Party politics will dominate the domestic scene in Israel as the country moves toward a national election in May. Caretaker Prime Minister Rabin faces a stiff challenge from Defense Minister Peres for leadership of the long-dominant Labor Party; the question is to be settled at the party convention next week.

Israel Prepares for an Election

Israel's national election on May 17 is likely to be the closest in the country's history. The governing Labor Party, which has generally dominated Israeli politics since independence in 1948, is in trouble and could emerge considerably weakened. It might even lose to the right-wing Likud bloc by a narrow margin.

The election results could thus have a significant impact on the timing and pace of Arab-Israeli peace negotiations.

Labor's election prospects have been badly hurt by rampant inflation, labor unrest, corruption scandals, and popular disenchantment with Prime Minister Rabin's lackluster leadership. The eight-year alliance with the left-wing Mapam party may be on the verge of collapse; the two parties comprise the Labor Alignment, the core group in the coalition government. The Labor Party itself faces a potentially divisive struggle between Rabin and Defense Minister Peres at its pre-election convention, which opens on February 22.

A switch in leadership could boost Labor's sagging prospects. The most recent public opinion polls in Israel show a high degree of voter uncertainty. New parties such as Yigael Yadin's moderate Democratic Movement for Change and General Arik Sharon's right-wing Shlom Zion—which otherwise might not do well—stand to gain the most from voter unrest.

Yadin, a former chief of staff, ap-parently has already begun to cut into Labor's traditional strength. As a result, many observers believe that the Alignment is at best running even with the conservative Likud.

Should this trend continue, Labor will lose the election or will be forced to form a national unity government with Likud. In that event, the next Israeli government would almost certainly take a harder line on peace negotiations, especially on the question of withdrawal from the West Bank, which Israel has occupied since the 1967 Middle East war.

Present Knesset Representation (Total: 120)	
Caretaker Government	**Seats**
Labor Alignment:	50
Labor Party (43 seats) Mapam (7 seats)	
Allied Arab Lists (electorally tied to Alignment)	3
Independent Liberal Party	4
	57
Other Parties	
Likud bloc (Herut, Liberal Party, State List, and Land of Israel)	39
National Religious Party	10
Religious Front	5
Rakah (Communist, mostly Arab)	4
Yaad (new liberal grouping)	4
Moked (ultra-left)	1
	63

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A Labor victory would offer the best prospect for a resumption of negotiations and subsequent progress. Rabin would probably be more flexible than any other prospective leader and would likely seek a common approach with the US to talks at Geneva.

Even Rabin, however, would continue to resist Arab demands that the Palestine Liberation Organization be included in the negotiating process on an equal footing with the participants in the December 1973 opening—and so far only—session of the Geneva Conference on a Middle East settlement. Moreover, he would most likely return to office with a weaker mandate than before. His room to maneuver on the PLO question and other matters would be constricted by his likely greater dependence on the support of hard-liners, led by Peres and former defense minister Dayan, both in the ruling coalition and in the Labor Party itself.

Under the best of circumstances, then, the Israelis will urge the US to proceed cautiously after the election. They will resist any attempt to push them further and faster than they are prepared to go in making territorial concessions that they believe would:

- Compromise Israel's vital security interests.
- Encourage the Arabs to press even harder for the return of territory that Israel is forever unwilling to give back.
- Precipitate a domestic political crisis.

Labor's Troubles

The three national elections since 1965 all resulted in an erosion of Labor's strength in the Knesset. After the most recent election—held two months after the traumatic October 1973 war—Labor's leaders had a difficult time reestablishing a governing coalition.

The party's preeminent personalities—Golda Meir, Moshe Dayan, Abba Eban—were all badly tarnished by their failure to anticipate the Arab attack in time to take effective countermeasures. Their fall from grace set in motion those forces for change in the party leadership
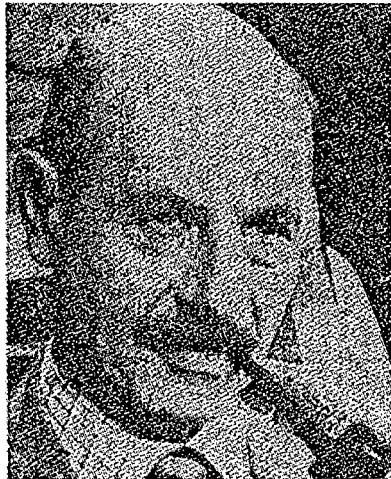
Yigael Yadin

Asher Yadlin

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that, in May 1974, pushed Rabin to the top.

Under Rabin, however, the party has not been able to refurbish its image or to stop deterioration in the party organization. A political novice when he took office, Rabin has shown little flair for domestic politics and distaste for internal party affairs. He has not proved as bold or innovative on policy matters as many of his early backers had hoped. His tendency to react or procrastinate instead of taking

the initiative has left him vulnerable to charges of being weak and indecisive.

Rabin decided to force an early election in hopes of arresting the decline in his personal popularity and forestalling the challenge to his party leadership by Peres. Rabin's strategy was dealt an initial serious blow in early January when Housing Minister Ofer, a close adviser, committed suicide under the pressure of an investigation of corruption charges against him.

This week Rabin sustained a potentially more damaging blow when Asher Yadlin, an influential party figure whom Rabin had nominated last fall to head the Bank of Israel, suddenly stopped contesting corruption charges and admitted he had channeled illegal funds into party coffers. These developments have probably enhanced Peres' chances of winning Labor's nomination for the premiership; they have also surely hurt Labor's prospects for the election.

The party on February 23 will choose a candidate to head its electoral list by a secret ballot among the delegates to the party convention. At present, Peres appears to have a fair chance to gain the nomination. He will, however, have to overcome strong opposition both from Foreign Minister Allon's faction and from Golda Meir and other old-line party figures who have never forgiven him for bolting the party with former prime minister Ben-Gurion in 1965. No matter who wins the nomination, Labor could enter the election campaign deeply divided.

Should Rabin get the nod, he will campaign on foreign policy and defense issues, hoping to portray the Labor Party as best qualified to negotiate with the Arabs and to protect Israel's security interests while keeping relations with the US on an even keel. Rabin doubtless hopes that his tentative invitation to visit Washington sometime in March will be read in Israel as a US endorsement of his leadership.

During the 1973 election campaign Labor succeeded in depicting the Likud bloc as the "war party," and Rabin will probably try to do so again. This time it

will be more difficult. Likud is trying to put its hard-line position on negotiations in a more favorable light, stressing its readiness to make territorial compromises on the Golan Heights and in the Sinai in exchange for "real peace" with the Arabs.

Labor is also on the defensive on domestic issues. In addition to its vulnerability on the corruption issue, its opponents are likely to charge the party with "mismanagement" of the economy and a poor record on social and political reform.

As the party nominee, Peres would probably try to gain the initiative by promising more dynamic leadership and a fresh approach to domestic problems. He has already indicated that he would push for election reform—a popular issue—and would put "new faces" in his cabinet. His candidacy could cut Labor losses—provided it does not split the party's ranks—but it would be unlikely to result in a net gain of Knesset seats.

On the other hand, if Peres is nominated, Mapam will probably break with Labor and run its own list of candidates. It may do so anyway, unless Labor meets Mapam's demand that the Labor platform explicitly refer to the government's readiness to make territorial concessions on the West Bank—something Peres and other Labor hard-liners oppose. A break between Labor and Mapam would greatly improve Likud's chances of emerging as the largest bloc in the Knesset after the election.

In any event, the complexities of the Israeli political system make it difficult to predict the shape of the next coalition government. Nine established parties and two major new ones will be competing for the 120 Knesset seats. Because the election results are likely to be the closest ever, several combinations of parties are possible. The most likely are:

• A somewhat weaker Labor-led coalition that would include Mapam, the small Independent Liberal Party, and Yadin's Democratic Movement. Since this would, at most, give the coalition a razor-thin majority in the Knesset, Rabin or any
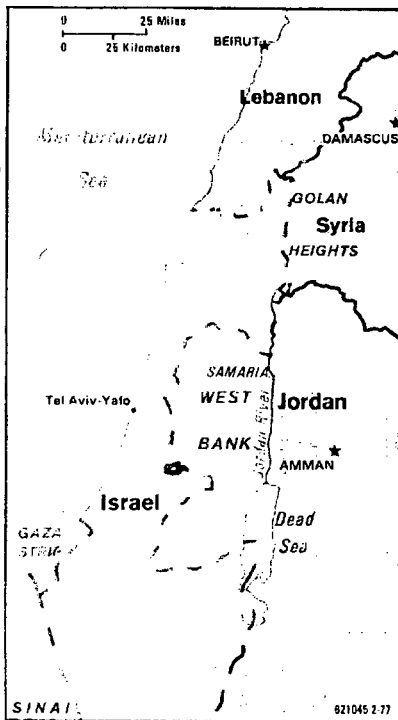
other Labor prime minister would probably try to enlist the hard-line National Religious Party.

• A National Unity government composed of Labor, Likud, and the National Religious Party, with Peres or possibly Likud leader Begin as prime minister.

• A right-wing government led by Likud with Begin as prime minister. It would probably also include the National Religious Party, Sharon's new party, and the other conservative religious parties.

Implications for Peace Talks

Whatever coalition emerges will probably have only a limited mandate for renewed negotiations with the Arab states. A Labor-led government under Rabin or another Labor moderate would be constrained, as always, by ingrained Israeli suspicions of Arab intentions and by the influence of coalition hard-liners. They would probably offer no more than limited territorial withdrawals in exchange for formally ending the state of war between Israel and the Arabs.

The ability of a moderate Labor government to negotiate over the West Bank would be especially restricted. In 1974, Rabin renewed a promise made earlier by Golda Meir to hold a new election before signing any agreement involving territorial concessions on the West Bank. Like Meir, Rabin made this commitment in order to secure the participation of the National Religious Party in his cabinet and thus guarantee himself a stronger majority in parliament. He would probably do so again.

A Labor-dominated government under Peres would probably take a tougher, more independent line. He might, however, be just as willing as Rabin to conclude interim agreements with Syria and Egypt to end the state of war and would probably be prepared to make about the same territorial concessions in the Sinai and on the Golan Heights.

Both Rabin and Peres oppose negotiations with the PLO and the establishment of an independent Palestinian state and would prefer to cede territory on the West Bank only as part of a final peace agreement with Jordan.

Peres, being more politically adept and decisive, might be more willing than Rabin has been to take the initiative in shaping public opinion. As a man of the right, he would be more influential with Likud, the National Religious Party, and the Labor hawks and would be more able to gain their acceptance of any agreement with the Arabs.

As prime minister, Peres might turn out to be more flexible on an end-of-war agreement over the West Bank than he has been thus far as a leader of the hard-liners in the Labor Party. Much would depend on the pressures and incentives he faced and on whether he felt he could bring other hard-liners along with him.

Peres will likely have a prominent voice in future negotiations, whether or not he becomes prime minister. Just as Rabin could not conclude the second Sinai accord without Peres' support, so Peres' support will be needed for any future negotiations with the Arabs by a Labor-

led government.

In a national unity government—led by Peres or Begin—hard-liners would constitute a clear majority. Its willingness to negotiate new interim agreements would depend in part on Peres' ability to persuade Begin to drop his opposition to territorial concessions in the Sinai and the Golan Heights in return for anything less than a final peace settlement.

The West Bank problem would be the most difficult—and perhaps impossible—to resolve. Likud and many in the National Religious Party have long favored outright annexation of the West Bank for security, historical, and religious reasons. Labor hawks like Peres and Dayan would be more willing to give up the heavily Arab-populated areas as part of a final peace agreement, but they also believe for security reasons Israel must indefinitely retain a strong military presence along the Jordan River and in the mountains of eastern Samaria.

A government led by Begin would be the most difficult of all to deal with. At a minimum, strong and sustained US pressure would be needed to extract concessions, and a Begin government might still refuse to negotiate on any terms but its own.

Timing at Geneva

Because neither Labor nor Likud is likely to win more than a slim plurality in the election, creating a viable coalition will probably be even more arduous and time-consuming than last time and could extend well into the summer. This would preclude serious peace negotiations until late summer or early fall, although the Geneva conference could possibly resume before then to discuss procedural matters.

The present Labor-led caretaker government will remain in power until a new government is formed. It would probably agree to reconvening the Geneva talks, especially if Labor is to head the next government or if there were a consensus among Israeli political parties to go to Geneva in order to establish momentum for later, more substantive talks. Indeed, Rabin might agree to attend a ceremonial reopening of the conference—provided the PLO is not invited—even before the election in hopes of boosting Labor's prospects at the polls.