

DEPARTMENT OF STATE

THE DIRECTOR OF
INTELLIGENCE AND RESEARCH

May 14, 1976


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DOS Review Completed

Mr. Secretary:

In preparation for your talk with Ambassador Dinitz this afternoon, I want to put back into your hands the last memo which I sent to you on the subject of Israeli settlements. Although it does not reflect the latest Cabinet discussions, I believe re-reading the first page and a half and looking again at the three maps at the end would be useful for two reasons:

- The introduction establishes that the Israelis have steadily continued to construct settlements since the 1974 disengagement agreements when you made such a point of how the settlements on the Golan would impede future negotiations.
- The map on the last page answers the question you asked in staff meeting this morning about the location of settlements in the Sinai that already exist. As you well recall, Fahmy has asked you repeatedly to raise this with the Israelis.


Hal Saunders

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DEPARTMENT OF STATE
BRIEFING MEMORANDUM

S/S

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December 24, 1975

To : The Secretary
Through: P - Mr. Sisco
From : INR - Harold H. Saunders *HS*

Israeli Settlements in the Occupied Territories

The recent approval by the Israeli Government of four new settlements on the Golan Heights, Fahmy's continuing complaints about Israeli settlements in the Gaza/Al-Arish area, recent unauthorized settlement efforts on the West Bank by Israeli religious extremists, and Ambassador Toon's recent exchange with Rabin on instructions from you have prompted me to draw together for you the overall picture from the latest intelligence. I want you to have this picture as background for your coming talks with Allon and Rabin.

The larger purpose of the memorandum, however, is to put Israel's policy on settlements in the occupied territory in the context of the negotiations. In short, there are two points to be made:

--Since the 1974 disengagement agreements, the Israelis have steadily continued to construct settlements in the occupied areas. Some additional expenditures for repair and adjustments for security were necessary as a result of the October war, but basic policy has not changed. The point of concern to you, of course, is that even while the step-by-step process has continued, with the professed agreement of the Israeli negotiating team, a policy on settlements has continued unchanged that will make successful culmination of the step-by-step process even more difficult.

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--With regard to settlement policy in relation to the negotiations, Israel has two choices if it were to modify that policy: (a) Theoretically, a decision could be made in the context of unilateral or negotiated moves on the Golan or on the West Bank to close some existing settlements. That would obviously be quite difficult politically for the Israeli Government, especially if it could not show significant Arab concessions. (b) Alternatively, the Israeli Government could make a policy statement that there will be no new settlements or further development of present settlements while negotiations on an overall peace agreement are going on. This would require a cabinet decision, and opinion would be deeply divided even though the decision would be to freeze--not to withdraw. But such a decision could be an important demonstration to the Arabs that the US is serious in pressing Israel to create favorable conditions for further negotiations. Therefore, this memo describes what Israel is doing by way of establishing settlements and takes a first cut at assessing the nature of the opposition Rabin would face if he attempted to stop the settlement process.

Israeli Policy Toward Settlements

On December 5, Rabin concisely restated his government's policy toward settling the occupied lands:

"We favor settlements in places and in situations that will serve our political goals. We are for settlements--the more the better--on the Golan Heights, along the Jordan River and in the Rafah Approaches...[to strengthen] Israel's lines of defense in time of war...."

Israeli settlement in the occupied territories continues to follow long-range plans elaborated by the World Zionist Organization (WZO), approved by the Israeli Cabinet, and coordinated with the Jewish National Fund, Israeli political parties, and agricultural organizations. The WZO's five-year plan for investing over \$66 million in Golan settlements, for example, to provide for about 3,000 settlers in 17 farming communities, 3 rural centers,

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and 2 tourist centers by the end of 1975 is nearing completion, despite the disruption of the October 1973 war.

The pace at which the Israeli leadership has expanded settlements in the occupied territories since the 1967 war has been steady and continuous. The construction of new settlements and their improvement are the result of long-range plans, which are implemented as personnel and financial resources become available. Indeed, the deliberate pace of settlement construction is dictated principally by three major imperatives:

- the lack of volunteers, despite official encouragement and tax incentives;
- periodic funding shortages; and
- limited water resources.

On the other hand, the Israeli Government is subject to pressure from various political parties and movements--as well as from its own convictions--to step up the pace of settlement construction as a means of forestalling further surrender of land on the Golan and in the Jordan Valley, in particular.

Recognition of these attitudes and, more specifically, reaction to the Syrian success at the UN on November 30 formed the immediate stimulus for the cabinet decision to accelerate the establishment of the four new settlements on the Golan on December 2. But even this decision does not represent more than an acceleration of construction activities already underway. And the December 7 pronouncement reaffirming the government's tight rein on settlement policy and refusing to renounce the use of force against unauthorized settlers makes clear that the cabinet is trying to control the pace of settlement.

Yet there are limits on how far the government can resist domestic pressure on this issue. Rabin and Peres felt constrained to conclude a "compromise" agreement on December 8 with the religious-irredentist Gush Emunim group, which had attempted to establish an unauthorized

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settlement at Sebastia on the West Bank. The government permitted some settlers to remain at a nearby army camp pending review of its overall settlement policy within the next three months. As on similar occasions in the past, the unauthorized settlers may thus in the end gain the approval they are seeking, even though Rabin has strongly attacked the Gush Emunim movement in recent days.

The Settlements

A review of the status of Israeli settlements in the occupied territories indicates how extensive they have become.

Golan Heights (Map at Tab 1): At the time of the May 1974 negotiations, you will recall that there were 18 settlements on the Golan. We have carefully monitored Israeli activities since then. After the disengagement agreement:

- Construction began on two new settlements, which had been planned previously, and temporary quarters were set up at three additional sites. (Construction activity is confined largely to the summer months because of the severe winters on the Golan.)
- Housing and infrastructure at all of the 18 earlier settlements have been improved.
- The four new settlements approved on December 2 probably are destined to house some of the "transient" settlers currently at Keshet, Yonathan, and Aliya-70. (The "transients" at Keshet are settlers who were removed from al-Qunaytirah at the time of the disengagement agreement. Aliya-70, which is inhabited by Soviet immigrants, was approved several years ago, but the house trailers were moved to the site late this past summer. Yonathan was settled in August 1975.)
- Other sites showing pre-settlement activity have been noted near Aliya-70, Gamla (Tel Bazuk), and Nahal Geshur.

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We currently estimate the number of Golan settlers at 2,500, compared with about 1,500 in May 1974.

West Bank (Map at Tab 2): When we began looking at the possibility of a Jordan-Israel disengagement agreement in the spring of 1974, there were 18 Israeli settlements on the West Bank, largely around Jerusalem and along the Jordan River. Since then:

--Five new settlements were established near Jerusalem between April and August of this year: Ofra, Nahal Kohav Hashachar, Maale Adumim, Moshav Elazar, and Nahal Tekoa.

--The facilities of most of the older settlements have been improved.

We estimate the population of the West Bank settlements at 2,400, compared with about 2,000 in the spring of 1974. Of these, about 1,000 are at Kiryat Arba near Hebron, 500 in the Etzion Bloc southwest of Jerusalem, 800 in the Jordan Valley, and 100 at Mevo Horon in the Latrun Salient.

Although East Jerusalem is a special case in the Arab-Israeli context, the Israelis have ringed Arab Jerusalem with housing for 15,000 Jews.

Sinai and Gaza (Map at Tab 3): At the time of the 1973 war, there were 11 settlements in this area: four settlements in the Gaza Strip, four in northern Sinai, and three in southern Sinai along the Gulf of Aqaba. Since August 1974:

--Seven new settlements have been identified in the Gaza/Al Arish area. Construction of one of these--Yamit--began before the 1973 war, but the settlers did not move in until October 1975. The settlers moved into three of the others in August 1974, and three were settled in January 1975.

--In February this year, the Israelis announced their intention to set up six new settlements in the Rafah Approaches area over the next six years. Some of the clearing operations and tent camps noted in that region could be related to those settlements.

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The number of settlers in the Sinai is estimated at 1,100, compared to about 750 two years ago. Of the 1,100, about 300 are in the southern settlements and 800 in the north. There are an estimated 200 in the Gaza Strip.

Political Aspects of Israeli Settlements

Most of the Israeli settlements in the occupied areas belong to, are supported by, and obtain settlers through one of the collective or cooperative farm organizations. These bodies, in turn, are usually affiliated with a political party or faction. Moreover, most of the settlements are linked to parties making up the government coalition. As you know, the settlers' associations take a harder line against withdrawal and in favor of consolidating and expanding settlements than do their affiliated parties.

Although the settlement movements could split from the leadership of their parent parties on this issue, the National Religious Party being a likely candidate for this development, the following party-by-party analysis assumes that party discipline would be maintained.

Mapam: This most dovish of the coalition parties has long held that its settlements (two on the Golan) will not be an obstacle to withdrawal in the context of a final settlement. Its kibbutz affiliate, however, called as recently as last October for the creation of a third kibbutz in Golan. Nonetheless, Mapam probably would support Rabin on a construction moratorium.

Labor Party: The Labor Party's affiliated settlements are generally situated in the area where the party's "Oral Torah" platform called for a permanent Israeli presence, i.e., the Jordan Valley, the Rafah Approaches and the Gulf of Aqaba in Sinai, the Gaza Strip, and strategic portions of Golan. The Achdut Haavoda faction of the party, to which Allon and Galili belong, has within its kibbutz wing some of the most strident proponents of "creating facts" in the occupied lands. Galili might split with Allon and oppose a proposal calling for a settlement moratorium.

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The ranks of the larger Mapai faction of the party, to which Rabin, Barlev, Rabinowitz, and Ofer belong, contain the full range of Israeli opinion on settlements. Despite some strong opposition to a moratorium from many Mapai kibbutzniks and hardliners, a majority of Mapai's leadership probably would support Rabin in a call for a moratorium, provided that Rabin could advance compelling arguments why it would be in Israel's immediate best interests to do so.

The Rafi faction of Peres and Yaacobi would oppose a moratorium.

Independent Labor Party (ILP): ILP ministers Kol and Hausner probably would support Rabin in a call for a construction moratorium, though this is not certain.

National Religious Party (NRP): The NRP's three ministers probably would oppose a construction moratorium, especially on the West Bank. The NRP and the smaller opposition orthodox party, Agudat Israel, both assert that this area, as part of Eretz Israel, must be taken over.

Likud: The main opposition bloc, Likud, would strongly oppose a construction moratorium. Indeed, Likud argues for an accelerated program of settlement construction in all the occupied areas.

On balance, a majority of the cabinet might well oppose a moratorium on the establishment of new settlements. Most ministers tend to view settlements as an important means of putting pressure on the Arab states to come to terms. Moreover, since most Israeli leaders have become convinced that world opinion, including that of the US, is increasingly unsympathetic with Israeli policy, they tend to take a particularly hard line whenever they perceive external pressure on this issue.

Even the generally dovish ILP is not immune to this tendency. For example, Minister Without Portfolio Hausner commented recently that the political considerations that had previously dictated self-restraint in the creation of new Golan settlements now dictated the establishment of the four new Golan colonies as a "classic Zionist response" to the November 30 UNSC resolution.

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In these circumstances, Israel's settlement policy is unlikely to be changed unless Rabin personally becomes convinced that a moratorium is necessary, either to elicit a major Arab concession or to maintain close ties with the US. Two developments could bring about this change in Rabin's attitude:

--Indications that, say, Syria is prepared to enter into a second Golan agreement and to make concessions in that context that would clearly justify the moratorium.

--The active opposition of the US to Israel's present settlement policy. Israel is dependent upon the good will of the US for the financial resources that support Israel's economy and--at least indirectly--the establishment of settlements, both through the tax-free contributions of American Jewry and the official assistance that the US provides for the assimilation of Soviet immigrants. These funds enable Israel to divert its own resources to settlement projects. The money, itself, however, is less crucial to Israel than the US posture toward the government's settlement policy.

Clearly, any attempt by Rabin to put into effect a moratorium would generate a major political crisis in Israel, and perhaps lead to splits in the coalition. A question we are analyzing for you separately is what such a crisis might look like and how it would affect negotiations. Such an Israeli move by itself would not induce significant Arab concessions since the Arabs feel Israel is in the wrong; any gains for Israel would have to be in the context of getting negotiations started again and what Israel might expect to gain there. At the outset, it is the US position alone that would have any possibility of inducing Rabin to press his colleagues for a change in Israel's settlement policy. If we were to take a strong stand or publicize our position on this issue, Rabin would have two choices: (1) he could try to build support for going along, or (2) he could decide to resist our pressure, perhaps by forming a national unity government. He might well perceive that a row with us over settlements would: (a) rally Israelis more firmly around him (the majority favor more settlements), and, more

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important, (b) deflect attention from the issue that is now on the front burner and about which Israelis are most divided--the Palestinian issue.

In short, any proposal on this issue will generate political opposition in Israel. However, in the choice among alternatives, the US would be on sound ground in urging a freeze on new activities. Within Israel it is the US position alone which has any possibility of inducing a change in the Israeli posture.

Attachments:

Tab 1 - Israeli Settlements on the Golan Heights (map).

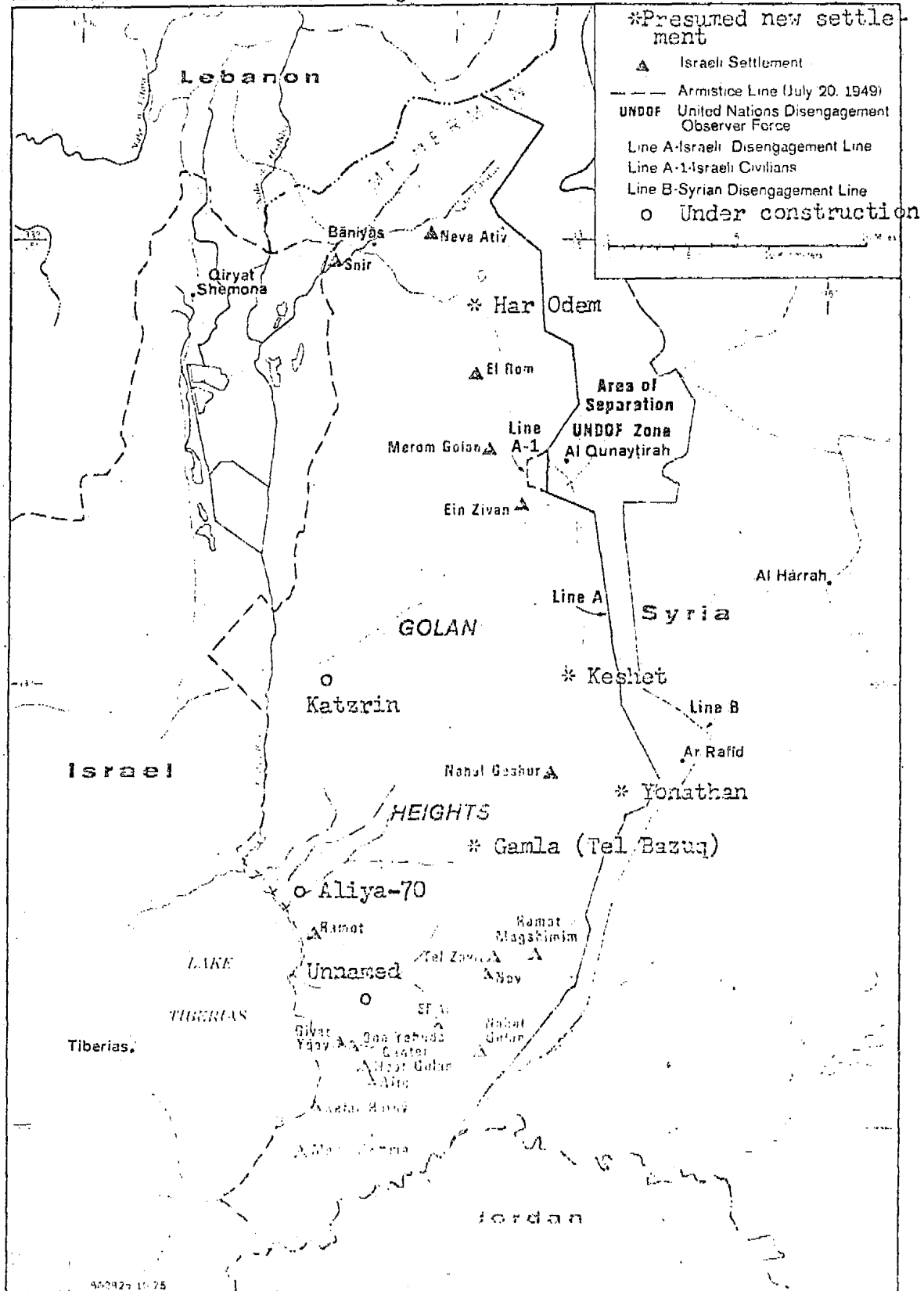
Tab 2 - Israeli Settlements on the West Bank (map).

Tab 3 - Israeli Settlements in the Gaza and Sinai (map).

Drafted: INR/RNA:JPFreres;PHStoddard
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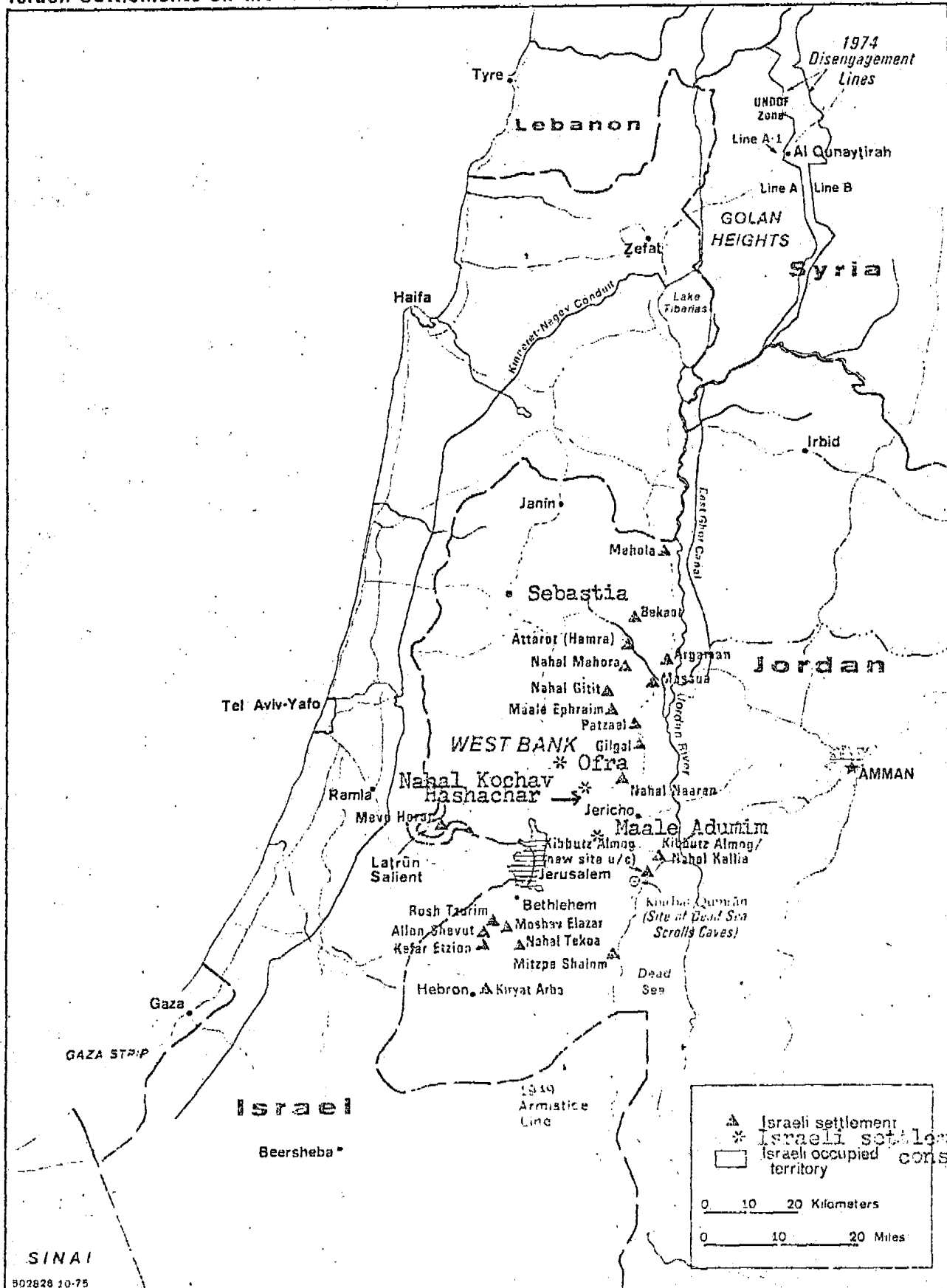
Israeli Settlements on the Golan Heights



December 1975

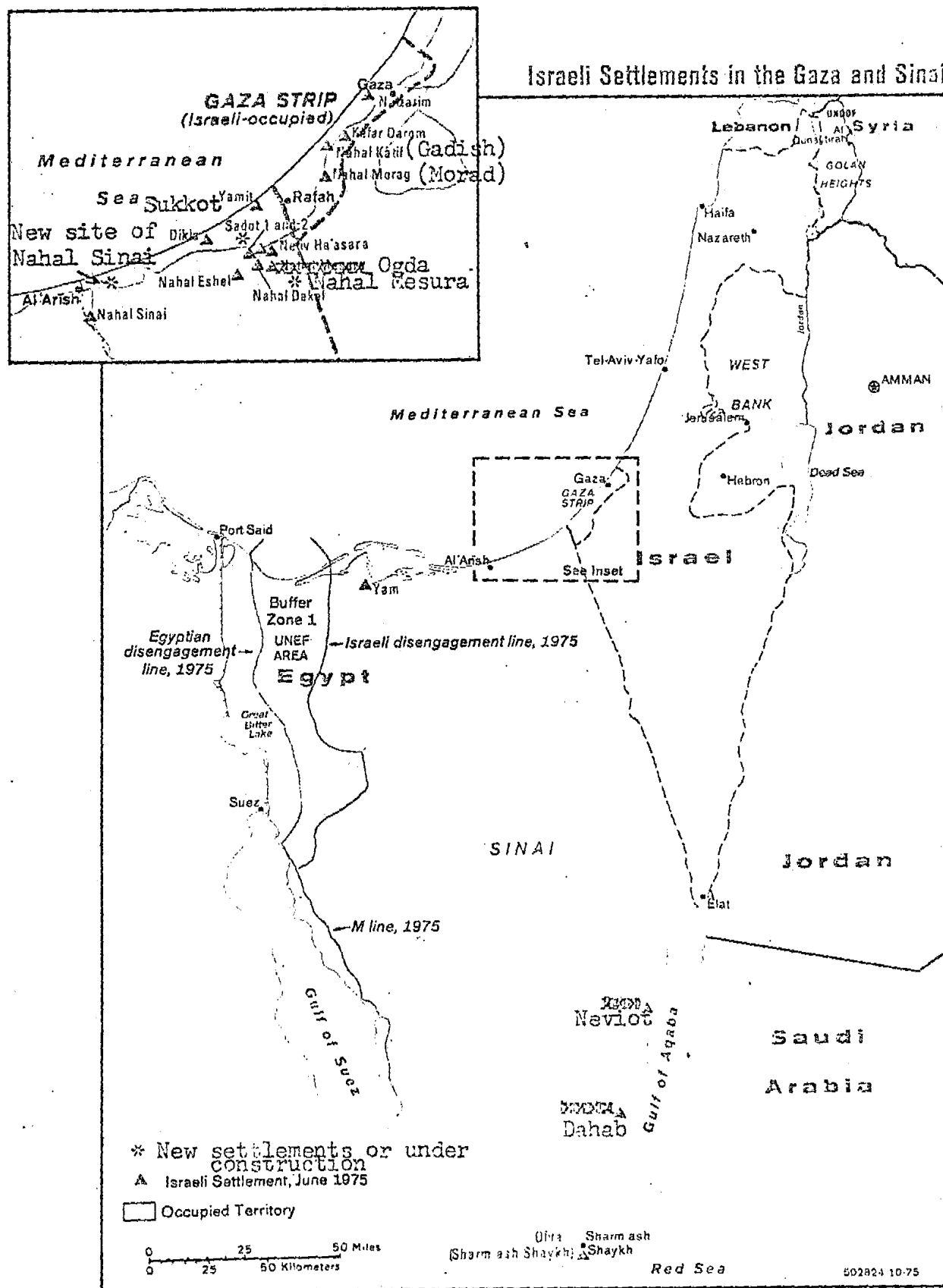
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Israeli Settlements on the West Bank



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