

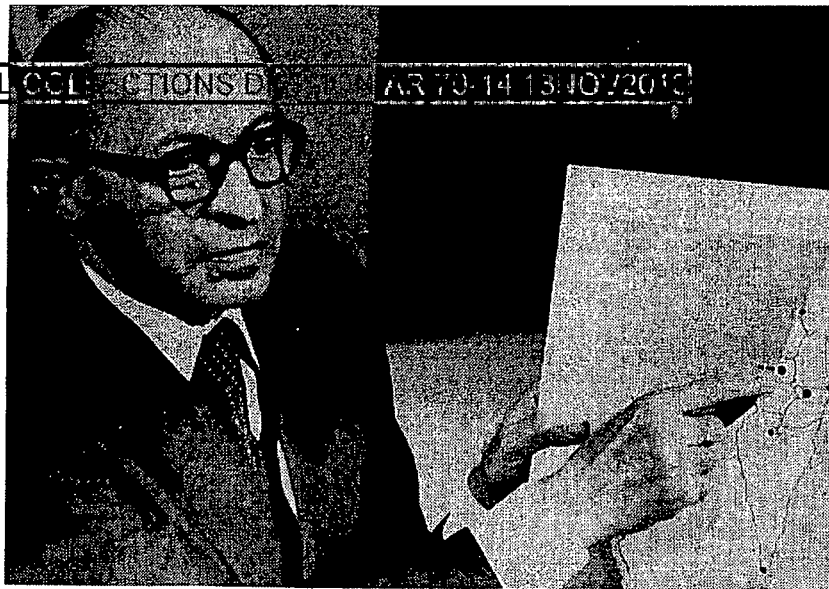
Middle East**EGYPT-ISRAEL** 1-3; 5-10

The preliminary Arab-Israeli peace conference called by Egyptian President Sadat opened in Cairo on 14 December with only the Egyptians, from the Arab side, sitting down with the delegations representing Israel, the US, and the UN. The talks nevertheless are likely to sustain, at least for a time, the momentum of the Egyptian leader's peace drive, which was his primary purpose in convoking the conference.

Both Sadat and Israeli leaders are characterizing the meeting as a step in an ongoing process looking to a comprehensive settlement and including an eventual more formal conference at Geneva. Neither side appears to expect the Cairo forum, as now constituted, to deal with more than procedural questions and the formulation of basic principles that could guide further negotiations.

By most accounts, the Israeli delegation, which is headed by an aide to Prime Minister Begin, is empowered to do little more than discuss the legal framework for a settlement and handle procedural questions related to reconvening the Geneva talks. The Israelis have indicated, however, that they are prepared to upgrade their representation at a later date. The Egyptian delegation is of higher rank, but that was determined mainly on the basis of the regime's desire to convince the Egyptian people that the meeting is to be a serious one.

Emphasis in the Egyptian media has been primarily on the symbolic aspects of the gathering and the impetus it will give to negotiations by being unencumbered by rigid agendas and protocol. Sadat, in recent public remarks, has stressed that the Cairo meeting will prepare—not substitute—for the Geneva conference. He has said that the invited parties who have refused to participate—Syria, Jordan, Lebanon, the Palestinians, and the



The Prime Minister's negotiating position is an enigma to the Israeli public

Soviets—are welcome to join in at any time. He has made it clear, however, that Egypt is ready to proceed even to substantive negotiations without its erstwhile Arab allies or their "Soviet sponsor."

The Israelis, for their part, are not unhappy that the other Arabs are hanging back for the moment. Begin's government is anxious to reach some understanding with the Egyptians on bilateral issues before having to get down to specifics on questions of broader concern.

The Mood in Israel

In Israel, popular support for Prime Minister Begin has skyrocketed, giving him plenty of room to maneuver. By the same token, expectations have been raised so high that a serious public backlash would occur if negotiations fail as a result of what appeared to be Israeli intransigence.

Most Israelis discount Sadat's public statements reiterating long-held Arab positions and expect him to compromise. There is some uneasiness, however, that Begin will not prove sufficiently flexible. His negotiating position remains an enigma to the Israeli public, which is unsure whether his toughness reflects ideological rigidity or shrewd bargaining tactics.

This concern has surfaced even within the governing coalition. Moderate members are prepared to make territorial concessions on the crucial West Bank issue and fear that opposition from Begin, who has long insisted that the area is rightly a part of Israel, could prevent Israel from

reaching agreement with Egypt even on a bilateral settlement.

At present, a consensus appears to be forming among cabinet members in favor of proposing a "functional" compromise on the West Bank question providing for local administrative autonomy coupled with a combined Israeli civilian and military presence. The opposition Labor Party has also come out in favor of such an arrangement.

Begin and his two main collaborators in determining Israeli negotiating strategy—Foreign Minister Dayan and Defense Minister Weizman—may calculate that an offer of sweeping concessions in the Sinai, a functional compromise on the West Bank, and a substantial Israeli withdrawal on the Golan Heights stands a good chance of meeting Sadat's criteria for a comprehensive settlement, thus freeing Egypt to conclude a bilateral accord with Israel.

Syrian and Palestinian Reaction

Syria has shown no sign of softening its opposition to Egypt's initiative. President Asad is deeply opposed to Sadat's direct dealings with Israel, in spite of substantial popular support within Syria for Sadat's moves.

Asad apparently genuinely believes that Sadat's trip to Jerusalem was an unconscionable concession and that the Cairo conference has only compounded the problem. He may have grown even more rigid as Saudi Arabia and Jordan have urged him to be more flexible. At the same time, Asad remains very much interested

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in the negotiating option and could not easily bring himself to endorse the position of Arab "rejectionists."

Moderate Palestinians, like the Syrians, view the Cairo conference with some trepidation. Sadat's warnings that the Palestine Liberation Organization may be bypassed during the current negotiating process have doubtless alarmed its leader, Yasir Arafat.

Arafat fears that Egypt may attempt to find some alternative to the PLO in order to resolve the Palestinian representation issue. He probably also is apprehensive—with good reason—that Jordan's King Husayn will try to take advantage of current circumstances and attempt to develop a strong Jordanian role in determining the future of the West Bank.

For these reasons, and because he finds himself in an uncomfortably close alliance with Syria, Arafat has attempted to keep his lines open to the Egyptians. [redacted]

[redacted] the hard public line adopted by the Palestinians at the meeting last week in Libya of Sadat's Arab critics is not binding on the PLO.

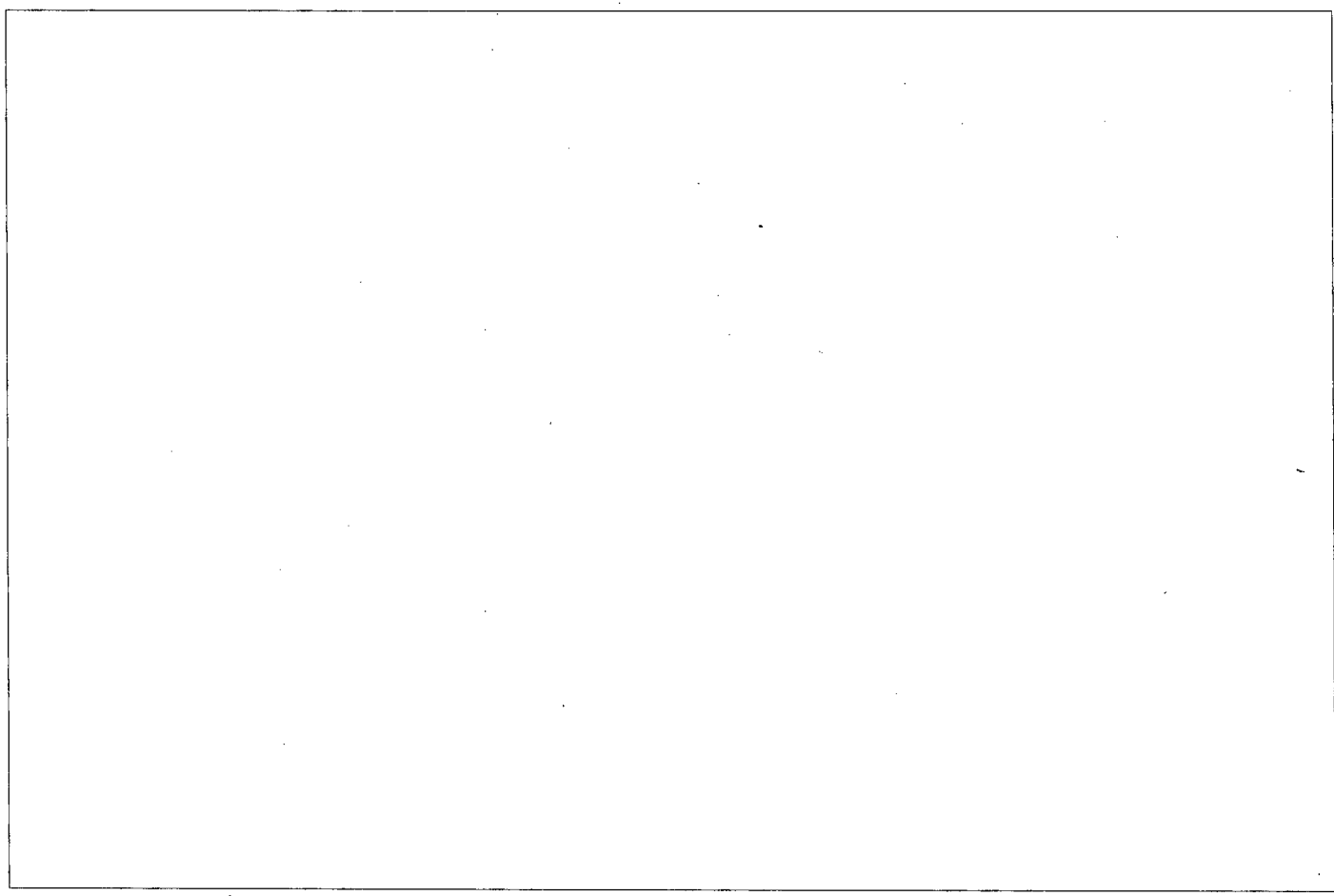
Soviet Stance

The Soviets continue to focus critically on the Cairo talks. They are maintaining publicly [redacted] that Egypt and Israel are seeking a separate peace outside the Geneva conference framework with behind-the-scenes encouragement from Washington.

While Moscow has been outspokenly critical of Sadat's initiatives, it has not yet

reacted authoritatively to his moves against the USSR. There has been no mention, for example, of Egypt's closing of Soviet and East European cultural centers and consulates because of their alleged interference in Egyptian domestic affairs. Nor has Moscow commented on Sadat's earlier recall of the Egyptian ambassador from the USSR to protest alleged Soviet-instigation of the Tripoli conference.

The Soviets have apparently decided to soft-pedal their personal criticism of Sadat. Moscow does not want to push the Egyptians toward a diplomatic break with the USSR, and does not want to be isolated with the out-and-out rejectionists as its only remaining clients in the Middle East [redacted]



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