

~~SECRET~~**Middle East****EGYPT-ISRAEL**

Egyptian President Sadat seems content for now to play out his gamble that recalling the Egyptian delegation from the political talks in Jerusalem last week would force greater Israeli flexibility and secure US intervention in support of Egypt. So far, Israeli Prime Minister Begin has not publicly moderated his position and most Israelis agree that Sadat's tactics should be answered by Israeli firmness. Intense indirect negotiations are under way, however, which could lead to resumption of direct talks, perhaps next week.

Sadat prefers for the moment to keep alive his implicit threat that negotiations will fail altogether unless Israel and the US modify their approaches to the peace process. Sadat believes the negotiations were headed for a period of protracting haggling; he saw the momentum generated by his Jerusalem trip steadily diminishing, and with it his ability to achieve Egypt's objectives.

Sadat's sense of timing is an important factor now. He wants to secure maximum advantage from the standstill in talks, yet almost certainly does not want the situation to deteriorate into a permanent breakdown. He has kept the door ajar to a resumption of talks.

Egypt, meanwhile, has launched a major diplomatic effort to explain its position. On 26 January, Foreign Minister Kamil began a series of meetings with diplomats accredited to Egypt, and emissaries are being sent to major foreign capitals to solicit support.

Egyptian leaders see little value in reconvening either the political or military committees until Israel signals a change in its approach. Both said the break in talks came because Sadat finally concluded that Israel wanted to retain Egyptian territory and because the US did

not give expected support to Egypt's position at Jerusalem.

Egypt's acceptance of Israel as a Middle East state and willingness to accommodate Israeli views on the nature of peace were not irrevocable. These concessions could be withdrawn or at least explained as steps that were always conditioned on concessions from Israel on territory and Palestinian self-determination.

**Reaction in Israel**

In Israel, there is broad support for Begin's decision to delay resumption of the military talks in Cairo—which Sadat is willing to go ahead with—as an appropriate and justified response to Sadat's pressure tactics. This consensus, however, masks some uneasiness over Begin's handling of negotiations.

There is also some ambivalence on the issue of Israeli settlements in the Sinai. In the absence of much reasoned debate on the subject, many Israelis are torn between a desire for peace and concern over security, symbolized by the settlements. Begin's statements have done little to clarify the matter.

Until now, Begin's critics have generally faulted him for giving up too much, too soon in the Sinai. The Prime Minister has cited this criticism in contending that no Israeli Government could agree to dismantle these installations and survive. A few influential Israeli commentators, however, are beginning to question whether the settlements are necessary to Israel's defense.

Moderates within Begin's coalition believe he has gone too far in placating his rightwing critics, and they have been particularly uneasy about his rhetorical clashes with Sadat. Their discontent may have induced Begin to take a more temperate tone in his major Knesset speech on 23 January. In general, however, hard-liners—inside and out of the coalition—have been more aggressive and successful in pressing their positions.

Neither the moderates nor the hard-liners are a serious threat to Begin at this point, but conflicting pressures from them

restrict his room for maneuver.

**Arab Hard-liners' Activities**

Arab hard-liners continue their active opposition to the peacemaking effort begun by Sadat in November. Much of their current emphasis is on trying to bring about a reconciliation between the regimes of Syria and Iraq—bitter rivals for years—that is seen as essential to the creation of an effective front of "steadfast" states.

Algerian President Boumediene visited a number of Arab capitals earlier this month in an effort to gain wider support for the hard-line position and to bridge Syrian-Iraqi differences. There is no evidence that he won over any of the moderate governments, but he apparently did make some limited headway toward reconciling Damascus and Baghdad.

Boumediene believes that a Syrian-Iraqi rapprochement is a necessary precondition to holding a summit conference of Arab hard-liners in Algiers—a followup to the Tripoli conference of last month. Recent Arab press reports have speculated that such a summit may be convened soon. Iraq walked out of the Tripoli meeting after Syrian President Asad rejected Iraqi demands that Damascus renounce any possibility of a future peace settlement with Israel.

Both Syria and Iraq now appear increasingly willing to "agree to disagree" about the peace option while moving toward a joint anti-Sadat stand. Asad is interested in a reconciliation with Iraq in order to prevent Syria's complete isolation in the Arab world and to strengthen his ability to resist Sadat's peace moves. Iraqi strongman Saddam Husayn, for his part, has recently been saying publicly that he favors strengthening Iraq's relations with other Arab opponents of the Egyptian peace initiative.

One objective of the talks in Algiers appears to be unification of the rival pan-

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Arab "commands" created by the official Baath parties of Syria and Iraq. Each command includes exiled opponents of the rival regime. A Baath reunification would help remove internal opposition to a reconciliation in both countries.

