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FROM TEL AVIV 231015Z MAR 83

TO PRIORITY FCO

TELNO 98 OF 23 MARCH 1983

INFO PRIORITY JERUSALEM, AMMAN, CAIRO, WASHINGTON AND UKMIS NEW YORK.

ISRAELI SETTLEMENTS

1. YOU WILL HAVE SEEN PRESS REPORTS THAT ON 20 MARCH THE ISRAELI GOVERNMENT APPROVED THE ESTABLISHMENT OF 8 NEW SETTLEMENTS IN HEAVILY POPULATED AREAS OF THE WEST BANK, INCLUDING A SITE OVERLOOKING NABLUS.
2. THE FULL FACTS HAVE NOT YET EMERGED. THIS WEEK'S CABINET COMMUNIQUE SAID NOTHING ABOUT MORE SETTLEMENTS. ASTONISHINGLY ENOUGH, THERE IS STILL NO AGREED VERSION OF WHAT AND WHERE THE SETTLEMENTS ARE. ACCORDING TO THE HEBREW PRESS ALL 8 ALREADY EXIST AS MILITARY NAHAL OUTPOSTS. A PROPOSAL FOR THEIR CONVERSION INTO CIVILIAN SETTLEMENTS WAS MADE SOME WEEKS AGO BY THE WORLD ZIONIST ORGANISATION (WZO). APPROVAL BY THE MINISTERIAL SETTLEMENTS COMMITTEE HAD BEEN DELAYED BECAUSE OF THE ABSENCE ABROAD OF ITS CHAIRMAN, DEPUTY PRIME MINISTER EHRlich. HOWEVER, THE WZO SETTLEMENT DEPARTMENT HAVE TOLD THE ENGLISH LANGUAGE JERUSALEM POST THAT THEY PROPOSED ONLY THAT 5 NAHALS SHOULD BE CONVERTED INTO CIVILIAN SETTLEMENTS AND 3 NEW MILITARY OUTPOSTS CREATED WHICH COULD BE CONVERTED LATER INTO CIVILIAN SETTLEMENTS. FURTHER CONFUSION HAS BEEN CAUSED BY LACK OF PRECISION AS TO THE LOCATION OF THE 8 SETTLEMENTS.
3. THE US EMBASSY ARE STILL TRYING TO WORK OUT EXACTLY WHAT IS INVOLVED. THEY BELIEVE THAT MOST OF THE VARIOUS LOCATIONS NAMED IN THE PRESS ALREADY EXIST EITHER AS NAHALS OR EMBRYO SETTLEMENTS. WZO OFFICIALS FROM WHOM WE HAVE SOUGHT CLARIFICATION HAVE GONE TO GROUND.
4. WHAT DOES SEEM CLEAR IS THAT SUNDAY'S DECISION WAS TAKEN BY THE CABINET, SITTING AS THE MINISTERIAL DEFENCE COMMITTEE SO AS TO MAINTAIN CONFIDENTIALITY. THIS SUGGESTS AN EFFORT TO AVOID PRECIPITATING ANOTHER ROW WITH THE AMERICANS. ON THE OTHER HAND IT WOULD BE IN CHARACTER FOR THE BEGIN GOVERNMENT TO TIME THEIR DECISION SO AS TO EMBARRASS KING HUSSEIN. WHO LEAKED THE DECISION EG, THE CHAIRMAN OF THE WZO SETTLEMENT DEPARTMENT OR A MISCHIEVOUS MEMBER OF THE CABINET (THE FINGER POINTS AT SHARON OR NE'EMAN) IS NOT CLEAR. PUBLICITY FOR PLANS BY WZO TO CREATE A JEWISH TOWN OF SOME 2,000-5,000 FAMILIES OVERLOOKING NABLUS IS PARTICULARLY PROVOCATIVE.

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5. AT ANY EVENT THE DECISION HAS BEEN HEAVILY CRITICISED BY THE OPPOSITION HERE AS DESIGNED TO MAKE IT IMPOSSIBLE FOR KING HUSSEIN TO ENTER PEACE NEGOTIATIONS. A LABOUR MEMBER OF THE KNESSET IS QUOTED AS SAYING THAT 'THE GOVERNMENT WANTS TO TORPEDO JORDAN'S ENTRY INTO THE PEACE PROCESS FAR MORE THAN IT WANTS TO SETTLE JUDAEA AND SAMARIA'.

6. AS WITH PREVIOUS ANNOUNCEMENTS, THE MAIN IMPACT OF THE DECISION TO ESTABLISH CIVILIAN SETTLEMENTS IS LESS PRACTICAL THAN POLITICAL, SINCE THERE ARE CONSIDERABLE MANPOWER AND RESOURCE CONSTRAINTS ON FURTHER WIDENING SETTLEMENT ACTIVITY. IN PRACTICE ALSO MORE ISRAELI SETTLERS ARE CURRENTLY INVOLVED IN MOVING TO DORMITORY TOWNS ON THE WEST BANK THAN TO NEW OUTPOSTS SUCH AS THESE LATEST ONES.

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