

MIDDLE EAST: ADVANCE COPIES

~~SECRET~~

PS
PS/MR HURD
PS/PUS
~~SIR J BULLARD~~
MR EGERTON
SIR J BULLARD
HD/NENAD
HD/MED
HD/UND

Sir J Leahy X16

NO 10 DOWNING STREET
CABINET OFFICE D10

HD/... ..

HD/CONSULAR DEPT

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PUSD (2)
NEWS D
~~RESIDENT CLERK~~

ADVANCE COPY

IMMEDIATE



GR 780

CONFIDENTIAL

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FROM TEL AVIV 111000Z FEB 83

TO IMMEDIATE FCO
TELNO 53 OF 11 FEBRUARY 1983
INFO PRIORITY WASHINGTON, UKMIS NEW YORK AND ALL MIDDLE EAST POSTS.

MY TELNO 50: COMMISSION OF ENQUIRY

1. BY A 16 TO 1 VOTE THE CABINET HAS NOW ACCEPTED THE RECOMMENDATIONS OF THE REPORT AND SHARON HAS RESIGNED. BUT THIS IS UNLIKELY TO BE THE END OF THE STORY.

2. AT YESTERDAY'S CABINET MEETING SHARON WAS STILL INSISTING THAT HE WOULD NOT RESIGN OF HIS OWN ACCORD AND BEGIN WAS KNOWN TO BE EXTREMELY RELUCTANT TO SACK HIM. HOWEVER, YESTERDAY'S CABINET ACCEPTANCE OF THE COMMISSION'S FINDINGS WOULD HAVE ENABLED BEGIN TO PLAY THE TRUE DEMOCRAT RELUCTANTLY BOWING TO MAJORITY PRESSURE FROM HIS COLLEAGUES AND TO PRESENT A DISMISSAL NOTICE NOT AS HIS OWN DECISION BUT AS ONE OF THE CABINET

NOTICE NOT AS HIS OWN DECISION BUT AS ONE OF THE CABINET COLLECTIVELY. HAVING SLEPT ON THIS OVERNIGHT SHARON TOOK THE INEVITABLE WAY OUT THIS MORNING.

3. IN REALITY IT SEEMS LIKELY THAT BEGIN WILL BE RELIEVED AT SHARON'S DEPARTURE. DESPITE SHARON'S ENORMOUS DRIVE AND DETERMINATION TO EXPLOIT THE LEBANESE VENTURE TO THE FULL, RECENTLY HE HAS BEEN AN INCREASINGLY CONTOVERSIAL FIGURE DOMESTICALLY AND HAS SEEMED TO BE STRIKING OUT INDEPENDENTLY ON MATTERS WHICH BEGIN WOULD PREVIOUSLY HAVE KEPT UNDER HIS OWN CONTROL. OF COURSE BEGIN CANNOT AFFORD TO ADMIT THIS OPENLY BECAUSE IT WOULD IMPLY THAT BOTH BEGIN HIMSELF AND GOVERNMENT POLICIES WERE INDIRECTLY AT FAULT. HENCE THE ENORMOUS CARE TAKEN TO GET RID OF SHARON WITHOUT WEAKENING THE GOVERNMENT'S POSITION AS A WHOLE.

4. EVEN IF BEGIN HAS SUCCESSFULLY DROPPED THE SHARON PILOT, THE KAHAN REPORT LEAVES A BLACK MARK OVER THE WAY THE GOVERNMENT TAKES AND IMPLEMENTS ITS DECISIONS. INDIVIDUAL ARMY OFFICERS MAY BE PENALISED. BUT I BELIEVE BEGIN WILL PROBABLY WISH TO GO OVER THE HEAD OF THE KAHAN COMMISSION BY SEEKING A NEW MANDATE FROM THE ELECTORATE. RE-ELECTION WOULD SHOW THAT THE COUNTRY AT LARGE STILL HAD CONFIDENCE IN THE GOVERNMENT AND ITS POLICIES GENERALLY, THUS CANCELLING OUT THE NEGATIVE EFFECT OF THE INQUIRY INTO A SINGLE INCIDENT. BUT I DOUBT IF BEGIN WILL BE RUSHED INTO EITHER A KNESSET VOTE FOR NEW ELECTIONS OR TOO EARLY AN ACTUAL DATE FOR POLLING. THE GOVERNMENT MAY WELL FACE A VOTE OF NO CONFIDENCE FROM ONE OR OTHER OPPOSITION PARTY IN THE COMING DAYS WHICH I WOULD EXPECT THEM TO BE ABLE TO DEFEAT.

5. ISRAELIS SEE NOTHING WRONG IN A GOVERNMENT CONTINUING IN A CARETAKER ROLE FOR SEVERAL MONTHS. THE MOST COMMONLY MENTIONED DATE FOR NEW ELECTIONS IS STILL NOVEMBER. THIS WOULD ALLOW BEGIN SEVERAL WEEKS OF MANOEUVRING BEFORE HE NEED PUT A VOTE FOR EARLY ELECTIONS TO THE KNESSET. THE VITAL ROLE OF THE SMALL NATIONAL RELIGIOUS PARTY IN SUCH A VOTE SEEMS TO HAVE MOVED SLIGHTLY IN BEGIN'S FAVOUR WITH A DECLARATION YESTERDAY THAT THE NRP WOULD STICK WITH THE PRESENT COALITION IN THE EVENT OF THE GOVERNMENT RESIGNING (WHICH NOW SEEMS UNNECESSARY). BUT I WOULD NOT EXPECT THE NRP TO PLAY A VALUABLE CARD FOR LITTLE OR NOTHING IN RETURN. IF THEY DO GO ALONG WITH PRESSURE FOR NEW ELECTIONS THEY MAY KEEP THEIR OPTIONS OPEN, AND THUS INCREASE THEIR BARGAINING POWER, AS BETWEEN SUPPORTING AN EVENTUAL NEW ADMINISTRATION LED BY LIKUD OR LABOUR AFTER FRESH ELECTIONS.

6. I JUDGE THAT BEGIN WOULD PREFER TO FIGHT AN ELECTION WITH THE

LIKUD OR LABOUR AFTER FRESH ELECTIONS.

6. I JUDGE THAT BEGIN WOULD PREFER TO FIGHT AN ELECTION WITH THE FUTURE OF THE WEST BANK AS THE CENTRAL ISSUE RATHER THAN LEBANON. WITH SHARON OUT OF THE WAY WE COULD SEE FASTER PROGRESS TOWARDS A SETTLEMENT IN LEBANON. I SUGGESTED EARLIER THAT THERE MIGHT PROVE TO BE SOME FLEXIBILITY IN THE ISRAELI NEGOTIATING POSITION.

7. LIKUD WOULD NOT HAVE IT ALL THEIR OWN WAY IN AN ELECTION, DELAYING TILL NOVEMBER WOULD BE A CALCULATED RISK, GIVEN THE INEVITABLE UNCERTAINTY HOW EVENTS MIGHT DEVELOP BETWEEN NOW AND THEN. IN 1981 THE FINANCE MINISTER HELPED BEGIN TO WIN THE ELECTION THROUGH CAREFULLY JUDGED TAX CUTS. THIS TIME THE ROOM FOR MANOEUVRE IN THE ECONOMY WILL BE MORE LIMITED. AND BY NOVEMBER, NOT ONLY WOULD NAVON BE FREE TO RE-ENTER THE POLITICAL ARENA WITH LABOUR BUT A NEW CENTRE PARTY MAY HAVE EMERGED UNDER EZER WEIZMAN.

8. HAVING GRASPED THE NETTLE OVER SHARON, BEGIN CAN BE EXPECTED TO WEIGH ALL THIS CAREFULLY AND TAKE HIS TIME BEFORE EMBARKING ON ANY FURTHER STEP. THE GOVERNMENT APPEAR TO HAVE WEATHERED THE IMMEDIATE STORM WITH SOME SKILL. THEY ARE BATTERED BUT SUBSTANTIALLY INTACT AND MAY ACTUALLY BE BETTER OFF MINUS SHARON. IN THE MEDIUM TERM, THE MOST PROBABLE COURSE IN MY VIEW REMAINS AN ELECTION LATER THIS YEAR. AS FOR SHARON, HE AND HIS FOLLOWERS WILL CONTINUE TO MAKE THEMSELVES HEARD, BUT I SUSPECT IT WILL BE A LONG TIME IF EVER BEFORE HE GETS BACK INTO THE INNER SANCTUM OF POWER.

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