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From: Sent: To: Subject: Abedin, Huma <AbedinH@state.gov> Thursday, October 7, 2010 6:32 AM

Fw: (Haaretz) Israeli Labor party expects new settlement freeze as payoff for loyalty oath

From: Hsiang, Margaret E To: NEWS-NEA; NEWS-Mahogany Cc: SES-O_Shift-III; SES-O_OS; SES-O_Shift-I Sent: Wed Oct 06 22:53:57 2010 Subject: (Haaretz) Israeli Labor party expects new settlement freeze as payoff for loyalty oath

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(Hareetz) Labor party ministers angered by Prime Minister Benjamin Netanyahu's snap decision to back a controversial citizenship loyalty oath said late October 6 that they expected a new freeze in settlement building as a payoff. Netanyahu neglected to inform his Labor coalition partners that he had approved a right-wing minister's draft of a new oath that would require anyone taking Israeli citizenship to swear allegiance to Israel as a "Jewish and democratic state."

The move paves the way for a vote in the Knesset and was hailed as victory by ultra-nationalist Foreign Minister Avigdor Lieberman's Israel our Home party, Netanyahu's major coalition partner. But the prime minister must perform a balancing act. Allies at both ends of the political spectrum and the Labor party hope that his latest concession is a sop to right-wingers ahead of a decision to renew a ban on settlement building in the West Bank – a key demand of the left.