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PRIME MINISTER'S VISIT TO ISRAEL

1. AHEAD OF THE PRIME MINISTER'S VISIT IT MAY BE HELPFUL TO HAVE SOME BACKGROUND IMPRESSIONS. MRS THATCHER WILL ARRIVE AT A TIME WHEN ISRAELIS ARE MORE CONFIDENT THAN THEY HAVE BEEN FOR YEARS, BUT GENUINELY PUZZLED ABOUT WHAT TO DO FOR THE BEST IN FOREIGN POLICY.
2. THE ISRAELI ECONOMY, THOUGH FRAGILE, HAS BEEN STEADIED AND INFLATION REDUCED. THEIR ARAB ENEMIES ARE IN DISSARRAY (OIL PRICE, IRAN/IRAQ WAR. INTERNAL TROUBLES IN LEBANON AND SYRIA, INTERNATIONAL OUTCRY AGAINST TERRORISM. US/ISRAELI RELATIONS ARE AT A PEAK UNKNOWN FOR YEARS (AND ARAB INFLUENCE IN WASHINGTON AT A LOW EBB).
3. THE OVERRIDING AIMS OF MOST ISRAELIS ARE THE SECURITY OF THE STATE AND THE MAINTENANCE OF ITS JEWISHNESS. ISRAELIS TAKE IN DEADLY EARNEST THE ASSERTION OF THE ARAB WORLD (EXCEPT EGYPT) THAT A STATE OF WAR EXISTS. ISRAELIS ROUTINELY ACCEPT A DEFENCE BUDGET THAT MAINTAINS MORE COMBAT AIRCRAFT AND THREE TIMES AS MANY BATTLE TANKS AS THE UK; THREE YEARS' NATIONAL SERVICE FOR ITS YOUNG MEN (TWO YEARS FOR YOUNG WOMEN); AND ANNUAL RESERVE SERVICE FOR MOST ADULT MALES UNDER 55. A MAN OF MRS THATCHER'S GENERATION WILL HAVE FOUGHT IN FOUR OR FIVE ARAB WARS AND SEEN HIS SONS FIGHT IN AT LEAST ONE.
4. JEWISHNESS
AFTER SECURITY THE JEWISHNESS OF THE STATE IS THE PRIME CONCERN. THE DEMOGRAPHIC TRENDS DISTURB THE ISRAELIS - THERE COULD BE ALMOST AS MANY ARABS AS JEWS IN ISRAEL AND THE OCCUPIED TERRITORIES BY THE YEAR 2000. THE OLD DILEMMA IS AS REAL AS EVER: ISRAELIS SEE RETENTION OF THE WEST BANK AND ITS POPULATION AS A THREAT TO THE JEWISHNESS OF THE STATE, ITS SURRENDER IN WHOLE OR PART AS A THREAT TO ITS SECURITY.
5. PEACE PROCESS
AGAINST A BACKGROUND OF ISRAEL'S MILITARY POWER AND ARAB DISSARRAY, MR PERES HAS TRIED TO OPEN PEACE NEGOTIATIONS WITH KING HUSSEIN AND THE PALESTINIANS, WITHOUT SUCCESS. AS A RESULT MR SHAMIR AND THE SCEPTICAL HALF OF THE GOVERNMENT ARE CONFIRMED IN THEIR BELIEF THAT ISRAEL CAN AFFORD TO WAIT, THAT THE STATUS QUO IS PREFERABLE TO ANY RISKY MOVES, AND THAT ISRAEL CAN ACCEPT THE CHANCE OF WAR IN THE LONGER TERM SHOULD ANY ARAB STATE BE SO

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FOOLISH. YET THE DESIRE FOR A NEGOTIATED PEACE SETTLEMENT IS VERY STRONG AMONGST PEOPLE AT LARGE. THE GENERAL AIR OF SCEPTICISM WOULD QUICKLY CHANGE IF REAL PEACE MOVES WERE IN EVIDENCE.

6. INTERNAL

THE COALITION GOVERNMENT WAS BORN OF NECESSITY. THE LACK OF AN OVERALL MAJORITY FOLLOWING THE 1984 ELECTIONS REFLECTED DEEP DIVISIONS IN SOCIETY WHICH A NEW ELECTION WILL NOT RESOLVE. THE COALITION GOVERNMENT HAS NEVERTHELESS ACHIEVED TWO AIMS ON WHICH THERE WAS A NATIONAL CONSENSUS: TO SLOW DOWN RUNAWAY INFLATION AND GET THE ARMY OUT OF THE LEBANESE WAR. ECONOMIC POLICY IS STILL A MAJOR PREOCCUPATION: BUT IN THE ABSENCE OF ANY OTHER SPECIFIC AIM THE COALITION IS INCREASINGLY TAKING ON THE AIR OF A CARETAKER GOVERNMENT. FEAR OF ELECTIONS AS WELL AS NATIONAL CONSIDERATIONS HAVE SO FAR HELD IT TOGETHER. BUT IT LOOKS INCREASINGLY FRAGILE AND COULD EASILY SPLIT OVER SOME FOREIGN POLICY ISSUE (EG TABA OR WITHDRAWAL FROM OCCUPIED TERRITORIES), PERSONALITIES, OR SOME ARCANE RELIGIOUS DISPUTE (THE RABIN GOVERNMENT FELL OVER A SABBATH VIOLATION).

7. ROTATION

THE CHANGE OF PRIME MINISTER FROM PERES TO SHAMIR IN OCTOBER DOES NOT ALTER THE BALANCE OF FORCES IN THE CABINET NOR THE POLICIES LAID DOWN IN THE ORIGINAL COALITION AGREEMENT. UNDER SHAMIR THERE WILL BE A DIFFERENT STYLE, AND A DIFFERENT ORDER OF PRIORITIES IN THE MATTERS BROUGHT FORWARD FOR CABINET DECISION. AND A GOVERNMENT LED BY SHAMIR WILL BE DIFFERENTLY PERCEIVED ABROAD. THE MAIN QUESTION IS WHETHER SHAMIR WILL HAVE THE STRENGTH TO RESIST EXTREMIST PRESSURE WITHIN HIS OWN PARTY (ESPECIALLY FROM SHARON). IF HE DOES NOT, THERE IS LITTLE DOUBT LABOUR WOULD BRING DOWN THE GOVERNMENT. IN ANY EVENT, A PRE-ELECTION ATMOSPHERE WILL INCREASINGLY DOMINATE THE ISRAELI SCENE. IN PERES, SHAMIR AND RABIN THE PRIME MINISTER WILL BE HAVING DISCUSSIONS WITH THREE MEN WHO HAVE BEEN, AND HOPE TO BE AGAIN, THE PRIME MINISTER OF ISRAEL.

8. MORE DETAILED COMMENT ON SOME OF THE ISSUES AND PERSONALITIES IS IN MY TWO IFTS.

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