

~~CONFIDENTIAL~~Israel: Prospects for Stability of the Begin GovernmentIntroduction

Four months after the national election in May, the government of Menahem Begin is riding a crest of popularity at home and seems well established in office. Begin and his colleagues, however, have yet to face a serious test and are still enjoying a honeymoon period as most Israelis appear willing to grant the Prime Minister the "year of grace" he has asked for.

As long as foreign policy overshadows all other issues, the key factor that is likely to affect the stability of Begin's government will be his management of Israeli-US relations. Begin is aware that he must strike a delicate balance enabling him to avoid a serious crisis with Washington while still opposing major elements of the perceived US peace plan.

~~Thus far, Begin has maneuvered skillfully to counter opposition charges of intransigence and to blur the distinctions between his policies and those of the former Labor government. Should peace negotiations become stalled or a confrontation with Washington appear inevitable, he will doubtless attempt to place the blame primarily on the Arabs. The central issue between Begin and the US is likely to remain the future disposition of the West Bank. Begin has built much of his domestic popularity by taking a tough line on this issue, capitalizing on overwhelming public opposition to the establishment of a Palestinian state on the West Bank. Even those Israelis who do not share Begin's belief that the area is an integral part of Israel oppose such a state on security grounds.~~

Should an open confrontation develop between the US and the Begin government, the Israeli public reaction would be conditioned by how it came about and who was considered to be at fault. Most Israelis, including the main opposition parties, would rally behind Begin if they concluded that the US was trying to force unwarranted and

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inequitable concessions from Israel, particularly on the West Bank issue.

On the other hand, there is a strong undercurrent of popular uneasiness over the prospect of losing US support. If the US were able to extract from the Arabs some concessions that Tel Aviv considered meaningful, many Israelis would be prepared to accept a suspension of the settlement program on the West Bank and agree to some territorial concessions there. Should Begin refuse to adjust his position in such circumstances and appear to be leading Israel into a confrontation with the US, he could lose public support, a development which the opposition could exploit. Serious strains could develop within the government between cabinet members, like Foreign Minister Dayan, who favor some flexibility in negotiations, and hardliners, such as Agricultural Minister Sharon and Education Minister Hammer, who would probably favor open defiance. In light of Begin's razor-thin Knesset majority, any defections from his coalition would present him with serious problems.

#### Coalition Strengths

While the members of Begin's coalition hold different views on many domestic and international issues, their disagreements are modest in comparison to the deep internal divisions of past Labor-led governments. Many of those in the new coalition are tasting power for the first time after languishing for the better part of a generation in the opposition. They have every reason, therefore, to reach an accommodation on major issues and avoid strains that would increase the government's vulnerability. Begin's strong personal leadership and the prestige he enjoys throughout the government, moreover, will encourage coalition discipline and stability.

Begin's use of patronage has helped cement the coalition. The Liberals have been given control of the Finance, Construction, and Energy Ministries--key posts they have long desired. The National Religious Party (NRP) has retained the Religious Affairs and Interior Ministries--posts it traditionally held in past Labor-led governments--and has won control of the long-coveted Education Ministry. The staunchly orthodox Agudat Israel party, moreover, has been given control of two Knesset committee chairmanships

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and a Knesset deputy speakership, and Begin has given the Agudat unprecedented assurances of support on a number of controversial religious issues. The party's gains are out of proportion to its four Knesset seats and dramatically point up Begin's dependence on the party to preserve his Knesset majority.

Another important factor contributing to coalition stability is the strong support given by most members of the government to Begin's hard line on Arab-Israeli issues. Begin's Herut faction, most Likud Liberals, and the NRP's dominant youth wing agree that the West Bank is an integral part of Israel and believe that Jews should be allowed to settle wherever they want there. While the NRP's orthodox wing and Agudat Israel are a bit more flexible, they are concerned mainly about religious matters.

#### Potential Stress Points

Conflicting demands and friction that will require Begin's personal intervention to keep the government operating smoothly are certain to arise within the coalition and among its supporters. His more militant supporters, especially among the ultra-conservative Gush Emunim, have already put some pressure on the government to accelerate the settlement program on the West Bank and would almost certainly intensify such pressure were Begin to consider suspending settlement activity for negotiating purposes.

In fashioning his settlement policy, Begin has so far sought to parry US objections, without appearing to defy the US, and still retain a free hand in establishing new settlements his Gush supporters want. For the moment, Begin apparently has reached an understanding with Gush leaders, who reportedly agreed after meeting the Prime Minister not to set up any settlements without prior government approval.

Similar, although less intense, strains could develop between Begin and his Liberal coalition partners over economic issues. Begin has so far given Finance Minister Simha Ehrlich a free hand in dealing with economic matters. The Liberal faction of Likud, however, would like to dismantle part of Israel's quasi-socialist economy

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particularly prone to feel their way cautiously on Arab-Israeli issues. Hawkish pressure that would continue to be exercised within the cabinet by Likud and the youth wing of the NRP would further discourage changes on the negotiating front. ~~(CONFIDENTIAL)~~

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