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1 December 1972

MEMORANDUM

SUBJECT: Israeli Thinking on a Peace Settlement with
the Arabs

Israeli leaders reiterate publicly that they sincerely want a peace settlement with the Arab states and stand ready at any time to negotiate. They believe that ultimately Israel can survive only through peace--by an Arab acknowledgement of Israel's existence and by becoming a regular member of the Middle East community, with normal political and economic relations with its neighbors. Most Israelis, however, do not believe 1) that the Arabs are ready or really willing to make formal peace with Israel and 2) that even if willing, the Arab states would be able to swallow Israel's considerable requirements for what Tel Aviv calls a "real peace." The Israelis say that the Arabs, if left to their own resources, will eventually have to "come around," although they do not expect this will be soon. In July, Prime Minister Golda Meir charged that since the 1967 war the Arab states have consistently refused to make peace with Israel. Their policy, she declared, was aimed at a sole objective: to foist upon Israel a complete withdrawal to the lines that existed before 1967 as a phase towards the resumption of the aggression against Israel. Until the Arabs can prove they are willing to accept Israel as a state, the Israelis insist they must control the occupied Arab territories that provide them with a defensive advantage they did not enjoy before the war. There is an element of the victor and vanquished in Israeli thinking; the Israelis clearly do not see their role as one of initiating concessions.

Some Israeli leaders (Mrs. Meir and Foreign Minister Eban) have said that if the Arabs would come to the negotiating table, they would be surprised at how flexible Israel would be. Twenty-five years of border conflict and war, however, have left such a hard core of Israeli distrust and

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suspicion of Arab intentions that Israeli leaders are unwilling to risk the present security advantage afforded by the occupied territories in exchange for what may turn out to be just another "piece of paper." How much territory Israel must keep in any eventual settlement is the prime issue in Israel regarding peace. As the Arabs continue to refuse to negotiate and give daily evidence of wanting eventually to bring about the destruction of Israel, the Israelis have become tougher on the territorial issue.

Mrs. Meir underscored this basic Israeli distrust in December 1969 when she declared that "the argument between ourselves and our neighbors is not about borders, about navigation rights, about this territory or that, but about the entire territory...every square inch of the sovereign Jewish state, about its very existence." There could be no settlement, she said, "so long as the Arab rulers clung to the stubborn denial of Israel's right to be." More recently, in September of this year, Mrs. Meir again insisted that Arab leaders were not prepared to accept Israel's existence and to reconcile themselves to it.

Israel's deep preoccupation with its security and its ultimate survival cannot be overemphasized; Israeli officials have frequently indicated that they will strongly resist international pressure for peace proposals that they consider endanger their security. As Mrs. Meir has said, "the Arabs can lose several wars and still be around, Israel can lose only one."

The Easy Way-the Status Quo

The defensive advantages afforded by the occupied territories, combined with the continuing Israeli military superiority will, Israeli leaders are convinced, enable them successfully to fend off any new Arab attempts to displace them. The value of the territories is indicated in Defense Minister Dayan's statement that if he had to make a choice between going to war or returning to the borders, he would choose war. The new cease-fire lines shorten the Israeli frontier, fill out the narrow, 10-mile center of pre-war Israel, provide improved defensive positions (Golan Heights, Jordan River, Suez Canal,) and put Arab aircraft further away and keep artillery out of range of key Israeli

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cities. The Israelis have further improved and consolidated their position in the territories by the addition of Israeli settlements and military outposts, improved highways and communications, and new military bases and airports.

The Israeli Government's cautious approach towards a peace settlement is supported by the vast majority of the Israeli public. The "peace" element in Israel--those who believe peace is possible and worth giving up substantial territory remain very much in the minority--is tiny and un-influential, they won less than 5 percent of the total vote in the most recent parliamentary elections in October 1969. Continuing fedayeen attacks, Arab refusal to negotiate peace, and the constant stream of vociferous anti-Israeli statements from Arab capitals has served to keep this percentage low. Most of the criticism of the government comes from conservative elements--the religious parties and other political parties on the Israeli right-wing--who fear the government may be moving too fast and be willing to give up too much. The Israeli public would, of course, like a peace settlement--an end to border conflicts, casualties, and war that would ease extended military duty, high taxes, and economic restrictions. From the 1967 war to October 1972 Israel has suffered more dead and wounded than it did in the 1967 war itself--some 800 dead and 2,700 wounded in the war compared with 827 dead and over 3,000 wounded since the war. Most Israelis, however, highly conscious of past Jewish history and its oppressions, are apparently willing to pay this price to ensure survival as a people and as a nation.

Since mid-1970 Israel's security position has markedly improved. Beginning in August 1970 with the cease-fire along the Suez Canal--Israel's most dangerous front and the location of most Israeli casualties--Arab military pressures on Israel were drastically reduced. Except for the presence of Arab fedayeen, Lebanon has never posed any military threat to Israel, and Syria, although more formidable than Lebanon, seems satisfied with an occasional foray against Israel. In Jordan King Husayn has publicly declared he wants no more war with Israel, and since September 1970 when he began to move against the fedayeen movement there, the Jordanian front has been quiet. The fedayeen, while troublesome, present no real military threat to Israel.

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In Egypt, Israel's old nemesis Nasir died in September 1970, and in June 1972 his successor effectively undercut Egypt's already meager military options by throwing out the Soviet pilots and technicians. In short, by the end of 1972 there was no credible Arab military force that might press Israel toward unilateral concessions.

Indeed, Israel began to enjoy the status quo and to discount what advantages a settlement might bring. While Israeli leaders usually deny they prefer the "no peace" situation, Foreign Minister Eban in April 1972 declared that the status quo was "complex, but tolerable." There has been little serious shooting at Israel for over two years. The territories are quiescent and the usually active Gaza Strip has quieted down under the tough pacification policies. Moreover, a trend has clearly developed in the occupied territories--epitomized by the holding of municipal elections on the West Bank in the spring of 1972 under Israeli auspices--toward a grudging but pragmatic accommodation by resident Palestinians to the Israeli occupiers, primarily because of the economic benefits afforded them.

Not only was there no effective Arab pressure on Israel to make peace, but Tel Aviv fought a steady rearguard action against international proposals for peace. Prime Minister Meir has bluntly stated that Israel is ready to say "no" to the Big Powers, including the US, if efforts are made to enforce a settlement. Israel will not, she says, make any concessions that would endanger its security "either for the sake of its enemies or its friends." Tel Aviv holds that a valid peace can only be achieved by the parties directly involved and the only role of outside states is to bring the Arabs and Israelis to the negotiating table. The Israelis insist that international interference only leads the Arabs to believe that they can avoid direct negotiations with the Israelis.

The Stalemate

Israel has thus ventured few initiatives and made only minor procedural concessions since UN mediator Jarring began discussions on a peace settlement soon after passage of UN Security Council Resolution 242 on 22 November 1967. (See Annex I) All discussions have foundered on an "after you

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Alphonse" scenario based on varying interpretations of the resolution. The Arabs view implementation of 242 as mainly consisting of an Israeli commitment to or actual withdrawal from all the Arab territories occupied during the war, to be followed by indirect peace negotiations resulting in the signature of some kind of document that would pay vague lip-service to the entity of Israel. Tel Aviv, on the other hand, has a thorough legalistic "i-dotting" approach and insists that 242 is not self-implementing but a guiding set of principles, the details of which must be hammered out in direct negotiations. In over four-years of intermittent talks, with Jarring and the four powers, Tel Aviv stands on the maxim it developed in the beginning: there can be no valid peace without direct negotiations, there can be no Israeli withdrawal without a valid contractual peace treaty, and Israel will not withdraw to the pre-war 4 June 1967 borders but only to "secure and recognized borders" to be redrawn through negotiations. Tel Aviv will not accept even in principle the Arab demand that Israel return to the 1967 borders prior to any negotiations.

While Tel Aviv sees little prospect for an overall peace settlement, it continues to indicate an interest in an interim settlement with Egypt on the Suez Canal. Israeli Defense Minister Dayan proposed a mutual pull-back of Egyptian and Israeli forces along the Suez Canal in November 1970. In early 1971 Egyptian President Sadat proposed that Egypt would reopen the canal if Israel would make a partial withdrawal from Sinai. The two sides have discussed the proposal, but no breakthrough has been achieved although the Suez cease-fire agreement of August 1970 has continued. Tel Aviv has responded to Sadat's proposal by agreeing to a partial withdrawal from the canal (to be determined by negotiation), but insisting on: 1) Israeli ship transit rights in a reopened canal; 2) an indefinite extension of the cease-fire; 3) no return to the east bank of any Egyptian military forces (although civilian technicians would be allowed; and 4) an Egypt thin-out of its forces on the west bank of the canal (presumably including the air defense system). Israel, moreover, insists that the partial withdrawal it was proposing was not a step toward full withdrawal, that the line in the Sinai to which it proposed to withdraw was not to be regarded as final, and that any interim agreement is separate and unique and would not call for implementation of Resolution

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242. Agreement has foundered on Israeli opposition to Egypt's wish to put some military forces across the canal and trying to link an interim agreement to a final peace settlement so as not to foreclose the latter. In November 1971 Israel said that Cairo could proceed to clear and reopen the canal on its own if it wanted without an agreement on Israeli troop withdrawals or border agreements; Israel would not interfere. Tel Aviv would continue to insist, however, that Israeli forces remain in the present positions and that Israeli ships be permitted to use the canal.

Israeli Requirements

While pessimistic about peace prospects on its terms, the Israeli Government has laid out a general framework of its requirements regarding a "just and lasting" peace settlement. Foreign Minister Eban outlined them in nine general principles before the UN General Assembly in October 1968. They have not changed in any essentials since.

- 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) Other security arrangements designed to avoid a breakdown of the peace.
- 4) Open frontiers and freedom of movement across borders.
- 5) Unreserved freedom of navigation for Israel shipping.
- 6) The refugee problem recognized as not an exclusive 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 acknowledgement of Israel's sovereignty, integrity, and right to national life.
- 9) 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," adding that if these were solved, all the other issues mentioned in Resolution 242 would "fall into place," possibly a reference to the main Arab demand that Israel withdraw. The Israelis put great emphasis on "a duly negotiated and contractually expressed" treaty obtained through direct face-to-face negotiations by the parties directly involved that will lay out the terms of "our coexistence," delineate the new boundaries, and declare an end to all belligerency.

The second principle--that of new boundaries--is probably the most critical issue to Israel and the Arabs and also the most controversial in Israel. The third principle--"other security arrangements"--is an adjunct to the territorial question. It refers to Israel's intention, in addition to direct territorial changes, to establish a series of demilitarized zones in the several Arab states bordering on Israel so as to prevent the return of Arab forces into areas from which Israel withdraws its forces. In connection with demilitarization, it should be noted that Israel has no faith in international guarantees of its security, and particularly in any UN guarantees. Tel Aviv insists that guarantees are no substitute for defensible borders. Moreover, the Israelis are unlikely to accept any demilitarization of their territory--i.e., behind the 1949 armistice lines. As Dayan has put it "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 has added 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, "open frontiers," refers to Israel's desire to have freedom of movement--of persons and trade--between Israel and the Arab states. This would include an end to the Arab boycott. Eban, when talking about this in 1968, also indicated that Tel Aviv included in this the grant of port facilities for Jordan on Israel's Mediterranean coast and mutual access to places of religious and historic associations for both Arabs and Israelis.

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Principle five--unreserved freedom of navigation for Israeli shipping--is an important requirement for Israel, involving not only unrestricted passage through a reopened Suez Canal, but probably more importantly also providing unrestricted access to Israel's port of Elat at the head of the Gulf of Tiran, and for which Israel is insisting on continued control of the Strait of Tiran at Sharm ash-Shaykh. Suez Canal transit rights are probably mainly a matter of face for the Israelis since most Israeli trade goes from its Mediterranean ports to Europe.

In regard to principle six, the problem of the Palestinian refugees, Israel has made a proposal for an international conference to consider the refugee problem. The conference would include the Middle East states, other states that contribute to refugee relief, and the UN specialized agencies involved. The conference's objective would be the drafting of a "Five Year Plan" to solve the refugee problem. The suggestion is in line with Tel Aviv's insistence that the refugee problem is not of Israel's making but is essentially an Arab problem and that the refugees can return to Israel only in very limited numbers to avoid endangering the Jewish character of Israel. The Israelis clearly envision international funding to compensate the rest.

Principle seven is Israel's disclaimer of an intent to seek unilateral jurisdiction over the holy places of Christianity and Islam; nevertheless it is clear that Israel intends to maintain control of a re-united Jerusalem.

The eighth principle, Israel's call for formal acceptance of Israel by the Arab states, is closely allied with the first, but seems to be a specific and separate requirement for the Arabs contractually to recognize the entity and permanence of Israel. Principle nine, "regional cooperation," flows out of principle eight; in it the Israelis speak of regional cooperation on resources and communications in the Middle East, presumably involving Israeli technical assistance to the Arabs. These are somewhat "pie in the sky" items, but they express Israel's hope for "normalcy" and eventual Arab-Israeli cooperation.

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The Territories Issue

Officially, Israel has avoided, for diplomatic and domestic political reasons, specifying its territorial objectives. Israeli leaders have increasingly talked about them enough in public to provide a fairly good if general outline. They are, as spelled out below, substantial, so much so as to virtually foreclose the possibility of Arab agreement in the foreseeable future. In fact the magnitude of Israel's territorial requirements seem to indicate they are not willing to pay a high territorial price for peace and are willing to wait a long time to get a peace settlement on their terms. In December 1968, former Prime Minister Eshkol reflected this Israeli thinking when he said Israel "will sit tight (on the cease-fire lines) for twenty years if necessary."

Officially Israel, in keeping with its refusal to "draw a map" before negotiations, has only said categorically that it will not return to the 1967 borders, i.e., the 1949 armistice lines. This position, the Israelis say, is "absolute, basic, irrevocable." While there are many different views as to Israel's territorial requirements, the middle ground and most widely accepted are those spelled out in the so-called "Oral Doctrine" of the Israeli Labor Party (ILP) of April 1971. They were drawn up by top ILP leaders in the government, including Defense Minister Dayan, and were approved in the party convention. The ILP led by Prime Minister Golda Meir is the largest political party in Israel and the principal component of the current governing coalition. The Oral Doctrine is party not government policy; it is not accepted by other political parties, including other members of the coalition. It states that the "substantive changes" and "defensible borders" required by Israel are: the Golan Heights should remain under Israeli control; no Arab army should be permitted to cross the Jordan River; Israel would 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 parts of the border would be straightened out in the area where Israeli territory was only a narrow strip between the West Bank and the Mediterranean; a united Jerusalem under Israeli sovereignty would remain the capital of Israel; Gaza and a strip of land connecting Sharm ash-Shaykh with Elat would remain under Israeli control; and

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the remainder of the Sinai would probably have to be demilitarized. The Israeli-Jordanian line would be straightened out; a reference to the "narrow waist" of Israel in the 1949 armistice lines. These requirements were described by Foreign Minister Eban as "essential to prevent new wars and ensure Israel's security."

Prime Minister Meir in an interview with the London Times a month earlier gave a similar, but somewhat fuller, description of Israel's requirements. In addition to those spelled out in the Oral Doctrine, Mrs. Meir said that the border around Elat would have to be "negotiated anew," and the Latrun salient would have to be eliminated. Mrs. Meir also hinted that Israel might ask for some control over the area known as the Gilead Heights in northern Jordan. The Latrun salient was an area west of Jerusalem held by the Arabs during the 1948 war enabling them to inflict heavy damage to Israeli forces. The Gilead Heights were used in 1966-1967 by the fedayeen to shell Israeli settlements in the Beisan Valley across the Jordan River. Some Israeli military leaders are known to believe that Israel made a mistake in 1967 not to seize the area.

Another well-known proposal is the "Allon Plan," drawn up by Deputy Prime Minister Yigal Allon shortly after the 1967 war. It is his personal scheme, but it has gradually won wide public approval and probably has the general support of most of the cabinet as the most acceptable solution to the problem of what to do with the heavily populated West Bank. It treats other parts of the occupied territories as in the Oral Doctrine, but concentrates primarily on the disposition of Jordan's West Bank. Allon proposes that the Jordan River would henceforth be Israel's new "security border" on the east and that Israel annex a 12- to 18-mile-wide defensive zone immediately west of the river from Beit Shean in the north down to the Dead Sea, some 65 miles. This strip--covering about one-third of the West Bank--is to be manned by a string of up to 20 Israeli fortified settlements. There would be an Israeli-controlled corridor in the Jericho area to permit travel between the East and West Bank. The rest (the most heavily populated part) of the West Bank--except for East Jerusalem and some rather major border changes at Latrun Kefar Ezyon (the Etzion bloc) settlement and at Hebron--could be either an "autonomous" Palestinian entity or returned to Jordanian sovereignty. This remainder, however, would in any event be demilitarized.

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There is no significant disagreement in Israel over the over-riding importance of ensuring Israel's security. There are, however, many differing views as to just how much territory should be retained to provide that security. Some of the territorial planners are motivated solely by strategic and defensive considerations in setting their "secure and recognized borders;" others want to annex certain territories not for military but for historic or religious reasons, or a combination of both. There are also economic motives for holding some of the Arab territories. As the chance of peace has dimmed in the five years since the war and as the Israelis have "settled in" and not been faced with open rebellion in the territories, the idea of keeping more and more has gained currency. There are some few on the far left--the "minimalists" or "doves"--who would swap most of the territory for a viable peace agreement. On the political right are the "maximalists" or "hawks" who want to keep it all and integrate it into Israel. Some others are concerned that annexation of more territory and absorption of more Arabs will dangerously dilute the Jewish majority; hence they want only as much territory as is necessary to provide maximum security with as few Arabs as possible. In a poll conducted by a US news magazine in April 1971, only 4 percent of the Israelis polled favored return all of the territory occupied in 1967. Some 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. About 73 percent of those polled said that they would favor trading "some" territory for peace, but specific questioning found only 18 percent who wanted to return even the Sinai to the Arabs.

The requirements as spelled out in the Oral Doctrine and the Allon Plan, however, should probably be regarded as the minimum required by Israel. Probably no Israeli Government could accept less and survive. Eban, while insisting that everything in the Oral Doctrine is negotiable, states at the same time that most of the requirements are "so crucial that peace will not be possible if we do not get them." Dayan in talking about retention of the Golan Heights, Sharm ash-Shaykh, and the Jordan River as Israel's eastern border described these as "vital" to Israel's security. Dayan has also insisted that what Israel wants in the way of "secure and recognized boundaries" is not on condition that the Arabs agree to them. It would be good if they did, the Defense Minister said, but if they did not, "the borders (as determined by Israel) would be the non-agreed borders." Mrs.

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Meir, who says she has "neither a plan nor a map of my own," says that she does not want to keep all the territories nor stay on all the cease-fire lines. She insists, however, that Israel must have secure borders. Probably reflecting Israel's adamant opposition to US proposals in December 1969, Mrs. Meir said last September that Israel "needs more than minor modifications; some must be major and less major, but not minor."

The Israelis do not argue over retention or return of territories such as the Golan Heights, Sharm ash-Shaykh, or Jerusalem. Tel Aviv has indicated it does not intend to permit a return to the pre-war situation in the Golan Heights from which Syrian artillery could freely harass the Israeli settlements in the valley below. Most Israeli leaders flatly insist that Israel must continue to retain control of the heights; there has been no suggestion that the heights could be returned to Syria under a demilitarization agreement. Mrs. Meir has hinted that the border there is negotiable, but she is the only one to say so publicly. Control of the heights also gives Israel control of the Baniyas River, a major source of the Jordan River; the heights also border on the Yarmuk River and may give Israel an interest in pressing for some control of that. The Trans-Arabian Pipeline also crosses the heights en route from the Persian Gulf to the Sidon terminal in Lebanon.

The same situation pertains to Sharm ash-Shaykh. No Israeli Government could risk a repeat of the situations in 1956 and 1967 when Egypt could summarily close off access to Israel's important port of Elat. The Israelis adamantly oppose suggestions of international control, insisting that Israel itself must retain physical control of Sharm ash-Shaykh and land access to it. There is no question about Jerusalem either. Jerusalem is a special kind of problem: the desire for control of the Holy City is not a strategic defense requirement for Israel, it is based instead on historic, religious, and emotional factors. Again, no Israeli Government of any stripe could survive if it permitted the return of East Jerusalem to Arab rule or the united city to international control. The most the Israeli Government has ever conceded on Jerusalem is that it will permit free access to the Christian and Moslem shrines. The bulk of the largely barren, lightly populated Sinai does

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