



ISRAEL: Cairo Conference Begins

[redacted] //Hopes are running high in Israel as the Cairo conference begins. Although the public remains in the dark on where the negotiations are headed, there is a general feeling that at least a settlement with Egypt is within reach.//

[redacted] //Popular support for Prime Minister Begin has soared, giving him plenty of room to maneuver. If he should decide to adopt a softer position, Begin would almost certainly be able to carry the public with him. By the same token, expectations have been raised so high that a serious public backlash could occur if negotiations fail as a result of what appeared to be Israeli intransigence.//

[redacted] //Although there is some concern that Egyptian President Sadat may not be prepared to deviate from his public positions, most Israelis in fact believe that a separate peace agreement is possible and would be the most desirable outcome.//

[redacted] //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 among the more dovish members of the Democratic Movement for Change, the orthodox Agudat Yisrael Party, the Liberal faction of Begin's Likud bloc, and the National Religious Party.//

[redacted] //Moderates in the coalition are prepared to make territorial concessions on the West Bank and fear Begin's opposition on this score could prevent Israel from reaching agreement with Egypt even on a bilateral settlement. As a result, Interior Minister Burg, the titular head of the National Religious Party and leader of its moderate wing, recently advocated a national referendum to determine whether the public wants to give the government a mandate to negotiate a withdrawal from the West Bank.//

[redacted] a consensus now appears to have formed in favor of proposing some sort of turnover of functional responsibilities along the lines advocated by Foreign Minister Dayan. Dayan apparently is trying to generate broad support within Likud for

such a proposal. The opposition Labor Party has also come out in favor of a functional compromise at least as an interim step toward resolving the Palestinian problem.//

[redacted] //In a somewhat unexpected departure, Deputy Defense Minister Ziporri, a Likud hard-liner, said in a press interview earlier this week that Israel is also prepared to give back most of the Golan Heights, except for certain strategic "footholds," and that Israeli settlers would have to decide whether they wanted to live under Syrian sovereignty or return to Israel.//

[redacted] //These developments suggest that Begin and Dayan may be calculating 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 would stand a good chance of meeting Sadat's criteria for a comprehensive settlement, "in principle," thus freeing Egypt to conclude a bilateral accord with Israel. They are probably skeptical that Syria and the Palestine Liberation Organization would find these proposals acceptable.//

[redacted] //Should the prospects of a bilateral agreement appear to be slipping away, pressures from coalition moderates and the Labor party would probably begin to mount on Begin to reconsider his opposition to a territorial partition of the West Bank. Were Sadat in that instance, however, to continue to insist on almost total withdrawal, a bitter sense of disillusionment with negotiations could set in among the Israeli leadership and general public.//

[redacted] //Meanwhile, Begin appears completely in charge. Most of the cabinet--with the exception of Dayan and Defense Minister Weizman--has not had a direct hand in formulating Israel's negotiating strategy, and has probably been kept informed only in a general way. [redacted]

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