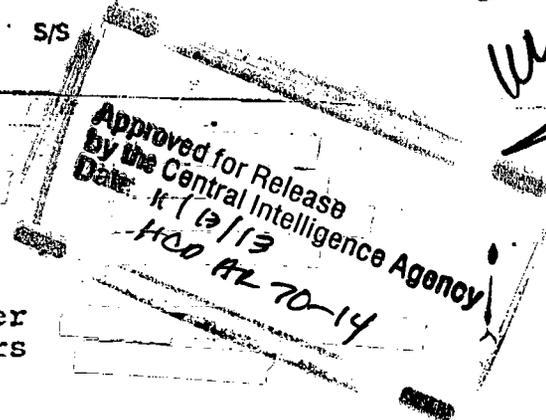




DEPARTMENT OF STATE
BRIEFING MEMORANDUM

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To : The Secretary
From: INR - William G. Bowdler
NEA - Harold H. Saunders

Analysis of Arab-Israeli Developments
No. 571, September 26, 1978

Israel: The Settlements Debate

The decision to combine the settlements issue with the vote on the Camp David framework and the Labor Party's decision to support this single proposition, has assured Begin of what Maariv calls an "anguished victory" in the Knesset Embassy Tel Aviv and observers in the Israeli media are predicting 90 to 100 votes in favor of the accords.

Opposition to the accords is scattered; the loudest dissenters come from Begin's own Likud bloc. Embassy Tel Aviv reports that Moshe Arens, influential Chairman of the Knesset's Foreign Affairs and Defense Committee, is calling for a special meeting of Begin's Herut Party Central Committee before the Knesset vote. There is some question whether Begin would agree to this meeting. If it is held, it could cause the Knesset vote to slip from Wednesday to Thursday.

The Embassy finds this possible postponement somewhat disturbing since there is a genuine lack of enthusiasm among some Knesset members to vote for the Camp David package. This feeling is spreading as the Accords are subjected to more comment and analysis. Should the vote be delayed, the number of negative votes or abstentions may increase.

The Labor Party's decision to back the accords guarantees a positive vote in the Knesset. Nevertheless, during Labor's Central Committee debate on Sunday, Labor leaders criticized Begin's negotiating tactics and the allegedly heavy price Israel is paying for peace.

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Shimon Peres, however, warned against the consequences of rejecting the accords. He managed to do so without giving any help to Begin by telling his colleagues they were choosing "between a bad agreement" or the "even worse alternative" of war.

It is unlikely that any party will oppose the accords, with the exception of the Communists. The National Religious Party, whose party platform includes opposition to the removal of settlements, is expected to convene its Central Committee shortly, perhaps to alter the party position and permit voting in favor of the accords.

The Israeli press believes the debate will not end with the Knesset vote. Maariv referred yesterday to the "emotional and ideological shock" to be experienced over the longer run by those who vote for the agreements. "There is no precedent in the history of the Zionist movement and the State of Israel for putting an end to a settlement enterprise," the paper said.

The Gush Emunim continues to do what it can to sharpen Begin's dilemma. About one thousand Gush members and settlers, plus a few Knesset members, demonstrated in Jerusalem on Sunday. Likud Knesset member Geula Cohen, a Gush backer, was expelled from the opening Knesset debate yesterday by a majority vote after repeatedly heckling Begin during his speech.

The latest Public Opinion Research Institute (PORI) poll indicates that many Israelis have made difficult decisions on the settlements but are not at all reassured about what is to happen on the West Bank. More than 53 percent felt that Israel's policy on settlements had harmed its world image, and 52 percent thought that establishing new settlements during negotiations with Egypt was unjustified.

The West Bank is a different matter, according to the poll. More than 80 percent of the respondents think that Israeli military control in the West Bank is vital to Israel's security. More than 66 percent believe that peace is impossible without solving the Palestinian problem.

Israeli reservations on the Camp David framework contrasts sharply with the prevailing Arab view that Begin

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got what he wanted and the Arabs were losers. In
Jordan, however, Israeli criticism of Begin may help, in some
small way, to alter the opinion that Begin gave up
nothing at Camp David. This may particularly apply
with regard to the feeling in Israel that the accords
eventually will pave the way for a Palestinian state
on the West Bank and that Begin's own position on
these key issues has changed considerably over the past
several months.

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OTHER DEVELOPMENTS

Arab-Israeli:

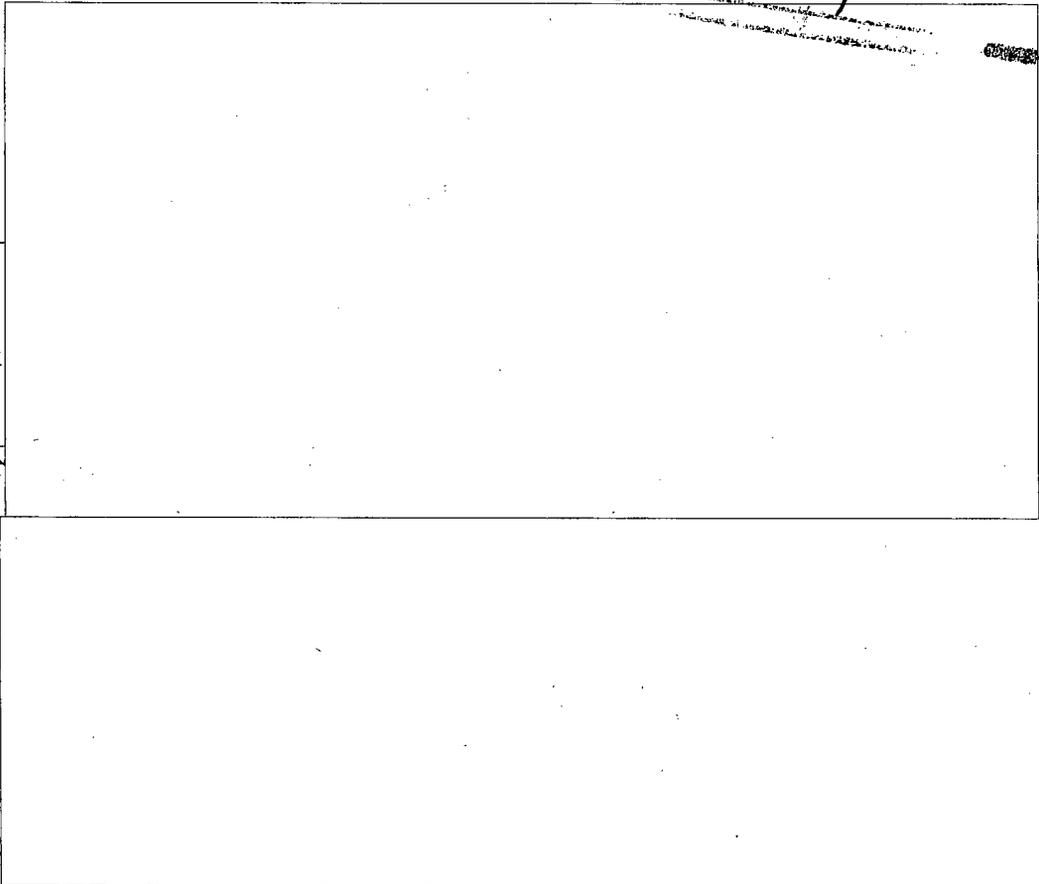
--Egypt-Israel: Embassy Cairo reports that Mubarak said that now that the Israeli cabinet has approved the removal of the settlements, Egypt is prepared to receive Israeli communicators in order to establish a direct communications link.

* --Israel-New Settlements: Weizman called Ambassador Lewis September 25 to inform him that in the next few days 25-30 Israeli families would be moving into new houses in the Gaza Strip. In a subsequent conversation, General Orly, the head of the military government, said that a similar situation existed in the Rafah approaches where two new villages were virtually completed and ready for occupancy before Camp David and, therefore, not "new settlements." (According to the Jerusalem Post the settlements had not been slated for immediate occupancy but work had been accelerated since the conference ended).

--Egypt-Public Reactions: Embassy Cairo reports that many Egyptians trust President Carter and appreciate the efforts he exerted as mediator, a respected role in Egyptian society. This trust, the Embassy comments, is very important because many of the educated elite are apprehensive that Begin will "deviate" from the agreements after they achieve normalization of relations with Egypt. They believe only President Carter can keep the negotiations fair. Their major underlying concern is that Egypt will be isolated from the rest of the Arab World with a concomitant loss of badly needed Arab subsidies.

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Palestinians:



--Egypt-Cyprus: Embassy Nicosia reports that the executions of the murderers of Yussuf Al-Scbai have been postponed until November 15.

[redacted] Kreisky has agreed to a Cypriot Government request to mediate with Sadat on the sentences and punishment of the two men. The Cypriots are reportedly prepared to reduce the sentences to ten years in prison and turn the men over to Egypt providing that Egypt adheres to the terms of the prison sentence.

International:

--USSR-Camp David Accords: In a long commentary on September 24, Pravda sharply criticized the Camp David Accords and accused the US of sponsoring the negotiations in order to "drive a wedge between the Arabs" and expand its own economic and military presence in the Middle East. According to Pravda:

--the talks were called to impose a peace on the Arabs that would protect Israeli gains and US monopolies;

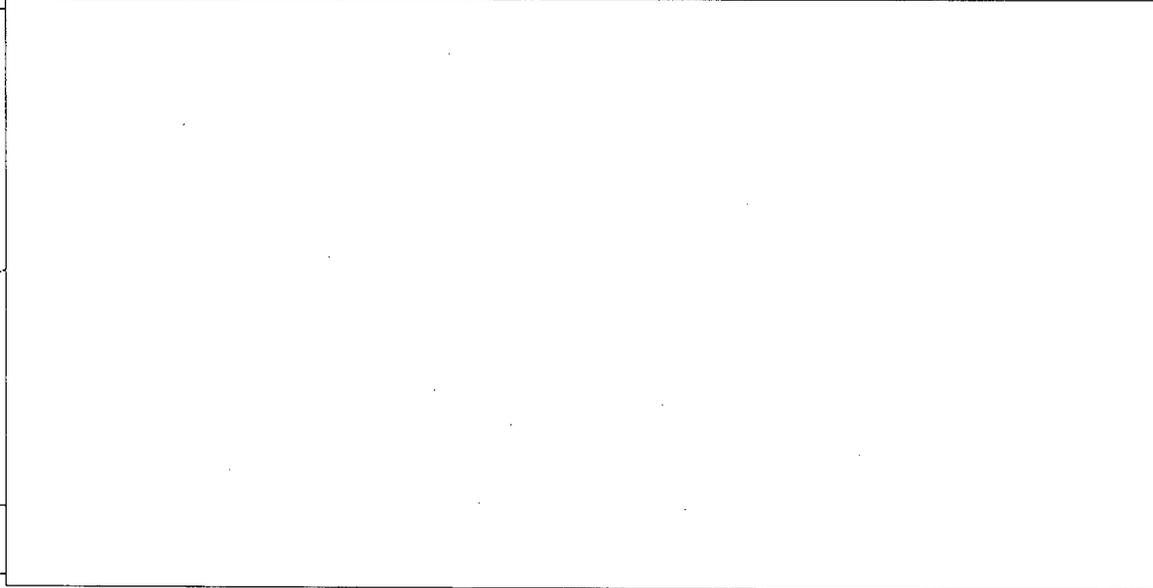
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--"the organizers of the Camp David talks" demonstrated a "truly imperialist approach" by not even consulting with Jordan, Syria or the PLO; and

--ignored the essentials of a true Mideast settlement.

--Jordan-Syria: Press reports indicate both Hussein and Assad will be making tours visiting Arab states soon to test reaction to Camp David. Badran said that in addition to Hussein's personal travels Jordan will send envoys to other Arab capitals. No countries were identified, however. Press reports from Damascus say Assad will make his first stop in Amman, possibly today or tomorrow.

--Camp David-UN Views: Our mission in New York reported that the Nigerian Ambassador said Camp David had not solved any of the Middle East problems. He did indicate some sympathy for Sadat's position saying that Egypt, along with Syria, had borne the brunt of the Middle East wars. The Tanzanian Ambassador, expressing his own and other Ambassadors' opinions, said Camp David had resolved Egypt's problem but not that of the Middle East. He predicted acrimonious debate in the UN this fall in reaction to the accords.



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Lebanon:

--Lebanon-Syria: Embassy Beirut reports that Boutros said that Sarkis was planning to ask Assad to withdraw his troops from strategic positions in East Beirut. If the Syrians say they will withdraw also from positions in West Beirut, the Lebanese could live with that. On the other hand, if the Syrians refused to withdraw, the Lebanese government would have serious problems.

--Southern Lebanon-Israel: [redacted]

[redacted] pattern developing over the last week where Palestinians fire on Lebanese Christians at Marjayoun as they travel to and from work in Israel via the "Good Fence" route. The firing is apparently intended to disrupt the regular activities which associate the villagers with Israel. The intensity of exchanges has been increasing daily, the source reports.

--Beirut: Syrian and Christian forces exchanged fire in Beirut yesterday.

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