

*NAK Third Trip
x Peace Negotiations -
Disengagement*

SECRET/NODIS (GDS)

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POSSIBLE DISENGAGEMENT STEPS ON THE
JORDANIAN-ISRAELI FRONT AND PALESTINIAN
DEVELOPMENTS

This memorandum addresses two issues: (1) possible terms of a disengagement agreement between Israel and Jordan; and (2) Palestinian issues that may need to be discussed with President Sadat. The immediate problem on the latter issue is that momentum seems to be building for the creation of a Palestinian provisional government, partly as a result of Egyptian and Syrian pressure on the Palestine Liberation Organization (PLO). Peace negotiations could be adversely affected by such a development at this stage, although at some point it will probably be necessary to deal explicitly with the Palestinians.

Neither subject may be appropriate for discussion on this trip. But for disengagement and further steps toward a peace settlement to occur, it may be necessary soon to devise steps on the Jordanian-Israeli front such as those described here and it is necessary at least to consider urging President Sadat now to go slow in pushing the Palestinian case.

Jordan-Israel Agreement

The Jordanians and Israelis appeared in discussions on the December trip to agree that it is desirable to find ways of bolstering King Hussein's authority on the West Bank in order to minimize the role of the Palestinians in the peace settlement process. Beyond this, however, the two parties do not seem to share a common approach to the problem. On the assumption that developments on the Palestinian front do not complicate matters excessively, a first step on the Jordanian front can be envisaged that would establish some momentum, without necessarily dealing with the issues of sovereignty, final borders, or the status of Jerusalem at the outset.

The Jordanian position seems to be that King Hussein should, at an early date, be allowed to re-establish his authority in part of the West Bank. Prime Minister Rifai has talked of a mutual pullback of forces in the Jordan Valley onto the heights and return of Jericho to Jordanian control. The Israelis will almost certainly reject such a proposal, although they might consider other steps that would eventually strengthen Hussein's standing

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on the West Bank. In addition, the Egyptians have told the Jordanians that no steps toward military disengagement should be taken without Egypt's approval.

An alternative approach could include concrete agreements that both parties can accept that will generate some momentum, but without causing unmanageable political difficulties. The King stands to gain insofar as he can demonstrate an ability to produce concessions from the Israelis that are favorably seen by the West Bank residents, and the Israelis should be satisfied if the King's legitimacy as an interlocuteur valable is enhanced.

Five areas stand out for possible early agreement:

--Return of Displaced Persons from 1967. Dayan is reportedly prepared to allow approximately 75,000 displaced residents of the West Bank to return to their homes. This would not include refugees from 1948 who again fled in 1967. There may be 150,000 or so in this latter category, and they might later be considered for return. In addition, the Israelis could act favorably on 10,000 pending applications for family reunions.

--Reopening of some lands to agriculture. Since 1967 the Israelis have taken control of approximately 250,000 acres of land on the West Bank and in Gaza. Some of this is good agricultural land and could be returned to productivity with little difficulty, especially in the Jordan Valley. A large number of returnees and refugees might eventually settle in these areas.

--Creation of a Development Authority for the West Bank. Combined with the return of displaced persons and the reopening of some lands to agriculture, a Development Authority could be created for the West Bank, with contributions from Israel, Jordan, the international community and with participation by local residents. The Middle East Commission, a private organization supported by the Carnegie Endowment for International Peace, might play a role in setting up such an agency. Development plans for the Jordan Valley could be coordinated with the Jordan Three-Year Plan. As part of this effort, Arab banks could be reopened in the occupied areas.

--Thinning out of Forces in the Valley. Israel and Jordan could agree to remove tanks, artillery and other heavy weapons from the Jordan Valley. In effect, this would only apply to the Israelis at present, since the Jordanians do not have heavy weapons in the valley itself. The military consequences of this move would not be great, but symbolically it would appear to be a step in the process of military disengagement.

--Relaxation of Israeli Search of Visitors to the West Bank.

Although the movement of people in both directions across the Jordan River is rarely disrupted, the Israelis engage in extremely careful, and often needlessly irritating, searches of each person. The body searches of Arab women are particularly resented. A relaxation of these procedures would be welcomed by the Palestinians on both the West and East Banks, and King Hussein might gain some credit for getting this from the Israelis.

In addition to these areas of direct Jordanian-Israeli agreement, we could try to secure from the Israelis a commitment to freeze all future plans for expanding the Israeli presence in the occupied areas. No new settlements would be created, and new building around Jerusalem should be slowed.

At a later stage of negotiations, when issues of an overall peace settlement are raised, the following issues could be dealt with:

--Joint Israeli-Jordanian patrolling in the Jordan Valley.

--The appointment of Palestinians to responsible posts with area-wide authority on the West Bank in fields of health, education and labor.

--The introduction of Jordanian officials into the West Bank. [This move may be strongly resisted by the Palestinian population, and should be considered very carefully before implementation. It may be easier to appoint local residents and to channel Jordanian salaries to them, rather than sending East Bank Jordanians to reoccupy the West Bank.]

--Discussions of elements of a refugee settlement.

The Palestinian Issue

Evidence is mounting that the PLO may be under pressure from Egypt and Syria to form a provisional government. President Sadat has been on record for some time as favoring such a development, but the PLO itself has been reluctant to make such a decision. Now, however, Syria, in a change of policy, also seems to be urging the Palestinians to form a government-in-exile.

Among Palestinian leaders, the suspicion is strong that Egypt and Syria support the idea of a Palestinian government as a way of relieving themselves of responsibility for the Palestinian issue. While likely to receive recognition and support from most Arab states, a provisional government might find that Egypt and Syria would no longer feel obliged to speak on behalf of Palestinians in the Geneva negotiations. For the Palestinians, the formation of a provisional government also raises complex political issues, since at least a minority within the PLO is opposed to such a move on the grounds that it signals Palestinian acceptance of negotiations and limited territorial objectives. Despite these reservations, however, the PLO is reportedly prepared to form a government in the near future, on the assumption that this will help assure that Palestinian issues are dealt with in the negotiations, that King Hussein's claim to speak for the Palestinians will be undercut, and that Palestinian factionalism will be brought under control.

While it is still uncertain whether such a development will take place in the near future, it is nevertheless worth considering the likely effects of the formation of a Palestinian government on the Geneva negotiations.

Among the possible disadvantages are the following:

- King Hussein's ability to negotiate with the Israelis will be at least temporarily weakened for lack of Egyptian and Syrian support.
- The Israelis will become very wary if they sense pressures on them to deal directly with the Palestinians.
- Progress in Israeli negotiations with both Egypt and Syria could be slowed by the injection of the Palestinian issue at this stage.
- A large number of countries in the Third World and Eastern Europe, as well as the Soviet Union and China, are likely to recognize a Palestinian provisional government, thereby isolating Jordan even further.
- In reaction to this development, Jordan might decide to withdraw from the Geneva talks.

There may be some advantages, however, if a Palestinian provisional government were to be formed:

--The PLO might use the occasion to reconstruct the Palestinian movement into a more representative and responsible body capable of controlling the extremists and putting an end to terrorism.

--If at some point the issue of Palestinian representation in negotiations is bound to be addressed, it might be easier to gain Israeli acquiescence in dealing with a Palestinian provisional government than with the PLO.

--A Palestinian government might be willing to revise PLO objectives to the point of accepting Israel's existence and negotiation with Israel. The Israelis, as skeptical as they are bound to be of Palestinian intentions, would attach considerable importance to Palestinian acceptance of Israel's legitimacy.

--Some Jordanians, especially in the military, would be pleased to be absolved of responsibility for negotiating a peace agreement with Israel dealing with Palestinian issues. They fear that Jordan will be blamed for any concessions that will have to be made to accommodate Israeli demands, and would be glad to see the Palestinians try for themselves to negotiate terms of agreement with Israel on borders, Jerusalem and a refugee settlement.

The main concern for the United States in dealing with the Palestinian issue is to assure the disengagement of forces on the Egyptian-Israeli front is achieved and further progress toward an overall Arab-Israeli settlement is made. Timing is critical in determining whether the formation of a Palestinian provisional government would help or hinder this process. It seems certain that, at least initially, injecting the Palestinian issue into negotiations will scare off the Israelis and weaken the Jordanians. Therefore, it may be worth discussing with the Egyptians whether their effort to convince the PLO to form a provisional government is not premature and a possible threat to early progress in negotiations. We have no interest in trying to keep the Palestinians out of negotiations entirely, but we can make a good case that now is not the time to raise it. In return for Sadat's

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agreeing to go slow on this now, it may be necessary to give him some assurances that we will be receptive to his thoughts on how to handle the Palestinian issue at a later date. This would be consistent with the step-by-step approach we have been trying to develop and would not violate any of our understandings with the Israelis.

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