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Approved For Release 2006/05/25 : CIA-RDP85T00875R001100160036-0

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CIA/OC I/FM 1628/73

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DIRECTORATE OF  
INTELLIGENCE

# Intelligence Memorandum

*ISRAEL: Peace, Politics, Parties*

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22 February 1973  
No. 1628/73

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
22 February 1973

INTELLIGENCE MEMORANDUM

ISRAEL: Peace, Politics, Parties

Summary

Israeli leaders reiterate publicly and privately that they stand ready at any time to negotiate a peace settlement with the Arab states. Most Israelis, however, believe that the Arabs are not ready for a formal peace and that even if they were, they would not be willing to swallow the considerable territorial requirements that Tel Aviv regards as necessary for "real peace."

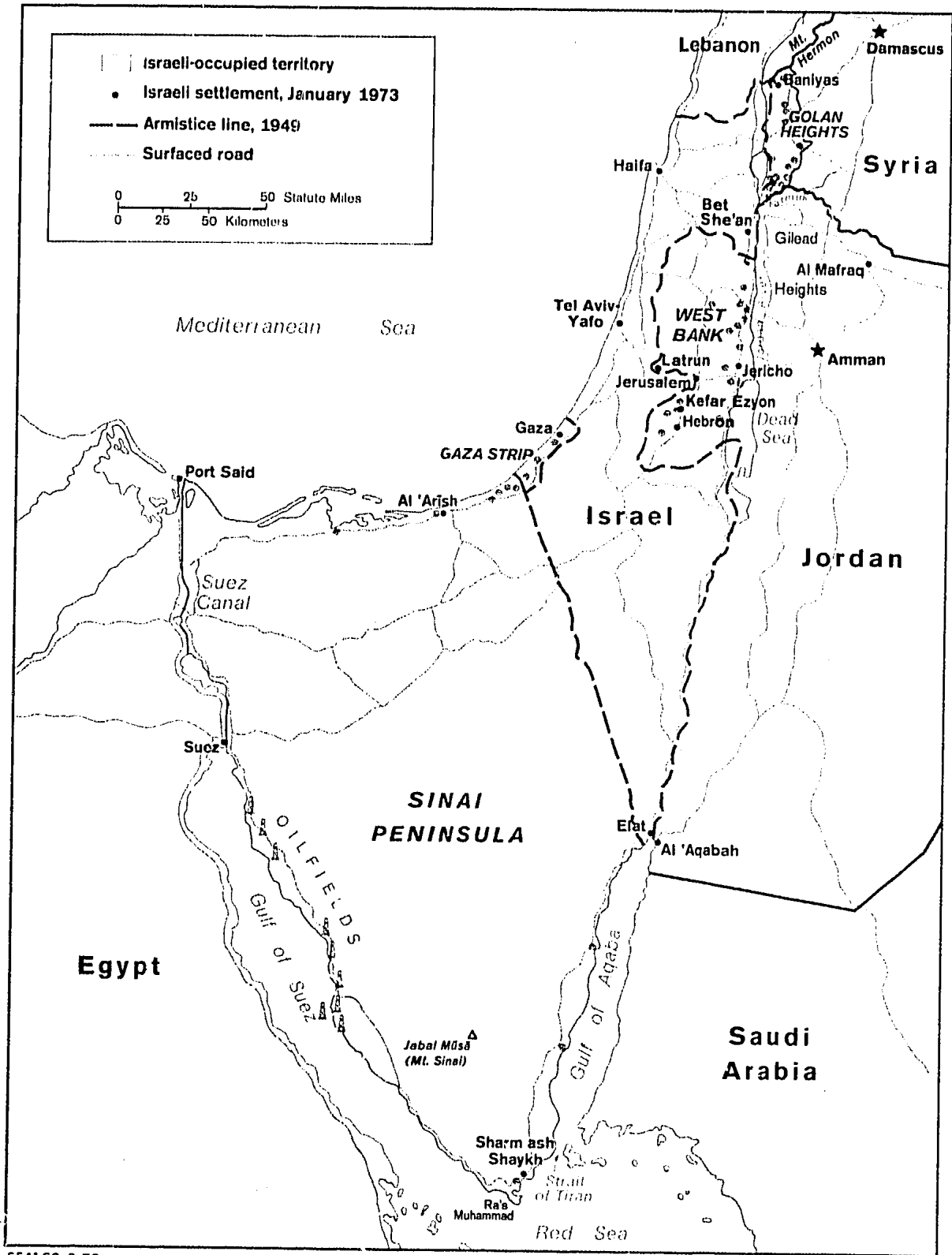
Prime Minister Golda Meir charges that since the 1967 war the Arab states have consistently refused to make peace. Their whole policy, she says, is aimed at one objective: to force Israel to withdraw to the lines that existed before 1967, where it would be easy prey for new Arab aggression. Until the Arabs accept Israel as a state, the Israelis insist they must preserve the defensive advantage that the occupied Arab territories provide.

Mrs. Meir and Foreign Minister Eban have frequently said that if the Arabs would come to the negotiating table, they would be surprised to find how flexible Israel would be. Nevertheless, after 25 years of border conflict and war Israeli leaders are so distrustful of the Arabs that they are unwilling to exchange the security advantages afforded by the occupied territories for what might turn out to be just another piece of paper. How much territory Israel should keep for security is the prime subject of discussion when the matter of a peace settlement is raised. With the Arabs continuing to refuse to negotiate and to give every indication that they want nothing less than the destruction of Israel, the Israelis have become tougher on the territorial issue. Israel is preoccupied with security and survival; Israeli officials have frequently stated their determination to resist international pressures to accept anything that they consider would endanger their security. As Mrs. Meir has said, "The Arabs can lose several wars and still be around; Israel can lose only one."

*Note: This memorandum was prepared by the Office of Current Intelligence.*

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**The Easy Way: The Status Quo**

Israeli leaders are convinced the defensive advantages afforded by the occupied territories, combined with Israeli military superiority, will enable Israel successfully to fend off any Arab military thrusts. Defense Minister Dayan says that if he had to make a choice between going to war or returning to the pre-war borders, he would choose war. The new cease-fire lines shorten the Israeli frontier, fill out the narrow 10-mile waist of pre-war Israel, provide improved defensive positions (Golan Heights, Jordan River, Suez Canal), and put Arab aircraft and artillery farther away from key Israeli cities.

The Israeli Government's attitude toward settlement prospects is supported by the vast majority of the Israeli public. The "peace" element in Israel—those who believe there is a good enough chance for peace to justify an offer to sacrifice substantial territory—is tiny and without influence. In the most recent parliamentary elections, in October 1969, peace candidates had less than five percent of the total vote. Fedayeen attacks, the refusal of the Arabs to negotiate peace, and a constant stream of intemperate, anti-Israeli statements from Arab leaders have served to keep this group small. Conservative religious parties and other parties of the right, which fear the government may be willing to give up too much, are much more in evidence.

The Israelis would, of course, like a peace that would end border conflicts, casualties, extended military duty, high taxes, and economic restrictions. Between the end of the 1967 war and October 1972, Israel took more casualties—about 860 dead and over 3,200 wounded—than it did in the 1967 war. Virtually all Israelis, conscious of the oppression of Jews throughout history, are willing to pay the price. None, however, like it.

Since mid-1970, Israel's security position has markedly improved. In August 1970 the cease-fire along the Suez Canal brought quiet to Israel's most dangerous front. Lebanon has never posed a military threat and Syria, although more formidable than Lebanon, confines itself to an occasional foray against Israel. Jordan's King Husayn wants no more war with Israel, and since September 1970, when he began to move against the fedayeen, Israel's Jordanian front has been peaceful. The fedayeen, despite occasional operations mounted from Lebanon and Syria, present no real threat. In Egypt, Israel's old nemesis Nasir died in September 1970, and in July 1972 his successor Sadat reduced Egypt's already meager military options by throwing out Soviet pilots, advisers, and technicians. By 1972 no credible Arab military force could press Israel toward unilateral concessions.

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Indeed, Israel was enjoying the status quo and was discounting any advantages a settlement might bring. While Israeli leaders usually deny they prefer a "no-peace" situation, Foreign Minister Eban observed last year that the status quo was "complex, but tolerable." There has been no serious threat to Israel for over two years. The territories, including the usually active Gaza Strip, are quiet because of tough pacification measures that are mild in general, but tough when necessary. Moreover, a trend epitomized by the municipal elections on the West Bank in the spring of 1972, has developed toward a grudging but pragmatic accommodation by resident Palestinians to the Israeli occupiers.

### **The Stalemate**

Israel has ventured few initiatives and has made only minor procedural concessions since UN mediator Jarring began discussions on a peace settlement after passage of UN Security Council Resolution 242 on 22 November 1967. The discussions have foundered on varying interpretations of the resolution. The Arabs view the resolution as requiring Israel to withdraw—or at least to make a commitment to withdraw—from all the Arab territories occupied during the 1967 war; then, indirect peace negotiations could produce a document which made a bow to the legitimacy of the Israeli state. Tel Aviv, on the other hand, insists that the resolution is not self-implementing, that it merely sets forth a set of principles, the details of which must be hammered out in direct negotiations. In the years of intermittent talks with Jarring and the four powers, Tel Aviv has not deviated from its position; there can be no valid peace without direct negotiations, there can be no Israeli withdrawal without a valid contractual peace treaty, and, even then, Israel will withdraw only to "secure and recognized borders."

Although Tel Aviv sees little prospect for an over-all peace settlement, it is interested in an interim agreement with Egypt on the Suez Canal. In November 1970, Defense Minister Dayan proposed a mutual pull-back of forces along the Suez Canal. In early 1971, Sadat said that Egypt would reopen the canal if Israel would make a partial withdrawal from Sinai. Israel replied that it would agree to a partial withdrawal from the canal (the extent to be determined by negotiation), but its conditions were tough: Israeli ships must have transit rights in a reopened canal; the cease-fire must be extended indefinitely; Egyptian military forces must not return to the East Bank; and Egypt must thin out its forces on the west bank of the canal (presumably including the air defense system). Israel also warned that a partial withdrawal of Israeli forces from the Suez should not be taken as a step toward full

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**RESOLUTION 242 (1967)**

Adopted by the Security Council at its 1382nd meeting,  
on 22 November 1967

The Security Council,

*Expressing* its continuing concern with the grave situation in the Middle East,

*Emphasizing* the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,

*Emphasizing* further that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter.

1. *Affirms* that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:
  - (i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;
  - (ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity, and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;
2. *Affirms* further the necessity
  - (a) For guaranteeing freedom of navigation through international waterways in the area;
  - (b) For achieving a just settlement of the refugee problem;
  - (c) For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones;
3. *Requests* the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;
4. *Requests* the Secretary-General to report to the Security Council on the progress of the efforts of the Special Representative as soon as possible.



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withdrawal. An interim agreement, Israel stipulated, would be separate and would not call for implementation of Resolution 242. Agreement has foundered on Israeli opposition to Egyptian military forces across the canal and on Cairo's linking an interim agreement to a final peace settlement. In November 1971, Israel said that it would not interfere if Cairo wanted to clear and reopen the canal on its own without an agreement, but that Tel Aviv would continue to insist that Israeli forces remain in their positions and that Israeli ships be permitted to use the canal.

### **Israeli Requirements**

At the UN General Assembly in October 1968, Foreign Minister Eban outlined nine general principles that Israel regards as essential for a "just and lasting" peace settlement. These requirements remain the basis of Israeli policy:

1. A peace treaty arrived at by negotiation between the parties directly involved, contractually expressed, and including a renunciation of all belligerency.
2. The establishment of new, permanent, "secure and recognized" boundaries by agreement.
3. The establishment of other security arrangements to avoid a breakdown of the peace.
4. Open frontiers and freedom of movement across borders.
5. Unreserved freedom of navigation for Israeli shipping.
6. Recognition that the refugee problem is not only an Israeli problem, but a regional one to be solved with international assistance.
7. Christian and Muslim access to and responsibility for their holy places in Jerusalem.
8. Contractual Arab acknowledgment of Israel's sovereignty, integrity, and right to national life.
9. The establishment of a framework to provide for regional cooperation in the Middle East on resources and communications.

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Eban stressed that the first two principles were "absolutely indispensable." The second principle regarding boundaries is probably the most critical issue to the Arabs. The question of where the boundaries should be set is the most controversial in Israel. Under the third principle—other security arrangements—Israel has in mind, in addition to direct territorial changes, a series of demilitarized zones in the several Arab states that would prevent Arab forces from moving into areas from which Israel withdraws. Israel has no faith in international policing of demilitarized zones, particularly in any UN guarantees, and is convinced that guarantees are no substitute for defensible borders. Moreover, the Israelis are unlikely to accept any demilitarized zones behind the 1949 armistice lines. Dayan says, "We must not go back to demilitarization with UN forces. I don't want to see any foreigners here. For better or worse, we have to look our neighbors in the eye, without anyone coming between us. If we can reach an agreement with the Egyptians or the Jordanians, OK, but not demilitarization supervised by foreigners or the Security Council." Mrs. Meir adds that she "simply cannot understand any Israeli who, after all that has taken place in the past, is prepared to rely on someone else."

Principle four on open frontiers reflects Israel's desire for freedom of movement of persons and trade between Israel and the Arab states. Eban in 1968 indicated that Tel Aviv would permit Jordanian access to port facilities on Israel's Mediterranean coast and allow Arabs, as well as Israelis, to visit places of religious and historic interest. When Israel talks about unreserved freedom of navigation for Israeli shipping (principle five), it means not only unrestricted passage through a reopened Suez Canal, but also free access to Israel's port of Elat at the head of the Gulf of Aqaba. Rights to transit the Suez Canal are mainly a matter of face for the Israelis; most Israeli trade goes from its Mediterranean ports to Europe.

In dealing with the problem of the Palestinian refugees (principle six), Israel proposes an "international conference" of delegates from the Middle East states, other states that contribute to refugee relief, and UN specialized agencies involved. The conference would draft a Five Year Plan to solve the refugee problem. Israel would insist that only limited numbers of Arab refugees return to Israel. The Israelis envision international funding to compensate refugees who remain in the Arab countries.

Under principle seven Israel disclaims any intent to seek unilateral jurisdiction over the holy places of Christianity and Islam. The reverse of this coin is that Israel intends to maintain control of re-united Jerusalem. The

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eighth principle, the call for formal acceptance of Israel by the Arab states, is closely allied with the first, but is a specific and separate requirement that the Arabs contractually recognize Israel. Principle nine, regional cooperation, flows from this in that it speaks of cooperation on resources and communications in the Middle East, presumably involving Israeli technical assistance to the Arabs. Several of these are pie-in-the-sky items, expressing Israel's hope for "normalcy" and eventual Arab-Israeli cooperation.

### **The Territories Issue**

Officially, Israel has avoided formally specifying its territorial objectives, but public statements by Israeli leaders indicate that they are so substantial that they virtually foreclose the possibility of Arab agreement in the foreseeable future. The Israelis do not believe peace is possible now, are not willing to pay a high territorial price for less than full peace, and seem quite willing to wait a long time to get the peace settlement they want. Former prime minister Eshkol has said that Israel "will sit tight [on the cease-fire lines] for 20 years if necessary."

Israel has said categorically that it will not return to the borders that existed before June 1967 and that this refusal is "absolute, basic, irrevocable." The Israeli Labor Party's (ILP) "oral doctrine" (which is written) of April 1971 probably is the most reliable guide to Israeli territorial demands. The document was drawn up by top ILP leaders in the government, including Defense Minister Dayan, and was approved by the party convention. The ILP, led by Prime Minister Golda Meir, is the largest political party in Israel and the principal component of the governing coalition. The oral doctrine is, however, party—not government—policy; it is not necessarily accepted by other political parties, including other members of the coalition.

The document states that: the Golan Heights will remain under Israeli control; no Arab army will be permitted to cross the Jordan River; Israel will return much of the West Bank to Arab rule, retaining only a "security presence" in the Jordan Valley or along the ridge of hills in the center of the West Bank, or both; some border areas will be "straightened out," particularly those where Israel is a narrow strip between the West Bank and the Mediterranean; a united Jerusalem under Israeli sovereignty will be the capital of Israel; the Gaza Strip, along with Sharm ash-Shaykh and a strip of land connecting it with Elat will be retained by Israel; the remainder of the Sinai will probably be demilitarized. Eban described these conditions as "essential to prevent new wars and ensure Israel's security."

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Prime Minister Meir in a press interview in March 1971 gave a similar, but somewhat fuller, description of Israel's requirements. Mrs. Meir added that the border around Elat would have to be "negotiated anew," and the Latrun salient west of Jerusalem would have to be removed. Mrs. Meir also hinted that Israel might ask for some control over the Gilead Heights in northern Jordan beyond the present cease-fire lines. The Latrun salient was useful to the Arabs during the 1948 war, and in 1967 and 1968 the fedayeen shelled Israeli settlements in the Beisan Valley across the Jordan River from the Gilead Heights.

Another Israeli proposal that treats the territorial issue is the "Allon Plan," drawn up by Deputy Prime Minister Yigal Allon shortly after the 1967 war. Although it is Allon's personal scheme, it has gradually won wide public approval and probably has the general support of most of the cabinet. Allon concentrates on the disposition of Jordan's West Bank. He proposes that the Jordan River be Israel's new "security border" and that Israel annex a 12- to 18-mile-wide defensive zone parallel to and immediately west of the river from Beit Shean to the Dead Sea, some 65 miles. This strip—covering about a third of the West Bank—would have some 20 Israeli fortified settlements. An Israeli-controlled corridor in the Jericho area would be open to travelers between the East and West Bank. East Jerusalem would remain in Israeli hands, and major border changes would be made at Latrun, Kefar Ezyon (the Etzion bloc) settlement, and Hebron. The rest of the West Bank could be either an "autonomous" Palestinian entity or returned to Jordan. In either event, it would be demilitarized. Both Dayan and Mrs. Meir have proposed that Israelis retain the right to settle anywhere they choose on the West Bank.

Israelis are agreed on the over-riding importance of ensuring the nation's security. They hold differing views, however, on just how much territory is needed and how many Arabs the country can absorb. Some planners think only in terms of military requirements; others want to annex certain territories for historic or religious reasons; and still others favor a combination of both. Economic motives also are important. As the Israelis have gained a degree of acceptance in the occupied territories, the idea of keeping them has become more attractive. There are a few on the far left—the "minimalists" or "doves"—who would offer most of the territories in the hopes of tempting the Arabs into a viable peace agreement. On the right, the "maximalists" or "hawks" want to keep all the land Israel now has and integrate it into Israel. Many of the moderate middle are concerned that annexation of more territory and absorption of more Arabs will dangerously dilute the Jewish character of Israel; hence, they want only as much territory

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as will enhance security without adding many Arabs. In a poll conducted in April 1971, only four percent of the Israelis favored return of all of the territory occupied in 1967. About 93 percent favored holding all of Jerusalem, 86 percent wanted to keep the Golan Heights, and 72 percent believed that Sharm ash-Shaykh should be held. While 73 percent of those polled said that they would trade "some" territory for peace, when pressed on which territories only 18 percent would return even the Sinai.

The oral doctrine and the Allon Plan should probably be regarded as Israel's basic negotiating position. Eban, while insisting that everything in the oral doctrine is negotiable, states that most of its points are "so crucial that peace will not be possible if we do not get them." Dayan calls the Golan Heights, Sharm ash-Shaykh, and the Jordan River Israel's eastern border "vital." He maintains that Israel must be the sole judge of what comprises "secure boundaries." It would be fine if the Arabs agree, the defense minister says, but if they do not, "the borders (as determined by Israel) would be the non-agreed borders." Although Mrs. Meir says that she has neither a plan nor a map of her own, and that she does not want to keep all the territories or to stay on all the cease-fire lines, she insists that Israel must have secure borders. Mrs. Meir said last September that Israel "needs more than minor modifications; some must be major and less major, but not minor."

The Israelis are thus agreed among themselves that the Golan Heights, Jerusalem, and Sharm ash-Shaykh must remain in Israeli hands. Tel Aviv has indicated that it does not intend to permit a return to the pre-war situation in the Golan Heights, where Syrian artillery freely harassed the Israeli settlements in the valley below. Control of the heights has more than military advantages. It also gives Israel control of the Baniyas River, a major tributary of the Jordan River, and access to the Yarmuk River and its valuable water. Control of Jerusalem is not necessary to Israel's defense; the Holy City is wanted because of its historic, religious, and emotional associations. The Israelis are determined never to return East Jerusalem to Arab rule or to cede a united city to international control. The most the Israeli Government has ever conceded is that it will permit free access to the Christian and Moslem shrines, under the jurisdiction of religious institutions.

Attitudes toward Sharm ash-Shaykh have hardened over time. From Israel's point of view, Sharm is useful to Egypt for only one purpose—interdicting maritime traffic in the Gulf of Aqaba. Thus Egyptian demands are prima facie evidence of Egyptian aggressive intent. No Israeli wants to risk a repetition of the situation of 1956 and 1967, when Egypt summarily

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closed off access to Israel's important port of Elat. The Israelis, remembering the removal of the US force in 1967, have adamantly opposed suggestions of a new form of international control since the end of the 1967 war. They have long insisted that Israel itself must retain physical control of Sharm ash-Shaykh, and having built roads, tourist facilities, etc., there, they have over the past couple of years argued for a substantial swath of Sinai to guarantee land access to the area.

The bulk of the generally barren, lightly populated Sinai does not appear to be in dispute. All indications are that the Israeli leaders want Sharm ash-Shaykh and a route to it, plus an area around Elat; most of the remainder of the peninsula could presumably be returned to Egypt under a demilitarization agreement. In November 1972, Dayan said that Israel should not go back to the old international border with Egypt, that Israel should keep the Gaza Strip, retain control of the Strait of Tiran, and negotiate a new line "connecting Sharm ash-Shaykh with the Mediterranean." He avoided specifics, saying only that a new border in Sinai could be negotiated: it would be "somewhere between" the Suez Canal cease-fire line and the old international border. Israel is currently establishing several settlements in northeast Sinai south of the Gaza Strip. They are designed to sever the Gaza Strip from the Sinai and to establish a strong defensive position in an area which was the scene of hard fighting in the 1967 war. In 1971, *Ha'aretz*, an influential Israeli newspaper, published a map which it claimed delineated Israeli requirements in the Sinai Peninsula. On the map, the line was drawn from west of El Arish on the Mediterranean directly across the peninsula to Ras Muhammed at the tip of the Strait of Tiran.

### **The Population Dilemma**

Differences among Israelis over "annexation versus non-annexation" center primarily on the heavily populated territories: the West Bank and to a lesser extent the Gaza Strip. The essential dilemma is that to retain these territories is to absorb many Arab inhabitants as well. Some 600,000 Arabs live in the West Bank area, about 350,000 more in the Gaza Strip. These, if added to the 450,000 Arabs in pre-war Israel would bring the total to 1.4 million Arabs, a considerable demographic threat to the 2.5 million Jews in Israel given an Arab birth rate twice that of the Jews. The Israeli Government has never officially talked about retaining the West Bank in the same categorical terms they have used in referring to the Golan Heights, Sharm ash-Shaykh, and Jerusalem. Some 100,000 Arabs fled the Golan Heights when the 1967 war began, and only a small number of Druze remain. The Sinai contains only a few thousand wandering Bedouins. The Old City of

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Jerusalem has an Arab population of some 72,000; the Arabs already are outnumbered by Jews, and Tel Aviv is consciously settling more and more Jewish immigrants there to establish an overwhelming majority.

Until the Israelis were able to halt Arab terrorism in the Gaza Strip in late 1971 and early 1972, they had expressed little interest in retaining the area. Before that, Israeli officials generally had talked only in negative terms, i.e., that the strip could not be returned to Egyptian control. In May 1972, Israeli Minister of Information Galili openly declared that Israel intends to retain control of the Gaza Strip indefinitely. Israeli officials have not said so for public consumption, but they have stated privately that some very considerable shifts of the Arab population out of the strip will have to be made. They are breaking up the several refugee camps there and are seeking to place refugees close to municipalities where they can find jobs—a device the Israelis hope will break the “refugee complex.”

In the past few weeks, ILP leaders have been debating the future of the Arab territories, specifically the West Bank and the Gaza Strip. The debate was prompted by Dayan who had proposed an extended period of Arab-Israeli co-existence, during which Israel would step up economic investments, raise the standard of living, extend public services, and make social improvements with the ultimate aim of binding the Arab inhabitants of the West Bank and Gaza to Israel. Dayan, who is very pessimistic regarding a favorable peace settlement, contends that Israel should not push for a settlement involving these areas now. Israel, he believes, needs more than territorial security on the West Bank and in the Gaza Strip. Jews must have the right to “settle, work, and pray” in these territories. Dayan believes that the government should either decide to close its borders to Arab workers coming into Israel or help them with their problems and accept them as permanent laborers. Some 55,000 Arabs now come to Israel to work, about 40,000 of them legally.

As long ago as 1968 Dayan called for economic integration “from Jerusalem to Gaza.” In May 1969, he said his prime concern was not to force the Israeli victory down Arab throats, but to find “a human as well as a political solution.” He pointed out there are 2.5 million Jews and 100 million Arabs; Israel could fight them, he said, but “eventually we shall have to live with them, not like the French did in Algeria, or the British in India, but like equal human beings, working together.” Dayan’s political lieutenant, Minister of Transport Shimon Peres, supported his chief with a plan for a federal arrangement between Israel and the territories in which “instead of dividing the country, you divide the administration.” The plan has not been spelled out.

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Finance Minister Sapir, Allon, Eban and Mrs. Meir have all criticized Dayan's "integrationist" proposals. They say his plan is disguised annexation that closes off chances for a peace settlement. They call it unsound both demographically and economically. Sapir has pointed out that Israel already has spent \$33 million on the Arabs in the West Bank and Gaza, money he believes could have been more profitably spent in solving Israel's housing and immigration problems. Sapir contends that economic and social integration of the Arab population would inevitably lead to political integration and endanger the Jewish character of the state.

### The Personal Angle

The more recent attacks on Dayan smack of jockeying for political advantage. The parliamentary elections scheduled for October 1973 may be part of a succession struggle, because Mrs. Meir, now 74, says she would like to step down, and if not dissuaded by her party, she will probably do so not too long after the elections. Dayan, Sapir, Allon and Eban regard themselves as potential successors. Sapir, the leading candidate, if his health and inclinations permit, is regarded as a "minimalist" on the Arab territories issue. He is particularly concerned that Israel not dilute the Jewish majority. Sapir not only strongly disagrees with Dayan over integrating with the West Bank, but also has publicly taken Dayan to task for his contention that Sharm ash-Shaykh is more important than peace. According to Sapir, "It's not just a matter of a formula, Sharm ash-Shaykh, or ensuring sea passage through the Red Sea or the Suez Canal; this is of utmost importance, but what is most important is peace." Sapir, like the others, favors retaining the Golan Heights, Gaza, Sharm ash-Shaykh and East Jerusalem.

Mrs. Meir is somewhat less "dovish" on the territories than Sapir, but she has spoken out against the "maximalists." She does believe there can be no return to the old borders, that the new borders must give no natural advantage to the Arabs, and that the expanded Israel should contain as few Arabs as possible. Mrs. Meir has frequently reiterated that she did not want "to count the population every morning when she got up to see if it was still Jewish." She has acknowledged that perhaps Israel could provide more social services for Arabs in the territories, and she would like to see a greater government effort to develop employment opportunities there rather than in Israel.

Allon, with an eye to the succession, has lined up in the recent debate with Sapir and against Dayan. Allon, in fact, has recently come down on the

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need for reasonable territorial compromises. By moving closer to the "doves" he probably hopes to influence the ILP king-maker, Sapir. Allon says Israel should push for negotiations instead of settling for the status quo. He argues that instead of permanently occupying the territories, Israel should press for a settlement that guarantees Israel "free access to all the areas now under Israeli administration, without leaving Israel in control." He would preserve the Jewish character of the state, and he opposes Israeli settlement in the heavily Arab-populated areas of the occupied territories. He believes that the problem of employment in the territories must be solved within the territories.

Eban agrees with Sapir and Allon on the need to keep Israel's options open for peace. He believes that Israel should have new borders, but that they should not enclose a sizable Arab minority. He generally favors the Allon Plan for the West Bank because it removes an area heavily populated by Arabs. Emphasis, he feels, should be shifted from the employment of Arabs in Israel to a more vigorous development of the territories' economy.

#### **Parties and Factions**

Mrs. Meir has now shut off the debate, apparently to prevent further breaches in the party, and perhaps also to deny the popular Dayan further publicity. Mrs. Meir's government is a coalition, and its various components do not agree on the territorial questions. Differences exist not only between the two main coalition parties, Mrs. Meir's Labor Alignment and the National Religious Party, but also within the Alignment itself. Mrs. Meir argues that Israelis have no need to fight among themselves or draw a map as long as the Arabs are not ready to negotiate. Rather than risk the sort of debate that could cause further friction within the coalition and the party, she falls back on a proposition on which everyone can agree: Israel will stand firm on the cease-fire lines until there is a binding contractual peace agreement and withdraw only to "secure and recognized borders."

"Doves" in Israel, the Israeli "minimalists," are not an important political factor; they represent less than five percent of the voters and hold only a half dozen seats in the 120-seat Knesset. Even the largest element in the "peace without annexation" group, the Rakah (New Communist) party, holds only three seats. Its membership is mostly Arab, and it follows an Arab nationalist line.

The "right" is a more important element. The most vocal and the second largest party in Israel is the super-nationalist GAHAL party, which

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**Line-up of the Israeli Political Parties  
in the Seventh Knesset - 120 seats  
(elected October 1969)**

Government Coalition:	Number seats
Labor Alignment (Israeli Labor Party, (Mapai, Ahdut, Rafi); MAPAM)	56
Alignment Minorities Party (Tame Arab parties)	4
National Religious Party (NRP)	12
Independent Liberal Party (Moderate non-socialist)	4
	76
 <b>Outside Coalition:</b>	
GAHAL (Herut-Liberal Bloc) - right	26
Agudat Israel (Ultra-orthodox - religious)	4
Poali Agudat Yisrael (Religious; labor arm of Agudat)	2
State List (dissident RAFI) - center right	4
Free Center (Split-off from Herut) - right	2
Haolem Hazeh (New Force) (maverick: Uri Avneri) - left	1
RAKAH (Arab Communist)	3
MAKI (Jewish Communist)	1
Independent	1
	120

*Make-up of Labor Alignment: 56 seats:	MAPAI	33
	Ahdut	8
(Israel Labor Party-MAPAM)	Rafi	8
		49
	MAPAM	7
		56

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has polled 22 percent of the vote and holds 26 Knesset seats. GAHAL, led by former Irgun terrorist Menahem Begin, advocates the immediate annexation of all the occupied territories and the re-establishment of the ancient borders of Eretz Israel (The Land of Israel), purposely left undefined. GAHAL is really an alliance of two groups, Herut and Liberals, but they agree on an expansionist line. Begin condemns all suggestions that any of the occupied territories be given back; once asked about their return, he replied "What do you mean? They have been returned to Israel." GAHAL is not now a member of the government coalition. It quit in August 1970 after Mrs. Meir had said she would accept the principle of withdrawal and agreed to renew indirect talks through Ambassador Jarring. Nevertheless, the government is still sensitive to charges that it is likely to "give away" too much of Israel's heritage in order to obtain peace. GAHAL has only limited potential for providing an alternative to the Labor government, but it can cut into labor's electoral margin and make governing more difficult. This is enough to worry the Labor Party.

There are a handful of annexationists in such right-wing splinter groups as the tiny Free Center Party and the State List party (dissident RAFI). Also, the "Whole Land of Israel Movement," though not a political party, is an annexationist lobby with several Knesset members from various parties in its ranks. It advocates the present cease-fire lines as the minimum permanent borders and calls for the expulsion of the Arabs from the territories.

The most important elements on the Israeli right are the religious parties, on whom the labor parties have depended to form coalitions. No Israeli party has ever won a majority on its own. Mrs. Meir's Labor Alignment came close to achieving one in the 1969 parliamentary elections, but she still needs the National Religious Party, the largest of three religious parties, to carry on the government. In the last election, the three religious parties received some 15 percent of the vote and hold 18 seats in the Knesset. The National Religious Party won 12 percent of the vote and holds 12 seats. Its influence is disproportionate to its popular support, however, and it holds three cabinet posts. The religious parties are deeply concerned about the retention of the Old City of Jerusalem with its Wailing Wall, its Jewish tombs and cemeteries, and about the biblically important West Bank, which the Israelis administratively term Judea and Samaria. They established without government support the Jewish settlement at Hebron on the West Bank, which is developing into a large, modern, rapidly expanding Jewish community. Israeli investment there is considerable, and it seems unlikely that any proposal to isolate the Jewish settlement at Hebron—Israel's second most holy city—would cause a new uproar.

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Beside those whose primary concern is with keeping only sites of religious significance, there is a strong "maximalist" element in the National Religious Party that opposes withdrawal from any of the territories. The party is involved in a bitter leadership struggle, and a decision to return most of the West Bank (e.g., implement the Allon Plan) would almost certainly split the party and probably would bring about a cabinet crisis. The relationship between the Labor Alignment and the National Religious Party was constantly strained over the past year as a result of a bitter domestic struggle between the secular and the religious parties on the role of religion in the state. Since the departure of GAHAL from the coalition in 1970, the government became more dependent on the support of the National Religious Party and therefore more sensitive to its views.

The main coalition member, Mrs. Meir's Labor Alignment, holds a middle ground on the territories. There are differences within the Alignment's four factions and among the rival leaders. The ILP is made up of three labor groups which at various times have come together, fallen out, and been reunited. The MAPAI Party of the early pioneer Zionist establishment is now led by Mrs. Meir and Sapir. Smaller and to the right is the RAFI group headed by Dayan and Shimon Peres, and smaller and to the left is the Ahdut Ha'Avoda led by Allon. In the Knesset, MAPAI holds 33 seats, RAFI eight, and Ahdut eight. Knesset seats were awarded by agreement and do not reflect relative strengths within the party. In an internal party election engineered by Sapir in December 1970, MAPAI won some 67 percent of the vote, while Ahdut drew 19 percent and RAFI only 14 percent. Sapir, although no longer party secretary, is still the real boss who rallies the majorities and dispenses favors to the faithful and punishment to the unruly.

The other partner in the Labor Alignment is MAPAM. It did not fully merge with the ILP because of policy and personality differences. It stands on the extreme left wing of the Israeli labor movement. It has modified its earlier pro-Soviet line, but still tends to be pro-Arab in outlook and is the only "middle of the road" Israeli party that permits direct Arab membership. Early on, MAPAM called for the return of all territories taken in the 1967 war, but has since moved closer to accepting the position that some additional territory is necessary for security. In the event of a serious peace proposal by the Arabs, MAPAM would argue for considerable concessions. MAPAM leaders, in fact, made it clear when they entered the Labor Alignment that they did so in part to counter Dayan and strengthen the hand of the anti-annexationists.

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At its party convention in December 1972, MAPAM urged restraint in annexing territory "not necessary for security" and in actions likely to undermine the basic rights of the Arabs in Israel and in the occupied territories. MAPAM spoke out against creating permanent settlements in the territories which might become "an obstacle to peace," but gave its approval to a new settlement in northeast Sinai south of the Gaza Strip. The disposition of Gaza, the party said, should be decided on the basis of Israel's security needs, the desires of the residents, and a solution to the refugee problem. MAPAM indicated that the Golan Heights and the West Bank could be demilitarized and returned after a new border was negotiated. The party insisted that Jerusalem remain the capital of Israel. The party made no specific mention of Sharm ash-Shaykh, stating only that a settlement should be based on demilitarization of the area "until" the necessary border adjustments for Israel's security are made.

Dayan is immensely popular with the Israeli public and highly respected as a military expert; nevertheless, he has little political wall'op in the ILP. Mrs. Meir and the "Old Guard" establishment want to keep him within the party because he is a great asset in the party and would be dangerous to them outside. He knows this and obtained concessions by threatening to bolt the party in the 1969 elections. He may press his advantage again in 1973.

Allon may have a little more strength in the party than Dayan, but he is by no means as popular with the public. The two are bitter rivals. Eban, a "MAPAI'nik," has no personal political constituency and owes his position primarily to his verbal and diplomatic prowess. Eban links himself with "doves" like Sapir. It has been rumored recently that Sapir is grooming Eban as Mrs. Meir's successor.

### **The Electorate**

Issues of peace and security are of over-riding concern in debate and of little consequence in votes. The Israeli voter is likely to vote for his chosen party, its established philosophy, its leaders, and its over-all policies, rather than the party position on any specific question. He votes for a whole system of beliefs—a way of life—whether it be labor-socialist, free enterprise, religious, or Communist, in a "womb-to-tomb" atmosphere, with utmost faith that his party's leaders will come up with the right formulas. If he disagrees with the party, he is more likely to try to reform party policies than to shift to another party. This is why the parties are so important in Israeli political life.

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Despite a tripling in the size of the electorate and shifts in its composition (e.g., the addition of greater numbers of Jews of Middle Eastern and North African origin, as opposed to European, and the increased number of Sabras), in the seven parliamentary elections since 1948, Israel's labor-oriented socialist parties (MAPAI, Ahdut Avoda, RAFI, and MAPAM) have received between 48 and 52 percent of the vote, the free enterprise rightist parties such as GAHAL (Herut-Liberal Bloc) 24 to 28 percent of the vote, the religious parties 12 to 15 percent, the Communist 3 to 4 percent, and assorted independents and mavericks less than 3 percent.

In the elections of October 1969, the only one since the 1967 war, the newly formed Labor-MAPAM Alignment lost seven seats of the 63 held by its constituent parts. Labor's main rival, GAHAL, gained three seats, winning a total of 26. The Israeli voter in 1969, as before, in effect voted for the status quo. History would suggest that he will do so again this year, even if the debate on the issues of peace, security, and the territories is wide open.

Indeed the debate so far has had a familiar ring; neither the debaters nor their views are new, and spokesmen of most of the parties have reiterated the general views of their parties. GAHALists expect to pick up a few seats from the Alignment, but as the result of domestic social and economic problems, not foreign issues. Mrs. Meir, as leader of the Labor Alignment, has taken a tough and popular stance on foreign policy issues and has all but eliminated the possibility of any effective criticism from the right. The alignment contains almost the whole galaxy of Israeli stars: Mrs. Meir, Dayan, Alon, Eban, Sapir, and Peres; its principal problem in 1973 will be to muffle internal differences.

The impact that a truly serious Arab proposal for an over-all peace settlement would have on the Israeli electorate is difficult to measure. Few Israelis could be convinced that a settlement is anywhere near. In any event, most voters would probably continue to accept their own party leaders' definition of what is required for "secure and recognized borders." Mrs. Meir has the prestige and stature to change public opinion if she chooses. Dayan, too, as the most trusted of Israeli military experts, could play a key, if not determining role, in border decisions. The vast majority of Israelis would be inclined to accept his judgment on the territory required for security and territory that can be given up without endangering security. Dayan's ability to influence the public on this matter underscores why the ILP will try its best to keep him within the party fold.

If there is any change in the next few months, it will almost certainly be toward a harder, not a softer, position than that enunciated in the oral

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doctrine. The general trend since 1967 has clearly been to feel increasing security in the physical possession of Arab territory and to put no trust in Arab statements and proposals.

#### **Can the Arabs Reassure Israel?**

It would take a virtual torrent of Arab statements and professions of sincerity over an extended time to convince Tel Aviv that the Arabs—after 25 years of hostility—finally had gone beyond a grudging willingness to accept the continued existence of Israel to an actual desire for a peace settlement. Tel Aviv views the Arab peace efforts to date as no more than maneuvers to force Israel back into its pre-war borders and to prepare a new Arab onslaught. The Arabs' call for the solution to the Palestinian refugee problem is seen as another device to dilute the Jewish Israeli state by forcing Israel to re-incorporate large numbers of Arabs within its borders. Israeli leaders still cite the Arab resolution at Khartoum after the 1967 war that called for "no recognition, no negotiation, and no peace with Israel." The Israelis feel there must be a total transformation of the Arab attitude toward the Israeli people and the existence of the Israeli state before real peace is possible. They foresee no such transformation for years to come.

Israeli leaders have all along contended that the test of Arab sincerity is direct negotiations. Mrs. Meir has said, "If they aren't willing to set down with us, they don't accept us." Tel Aviv attaches great importance to direct face-to-face negotiations and has regularly insisted that there be such negotiations at some point before any peace settlement. Tel Aviv, however, would certainly require more than face-to-face negotiations. Tel Aviv would look for signs of Arab acceptance of Israel's "nine principles" as explained by Eban.

It would not be difficult for the Arabs to give visible evidence that they would accept the state of Israel. King Husayn's reported plan to rebuild and repopulate the east side of the Jordan River Valley would almost certainly be favorably received in Israel. Dayan, in talking of an interim settlement with Egypt, indicated that it would be a "good sign" if Cairo began to rebuild the cities on the west bank of the Suez Canal. This would be a sign to Tel Aviv of a real change of heart in Egypt.

With the sometimes exception of King Husayn of Jordan, Israel sees the differences among Arab leaders only as varying degrees of untrustworthiness and unreliability. As seen in Tel Aviv, the only real common denominator among the Arab leaders is their anti-Israel phobia. Tel Aviv was happy to see

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Nasir go, not only because of his staying power in the face of defeat, but also because of his strong, negative influence throughout the Middle East. His successor Sadat is no real improvement in the Israeli view; he is erratic and unpredictable, and the Israelis allege he is looking to the Big Powers to solve his problems for him. When Sadat declared his willingness to make peace with Israel, Mrs. Meir asked, "but does he mean it?" Mrs. Meir has said that Sadat, like his predecessor, lacks the courage to stand up to defeat and make peace.

Most Israelis view Husayn as somewhat of an anomaly in the Arab world. Recently Mrs. Meir paid him an unusual tribute, saying she really believed that the King was sincere in his desire for peace. Israel could not yet make peace with him because—although Husayn was on the right track—he wanted to "return to the situation of pre-war 1967." Israelis recall that Husayn was drawn into the 1967 war, and they believe he could be again. He is not his own master, they say; and is therefore unable to make a separate peace with Israel. Even if he should attempt to meet Israeli terms, they fear he would be quickly disposed of and replaced by a radical, probably pro-Soviet, government. The Israelis fear that a peace settlement with one Arab head of state will be disavowed by a successor, another reason why the value of territory for security looms large in Israeli eyes.

#### **The Palestinians: A Footnote**

In some Arab minds, the problem of the Palestinian refugees is almost as important as the return of the occupied Arab territories. Most Israeli leaders, however, regard the refugee problem as essentially an Arab concern. They have indicated that they would cooperate in offering each refugee a one-time choice between repatriation and resettlement outside of Israel with international financial help. The Israelis would want to be assured that the overwhelming majority chose resettlement.

The Israelis say they would not negotiate with the Palestinians. Mrs. Meir contends, "They have nothing to offer us, and we have nothing to offer them." In the historical Palestine between the Mediterranean and the borders of Iraq, according to Mrs. Meir, there can be only two states, one Arab and one Jewish. She contended that the Palestinians form a majority of the population of Jordan and have accepted the citizenship of Jordan. "If they want to change the name of the state from Jordan to Palestine, this is not a decision to be made by Israel." The capital, she said, is not in Jerusalem or the West Bank, but in Amman. Mrs. Meir flatly opposes the establishment of any independent Palestinian state on the West Bank; it would, she says, be

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"too small to be viable, but big enough to make war against Israel." Her statements mirror the widespread sentiment that if the Israelis were to make concessions, such as permitting any of the refugees to return to their original homes, it would open the floodgates and eventually swamp the Jewish majority.

Mrs. Meir, Sapir, Eban, and Dayan all oppose the establishment of a Palestinian state on the West Bank. The Israelis summarily rejected King Husayn's proposal of March 1972 (made in connection with the Israeli-sponsored municipal elections on the West Bank) for the formation in the post-settlement period of a federal state made up of East Bank Jordan and an autonomous Palestinian state on the West Bank. Mrs. Meir scored the proposal because it was unilateral and suggested Jerusalem as the capital. Tel Aviv's real opposition, however, is deeper. No Israeli wants an independent state on the West Bank; "Fourteen Arab states are enough."

Only Allon has shown signs of flexibility. He recently said that Israel will have to face up to the problem of the refugees and hold talks with both the Jordanians and Palestinians. Peace with Jordan, he went on, demands a permanent solution to the Palestinian problem. He said that he believes there is a distinctive Palestinian people and a "painful and vexing" Palestinian problem. Allon said closing the door on the problem would only push the Palestinians toward extreme nationalism, more fighting, and terrorism. Allon did not spell out what he has in mind, but his original plan suggested that the part of the West Bank not under direct Israeli control could either be returned to Jordan or be established as a semi-autonomous entity.

#### Meanwhile—Back in the Territories

In June 1972, Dayan noted that the choice of locations of the Israeli settlements in the occupied Arab territories had been carefully planned and conformed with Israel's statement that it would not return to the former boundaries. Eban has said that the settlements were centered in the areas "where we believe we will remain after the change of borders." Mrs. Meir has remarked that "nothing had been done in the occupied territories "without a cabinet decision" and added that no particularly stormy arguments had preceded these decisions.

Dayan has championed the argument that Israel had to "create facts" (establish defensive points via Israeli settlements) in the occupied territories if it did not want to be pushed back to the pre-war borders. In 1969 Dayan called for the establishment of a "new map." He stated flatly that Israel

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could not wait for the Arabs to negotiate, but must unilaterally shape its own future borders into a "new reality from which Israel does not intend to withdraw." "Israel," Dayan said, "should leave no option to the Arabs." While Dayan is the most vocal proponent of "creating facts," the developments in the occupied territories have, as Mrs. Meir suggested, been carried out with general government approval, including the ILP and Sapir.

Israeli officials insist that "everything is negotiable," and nothing is irreversible, but the growing "facts" in the occupied territories indicate the contrary. These include the establishment of Jewish settlements, joint Israeli-Arab businesses, the expansion of trade and commerce, the extension of Israeli banks and use of Israeli currency, an integrated postal system, the extension of Israeli law and social and health services, the extension of public utilities such as telephone and electricity, the improvement and expansion of the highway system, and the construction of tourist centers, airports, and military bases. Some of these contributions were made in the belief that economic and social programs would undercut the appeal of fedayeen and terrorist groups. Others seem to aim at tying the areas to Israel.

As of November 1972, there were some 45 settlements in the territories. Fifteen of these are in the Golan Heights, 18 are on the West Bank, three in the Gaza Strip, and nine in Sinai. In October 1972, Finance Minister Sapir reported that \$72 million has so far been invested in these settlements.

### Jerusalem

East Jerusalem is a case of outright Israeli annexation. After the 1967 war, the Israelis merged the old city and its 70,000, mostly Arab, inhabitants with West Jerusalem and proclaimed the united city the capital of Israel. (Israel had held West Jerusalem since the 1948 war and declared that area the capital in 1970.)

The Knesset on 27 June 1967 increased the size of the city, from 14 square miles to 40 square miles, merged the previously divided city services, and installed Israeli law. The Israelis have steadily moved toward "Israelization" of the city. As of 1 January 1969, Jerusalem's population was 275,000, composed of about 205,000 Jews and 70,000 Arabs. The Israeli master plan for Jerusalem in 1985 projects a population of 400,000, with 295,000 Jews and 105,000 Arabs. Within the expanded municipal area, housing construction is designed to help create a single city with a resident Jewish majority so as to make any future attempts to re-divide it all but impossible. By April 1972, about 7,500 housing units had been built for an

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estimated 26,000 Jews. New Jewish immigrants, particularly those from the Soviet Union, are given priority.

In annexing Jerusalem, the Israelis have thus far expropriated over 4,000 acres, of which 3,000 are believed to have been owned by Arabs, most of whom have refused compensation for fear of legally acknowledging the Israeli take-over. Israel has also moved many government offices into East Jerusalem. Because the Arabs refuse to sit on the Jerusalem municipal council, it is composed entirely of Jews and operates as do other Israeli city councils—except that it receives more high-level cabinet guidance.

### West Bank

For some time after the war, the West Bank presented a difficult and complicated problem of control for Israel because of the presence of some 600,000 Palestinians. This has eased considerably.

To deal with this problem, Israel has established 13 Jewish settlements in the Jordan Valley (the “defensive zone” plan along the Jordan River proposed by Allon). Another five settlements are on the West Bank heights (preferred by Dayan), at Kefar Ezyon just south of Jerusalem, and at Hebron—both sites of pre-1948 Jewish settlements. One Israeli settlement on the West Bank is located in the Latrun salient area. In addition, the Israelis are completing a 240-mile north-south all-weather road from the Yarmuk River at the southern tip of the Sea of Galilee down to the port of Elat.

In the five years since the war, the economy of the West Bank has been turned around, away from Jordan and toward Israel. Some 20,000-30,000 West Bank Arabs now work in Israel, and while trade with Jordan continues, trade between Israel and the West Bank has sharply increased. Local and municipal governments depend on the military government for financing, and Israeli public utilities have been extended. A growing body of West Bankers, although they clearly do not love the Israelis, are benefiting economically and are developing an interest in the status quo.

Although the military government has regarded any resumption of Arab political activity in the territories as potentially dangerous, in April-May 1972—largely at the instigation of Dayan and to offset Husayn’s federal union proposal—the Israelis sponsored elections in the major towns of the West Bank and, despite terrorist threats and Amman’s opposition, obtained a large turnout of voters. Minister of Transport and Communications Shimon Peres, an associate of Dayan, subsequently publicized a proposal that would

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tie the West Bank, and eventually the other territories, to Israel in some sort of federal relationship. Perhaps with some Israeli urging, the Arab mayor of Hebron, Muhammad Jabiri, suggested shortly after the municipal elections that a regional executive assembly, composed of West Bank and Gazan representatives, should be formed "to negotiate for peace."

Israel denies it wants to annex the West Bank outright, but a satellite territory on the West Bank, turned away from and independent of Amman and bound closely to Israel, is in fact being established. Israel seems to be trying to draw a pragmatic assent from the Palestinians to such an arrangement, based on the premise that the Israelis are going to be around for a long time.

### **Golan Heights**

In the 500-square-mile Golan Heights of Syria the Israelis have been able to act freely because the Arab population of some 100,000 has fled. The Israelis have treated the Golan Heights as an absorbed area, vital for strategic and defensive reasons. They have razed abandoned Syrian towns and villages, vastly improved road communications, developed new water resources, and established strong defensive military installations. They have set up 15 Israeli settlements, and one of the newer ones will have an aircraft parts factory. The settlements are connected with the Israeli electric grid and telephone system and are under Israeli courts and laws. Schools and health clinics have been opened for the settlers and cooperative Druzes; Israeli beef cattle graze and Israeli fruit trees and wheat grow on former Syrian land.

### **Gaza Strip**

The Gaza Strip, formerly Egyptian, has been the most intractable of all the occupied Arab territories to the Israelis. Gaza has been the scene of sporadic Arab terrorism, and anti-Israeli sentiment is virulent among the Arab refugee population. The refugees, who make up two thirds of its 350,000 population, live in poverty in eight over-crowded refugee camps. In August 1971, Israeli authorities instituted a get-tough program to eliminate terrorism in the Strip and by December they had largely succeeded. The program consisted principally of dividing the camps into smaller units and resettling large numbers of refugees. Despite the terrorist problem, Israel has established three Israeli settlements in Gaza and plans more.

Along with security control, the Israelis in Gaza have had to deal with underemployment. In the first six months of 1968, many thousands of

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Gazans were "encouraged" to move to the West and East Bank of Jordan and were transported there by the Israelis. Reports conflict on the numbers involved. The Israelis say about 20,000, but UNRWA officials believe about 50,000 persons may have been moved out. In any event, not enough moved to suit the Israelis. In August 1967 the Israelis opened their gates to Gazan laborers. Currently some 9,000 workers with valid permits are employed in Israel, and perhaps another 12,000 are working without permits. In Gaza, the Israelis have set up one Israeli-run and one Arab-run citrus packing plant, both of which went into operation in 1969. The citrus industry is Gaza's principal economic activity, producing some 100,000 metric tons of fruit a year. Other local industries have been encouraged by the Israelis, and Israeli manufacturers are sending Israeli semi-finished goods into Gaza for final processing. The Israelis have also transferred some plants into the Strip, and the Gazan electrical system has been connected to the Israeli grid. Recently the Israelis have initiated a program aimed at the eventual elimination of the refugee camps, integrating them into regular municipal centers. Last November, regular passenger rail service from Tel Aviv to Gaza was re-established. The line had been idle since British mandate days.

### Sinai

Israel's interest in the deserts of the Sinai Peninsula is largely strategic. The main Israeli defense line runs along the Suez Canal, the so-called "Bar-Lev" line. At Sharm ash-Shaykh, which controls the entrance to the Strait of Tiran and leads to Israel's port of Elat, the Israelis are digging in with the intention for an indefinite stay. In addition to the Israeli military airfields, barracks, etc., tourist accommodations have been built, and a new civilian settlement named Ophir is under way. A new all-weather road, opened in 1971, connects Sharm ash-Shaykh with Elat, and two other Israeli settlements and/or tourist centers have been built midway between Elat and Sharm ash-Shaykh. A ferry service from Elat to Sharm ash-Shaykh is also in operation. On the Mediterranean side of the peninsula the Israelis have established six additional settlements, a fishing settlement at Bardawil and an agricultural settlement outside the town of al'Arish on former Egyptian farmland. Four other settlements have been located between al'Arish and the Gaza Strip, at specific Israeli control points.

The Israelis began operating the offshore oil well in the Balaain area along the Gulf of Suez shortly after the 1967 war. Subsequently, on-shore wells were restored to production. Total production has now reached some 5 to 6 million tons annually, more than the Egyptians had previously been able to extract.

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