.
2. Israel will withdraw all its armed forces and civilians from the Sinai behind the international boundary between Egypt and Mandated Palestine, as provided in the annexed protocol (annexed), and Egypt will resume the exercise of its full sovereignty over the Sinai.
3. Upon completion of the interim withdrawal provided for in Annex 1, the parties will establish normal and friendly relations, in accordance with Article II(3).

Article II

The permanent boundary between Egypt and Israel is the recognized international boundary between Egypt and the former Mandated Territory of Palestine, as shown on the map at Annex 2, without prejudice to the issue of the status of the Gaza Strip.

The parties recognize this boundary as inviolable. Each will respect the territorial integrity of the other, including their territorial waters and airspace.

Article III

1. The parties will apply between them the provisions of the Charter of the UN and the principles of international law governing relations among states in times of peace.

In particular :

A. They recognize and will respect each other's sovereignty, territorial integrity and political independence.

B. They recognize and will respect each other's right to live in peace within their secure and recognized boundaries.

C. They will refrain from the threat of use of force, directly or indirectly, against each other and will settle all disputes between them by peaceful means.

2. Each party undertakes to ensure that acts or threats of belligerency, hostility, or violence do not originate from and are not committed from within its territory, or by any forces subject to its control or by any other forces stationed on its territory, against the population, citizens or property of the other party. Each party also undertakes to refrain from organizing, instigating, inciting, assisting, subversion or violence against the other party,

anywhere, and undertakes to ensure that perpetrators of such acts are brought to justice.

3. The parties agree that the normal relationship established between them will include full recognition, diplomatic, economic and cultural relations, termination of economic boycotts and discriminatory barriers to the free movement of people and goods, and will guarantee the mutual enjoyment by citizens of the due process of law. The process by which they undertake to achieve such a relationship parallel to the implementation of other provisions of this treaty is set out in the annexed protocol (Annex 3).

Article IV

1. In order to provide security for both parties on the basis of reciprocity, agreed security arrangements will be established including limited force zones in Egyptian and Israeli territory, and UN forces and observers, described in detail as to nature and timing in Annex 1, and other security arrangements the parties may agree upon.
2. The parties agree to the stationing of UN personnel in areas described in Annex 1, the parties agree not to request withdrawal of the UN personnel and that these personnel will not be removed unless such removal is approved by the Security Council of the UN, with the affirmative vote of the five members, unless the parties otherwise agree.
3. A joint commission will be established to facilitate the

- implementation of the treaty, as provided for in Annex 1.
4. The Security arrangements provided for in paragraphs 1 and 2 of this article may at the request of either party be reviewed and amended by mutual agreement of the parties.

Article V

Article V deals with rights of passage of shipping through the Suez Canal, the Strait of Tiran and the Gulf of Aqaba.

Article VI

1. This treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the UN.
2. The parties undertake to fulfil in good faith their obligations under this treaty, without regard to action or inaction of any other party and independently of any instrument external to this treaty.
3. They further undertake to take all the necessary measures for the application in their relations of the provisions of the multilateral conventions to which they are parties. Including the submission of appropriate notification to the Secretary-General of the UN and other depositories of such conventions.
4. The parties undertake not to enter into any obligation in conflict with this treaty.
5. Subject to Article 103 of the UN Charter, in the event of a conflict between the obligations of the parties under the

present treaty and any of their other obligations; the obligations under this treaty will be binding and implemented.

Article VII

1. Disputes arising out of the application or interpretation of this treaty shall be resolved by negotiations.
2. Any such disputes which cannot be settled by negotiations shall be resolved by conciliation or submitted to arbitration.

Article VIII

The parties agree to establish a claims commission for the mutual settlement of all financial claims.

Article IX

1. This treaty shall enter into force upon exchange of instruments of ratification.
2. This treaty supersedes the agreement between Egypt and Israel of September 1975.
3. All protocols, annexes, and maps attached to this treaty shall be regarded as an integral part hereof.
4. The treaty shall be communicated to the Secretary-General of the UN for registration in accordance with the provisions of Article 102 of the Charter of the UN.

Annex 1 - military and withdrawal arrangements :

Israel will complete withdrawal of all its armed forces and

civilians from Sinai within three years of the date of exchange of instruments of ratification of the treaty. The withdrawal will be accomplished in two phases, the first, within nine months, to a line east of Al Arish and Ras Muhammad; the second to behind the international boundary. During the three-year period, Egypt and Israel will maintain a specified military presence in four delineated security zones, and the UN will continue its observation and supervisory functions. Egypt will exercise full sovereignty over evacuated territories in Sinai upon Israeli withdrawal. A joint commission will supervise the withdrawal and security arrangements can be reviewed when either side asks but any change must be by mutual agreement.

Annex 2 - maps.

Annex 3 - normalisation of relations :

Ambassadors will be exchanged upon completion of the interim withdrawal. All discriminatory barriers and economic boycotts will be lifted and, not later than six months after the completion of the interim withdrawal, negotiations for a trade and commerce agreement will begin. Free movement of each other's nationals and transport will be allowed and both sides agree to promote 'good neighbourly relations'. Egypt will use the airfields left by near Al Arish, Rafah, Ras an-Naqab and Sharm ash-Shaikh, only for civilian aircraft. Road, rail, postal, telephone, wireless and other forms of communications will be opened between the two countries on completion of interim

withdrawal.

Exchange of letters

Negotiations on the West Bank and Gaza - Negotiations on autonomy for the West Bank and Gaza will begin within one month of the exchange of the instruments of ratification. Jordan will be invited to participate and the Egyptian and Jordanian delegations may include Palestinians from the West Bank and Gaza, or other Palestinians as mutually agreed. If Jordan decides not to take part, the negotiations will be held by Egypt and Israel. The objective of the negotiations is the establishment of a self-governing authority in the West Bank and Gaza 'in order to provide full autonomy to the inhabitants'.

Egypt and Israel hope to complete negotiations within one year so that elections can be held as soon as possible. The self-governing authority elected will be inaugurated within one month of the elections at which point the five year transitional period will begin. The Israeli military government and its civilian administration will be withdrawn, Israeli armed forces withdrawn and the remaining forces redeployed 'into specified security locations'.

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