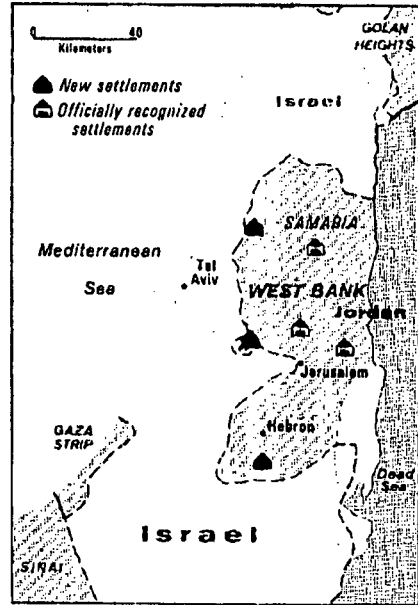


"creeping annexationism" by the opposition Labor Party, government leaders defended the decision as "humanitarian." They said, however, that the government would not change the legal status of Arab inhabitants without the approval of the Knesset.

Palestinian spokesmen have attacked these recent actions by Israel. They have called for an increase in military operations inside Israel to protest the "annexationist" moves. Palestinian moderates probably are particularly dismayed by the Israeli actions, which are likely to make it more difficult for leaders of the Palestine Liberation Organization to agree on any public gestures of moderation in order to gain a role in future Middle East peace talks. This may have been one of the Israelis' objectives in planning their West Bank moves.



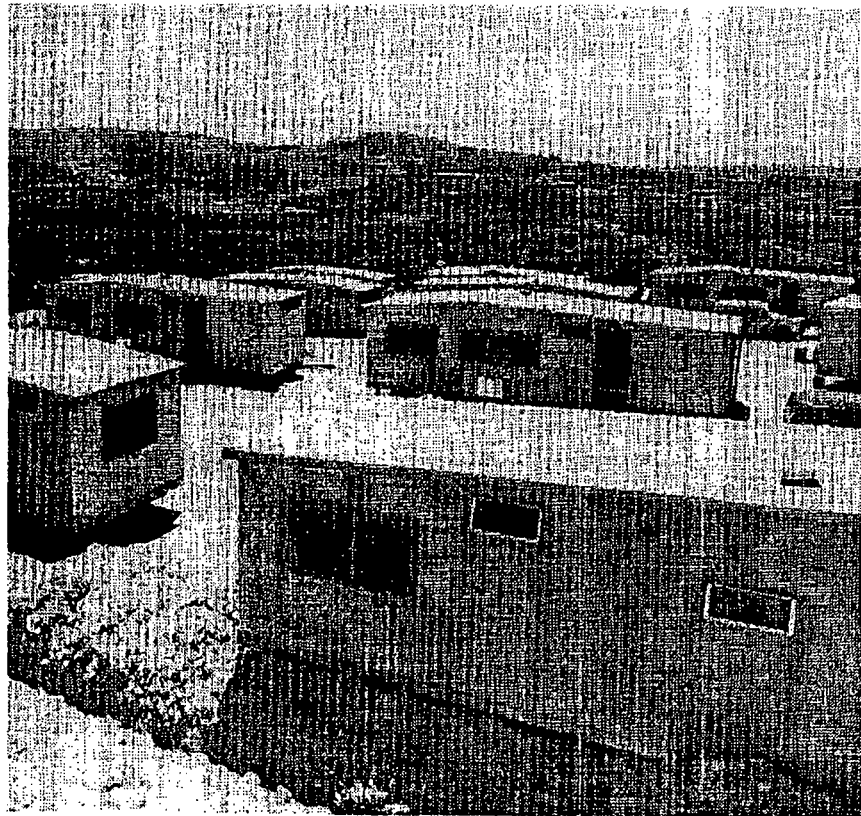
ISRAEL

A series of recent actions by the Israeli government underscores Prime Minister Begin's intention to retain permanent control of the occupied West Bank and Gaza Strip. Begin considers the two territories part of his country's rightful patrimony; Arab leaders demand the return of the lands to Arab control in any peace agreement.

Two separate actions showed that the Begin government looks more favorably than did its Labor Party predecessor on the proliferation of Jewish settlements in the occupied territories. In an initial move in late July, the government officially recognized three West Bank settlements that had been set up some time ago by the ultra-conservative Gush Emunim organization near heavily Arab-populated areas of Samaria district. The former Labor cabinet had denounced one of the settlements as illegal and had never formally accepted the other two, although it had unofficially tolerated them.

On August 17, the government went a step further and approved the establishment of three new settlements on the West Bank. Two will be located along the western edge of Samaria. The third is to be located south of Hebron near areas heavily populated by Arabs and will be set up by followers of Gush Emunim which has plans for another settlement nearby. In an attempt to defuse anticipated US and international protests, a government spokesman emphasized that the Labor cabinet had approved all three settlements in principle.

Earlier this week, the government announced it was extending to Arabs in the West Bank and Gaza Strip health care and other social services enjoyed by Israeli citizens. Brushing aside charges of



A recently legalized Israeli settlement on the West Bank

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