



Fahmi (r) is greeted in Moscow by Gromyko

Middle East

EGYPT-USSR 1-6

Little progress apparently was made toward repairing Soviet-Egyptian relations during Egyptian Foreign Minister Fahmi's visit to Moscow last week. Relations have been poor during most of the seven years Egypt's President Sadat has been in power and particularly since Sadat abrogated the Soviet-Egyptian Friendship Treaty last year.

There is no indication Fahmi succeeded in resolving the two issues most important to the Egyptians—a resumption of Soviet arms deliveries and a rescheduling of Egypt's massive debt to the USSR. The Egyptians say they were able to extract a Soviet promise to consider "concrete measures" to improve relations, but there is no evidence that the Soviets made any significant tangible commitments.

There are other signs that the talks were difficult, with the Soviets insisting that any improvement in relations is up to Cairo. Foreign Minister Gromyko was particularly rough on Fahmi at a luncheon on June 10. According to a published version of Gromyko's remarks, he pointedly noted that the "threads of trust," once broken by "thoughtless" actions, are difficult to restore.

The final communique did note some

minor achievements. It indicated the Soviets and Egyptians agree that the Geneva conference on the Middle East should be reconvened "not later" than this fall. The Soviets, who have been working hard to place themselves back in the mainstream of Middle East diplomacy via the Geneva conference, doubtless can take some satisfaction in winning Egypt's public endorsement of their role. Cairo's primary interest probably was in making sure that bitterness between itself and Moscow would not impede the resumption of the Geneva peace talks.

Gromyko will visit Cairo in late August or early September for further talks aimed at improving relations, according to an announcement this week by the Egyptian government. The dates for Gromyko's visit have not yet been announced by the Soviets and may still be tentative. [redacted]

ISRAEL 9-12

Menahem Begin, leader of the right-wing Likud party, will in all likelihood be installed as Israel's new prime minister early next week. He has the votes to win a vote of confidence for a narrow coalition government that he will formally present to the 120-member Knesset—the Israeli parliament—on June 20.

The new ruling coalition will be composed of Likud, the National Religious Party, and the orthodox Aguda

parties; together these groups control 62 seats. In addition, Begin can count on the support of one independent and Moshe Dayan, Begin's nominee for foreign minister, if Dayan decides not to return his Knesset seat to the Labor Party from which he has defected.

Begin's efforts to bring into his government the Democratic Movement for Change, which won 15 seats in the election last month, failed when that party's leadership group voted overwhelmingly on June 14 to break off coalition talks with Likud. Democratic Movement leader Yadin said his party had concluded that Begin was unwilling to assure it a real voice within the cabinet on Arab-Israeli and domestic reform issues.

Yadin and his colleagues emphasized in particular that Begin refused to budge from his hard-line opposition to the return of any of the occupied West bank to the Arabs in a peace settlement. Neither Begin nor Yadin excluded the possibility of resuming their coalition talks, but this appears unlikely in the near future.

Despite its narrow majority, Begin's coalition stands a good chance of holding together; it will be more close-knit and less vulnerable to internal personal and ideological conflicts than the previous Labor-led government. Likud and the National Religious Party fully agree on the need to retain permanent control of the West Bank and to reject negotiations with the Palestine Liberation Organization. The Aguda groups and the National Religious Party see eye-to-eye on the interpretation of most religious questions and seem satisfied with Begin's assurances of support on these issues.

Begin in recent days has been more restrained in discussing Arab-Israeli issues, but this appears to be mainly a tactical change of style designed to attract the Democratic Movement and ease the apprehensions of Israeli supporters in the US. Begin's more moderate tone is probably also intended to avoid antagonizing the US government before he comes to Washington for discussions with President Carter. [redacted]

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