

REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

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CONGRESS TOLD BUSH NOW WANTS \$10 BILLION IN LOAN GUARANTEES

The Bush administration on September 11 proposed legislation to provide the president with authority to grant up to \$10 billion in loan guarantees to Israel during the next five years. Congress is expected to approve the loan guarantees before its election recess begins early in October and to give the president wide discretion over their distribution.

The legislation includes the following measures:

- Disbursement of up to \$2 billion in guarantees annually from October 1, 1992, and ending September 30, 1997.
- Restriction of the use of guaranteed funds to within Israel's pre-June 1967 borders.
- Presidential authority, beginning with the second annual disbursement of guarantees, to impose a dollar-for-dollar penalty "for activities which the President determines are inconsistent with the objectives of this section [resettling immigrants, infrastructure, housing, and 'other purposes'] or understandings reached between the United States Government and the Government of Israel." Penalties must be explained in a report to be submitted annually to Congress, but Congress would have no power to alter them.
- Presidential authority to suspend or terminate the program, if the president should decide that the terms and guidelines he has established governing the program have been breached.
- Congressional authority to override this presidential authority through passage of a joint resolution.

GUARANTEES, *continued on page 3*

RABIN GOVERNMENT INAUGURATES NEW ERA IN SETTLEMENT POLICY

The Rabin government's first important decision—to curtail Israel's 1992 settlement housing program for the West Bank, Gaza Strip, and Golan Heights—is the most visible signal of the new government's intention to change national priorities by de-emphasizing the construction of new housing in the occupied territories.

"Bringing an additional 400,000 people from what used to be the Soviet Union," declared Rabin, "This is what is important to Israel, more than 3 settlements, or 10,000 housing units in the occupied territories...."

"We cut 7,000 units [in the territories]," he said. "I wish I could cut more, because I don't believe that they contribute to Israel's security. Saddam Hussein will not waste one Scud on any of these settlements."

On July 28, the government announced that it would not sign contracts for 3,136 settlement housing units approved by the Shamir government in the 1992 budget and would void contracts on an additional 3,545 units where construction had not yet begun. In addition, plans were canceled for 2,000 units in Gaza and another 1,100 in the Golan Heights—part of a nationwide reduction of 12,000 units.

On August 2, approximately 1,400 additional units in the West Bank tender construction at the foundation stage were frozen pending a decision on anticipated demand.

No cutbacks were made in the area of "Greater Jerusalem"—defined by Minister of Construction and Housing Benyamin Ben Eliezer to include Ma'ale Ephraim, Givat Ze'ev, Ma'ale Adumim, Betar, and Gush Etzion (see map, page 5). Ben Eliezer said, "We have not touched and we have no intention of touching [Greater Jerusalem]."

Most of the units canceled existed only on paper. The government's action on these cutbacks was accompanied by the announcement of a decision to complete construction of 9,850 units in settlements throughout the West Bank, 1,200 in Gaza, and 1,200 in the Golan Heights.

NEW ERA, *continued on page 4*

TO OUR READERS

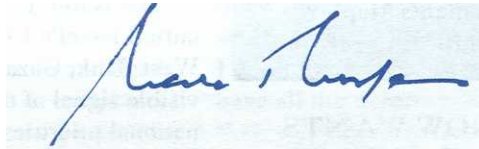
Everyone now acknowledges the appropriateness of an interim period of Palestinian self-government in any Israeli-Palestinian peace accord. Nevertheless, there is a conflict in Israel's negotiating position that requires clarification.

Happily, the Rabin government recommitted Israel to the principle of land for peace. Inconsistently, however, Mr. Rabin so far rejects any commitment to stop further land taking from Palestinians or settlement by Israelis in the occupied territories.

Ownership of land is all important to Palestinians. Fresh in their minds is the Shamir strategy of stalling negotiations for ten years to permit further Israeli entrenchment in the territories.

It is rudimentary in conflict resolution that one party must not be free to alter the subject matter of negotiations during negotiations. The conventional diplomatic language is to avoid measures that could prejudice the final outcome.

Israel holds many cards, but it should recognize that to use negotiating and transition periods for continued settlement activity and further expropriation of Palestinian property can only poison the opportunity for the peace that both parties need.



HEAD OF PALESTINIAN DELEGATION ASKS FREEZE ON SETTLEMENT AND LAND SEIZURE

On September 8, the Report interviewed Haidar Abdul Shafi, head of the Palestinian delegation to the Washington Talks. Excerpts from his remarks follow:

Report: What is your view of Israel's declared readiness for territorial compromise, even as it continues its settlement program?

Shafi: Israel is not offering anything. They [Israelis] simply insist that settlement is a matter of right for them; that this is Eretz Israel and they are settling there as a matter of right. Shamir did not accept the principle of territories for peace. Rabin talks about it. Maybe, [under an interim agreement] in a very limited manner, he will concede minimal territory to Arab localities and villages in the West Bank by widening [Arab] municipal boundaries at the expense of state lands, but without any geographical continuity—so as not to interfere with the strategic aim of controlling the West Bank and isolating Arab villages in a sea of Israeli existence.

Israel has already confiscated 65 percent of the total area of the West

Bank—10 to 15 percent for settlements, with the remaining 50 percent open. Maybe they will give 10 percent of that for expanding [Arab] municipal boundaries, leaving 40 percent for them to establish new settlements.

Report: How did Israel's proposal outlining the spheres of authority for the Self-Governing Authority address the land issue?

Shafi: Israel proposed that the land issue should not be on the table. The proposal talked of "residual authority"—land is one of these residual matters where Israel retains authority.

Report: What is the Palestinian vision of the territorial dimension of the Self-Governing Authority?

Shafi: We at least expect the implementation of UN Security Council Resolution 242, meaning complete Israeli withdrawal on the assumption that Israel will have guarantees for its legitimate security concerns.

We are demanding the ceasing of land seizures and the establishment of settle-

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INTERVIEW, continued on page 8

Congressional approval of the guarantees will mark a significant victory for the strategy of Israel's new prime minister, Yitzhak Rabin. During his campaign for the premiership, Rabin often declared that he would succeed in winning the funds that then Prime Minister Yitzhak Shamir had failed to secure.

The deal Rabin sealed with George Bush in August during his visit to the United States depended less on specific concessions regarding settlements than on U.S. trust in Rabin's changed set of national priorities.

"We are dealing with a government that wants to absorb immigration, and not a government that wants to build additional settlements," explained a senior state department official during Secretary of State James Baker's July visit to Israel. "From our point of view, this is something entirely different."

A New Deal for Labor

The agreement reached between Rabin and Bush appears to be far more generous than anything offered to Rabin's predecessor. Rabin will not be penalized for his commitment to complete the construction of 10,000 units in occupied West Bank and Gaza settlements and building thousands more in annexed Jerusalem and the Golan Heights.

"Bush, in fact, approved the construction of thousands of houses in the territories," wrote *Ha'aretz's* Akiva Eldar on August 19, "with unlimited settlement in Jerusalem and along the confrontation lines."

When asked how he managed to win Bush's approval despite U.S. opposition to settlements, Rabin replied, "Wisdom lies in how to achieve what you want, in this instance the guarantees, without causing a confrontation between two contrary positions.

"It took a lot of time ... because the basis is not some written document between us. The basis is an understanding of the positions of the two sides, and how nonetheless, despite here and there differences of opinion, to get the \$10 billion."

Discussion of the guarantees was begun within days of Rabin's June election. On his first visit to the new prime minister, U.S. Ambassador to Israel William Harrop reiterated Washington's "very great" interest in approving the guarantees. "If the policy of the new government in this key area [settlements] is in accordance with our policy," Harrop noted, "then I'm sure we'll want to go ahead [with loan guarantees]." During his July visit to Israel, Secretary Baker was convinced of Rabin's intention to curb settlement.

"There appears to be an entirely different approach on the part of the Israeli government toward settlements in the occupied territories," Baker told a July 22 press confer-

ence in Cairo. "So perhaps with this new attitude and approach to settlements on the part of the Israeli government, we can find some way to reach agreement in respect to provisioning [sic] for absorption of Jewish immigrants migrating to Israel, a principle that the U.S. has always supported." The next day, in Damascus, Baker said, "I believe we will see an important, major reduction in settlement activity."

Baker did not acknowledge Rabin's distinction between so-called "security" and "political" settlements. (See map, page 5 and story, page 7.) Nor did he agree to the concept of a "Greater Jerusalem," including such West Bank settlements as Ma'ale Adumim, Givat Ze'ev, the Etzion Bloc, and Ma'ale Ephraim, where Rabin intends to continue construction beyond the units already approved.

Baker, however, failed in his effort to condition the guarantees on a settlement freeze in all the occupied territories. In his discussions in Israel, he continued to insist that building completions be limited to those 5,500-6,000 units under construction on January 1, 1992, and not all 10,000 that Rabin approved for completion.

The preliminary agreement Baker reached with Rabin included these terms:

- The expectation on Israel's part that Washington will "turn a blind eye" to continuing settlement construction in annexed East Jerusalem.
- Continuation of construction in the West Bank beyond that currently in progress to accommodate the "natural growth" in existing settlements. (Allowance for natural growth was a key provision of the congressional legislation on guarantees rejected by the administration last March. See May 1992 *Report*.)
- Agreement to give accurate data to Washington on construction plans.
- Agreement not to establish new settlements.

On August 11, after talks with Rabin, President Bush acquiesced in Israel's decision to complete the 10,000 units under construction. Announcing his support for the guarantees, he said, "I am delighted that the prime minister and I have agreed to an approach without frustrating the search for peace."

The legislation the White House submitted to Congress in September is a testament to the political acuity of Prime Minister Rabin. He correctly understood that the primary obstacle to U.S. approval of the guarantees was not Israel's settlement program so much as the Shamir government's persistent efforts during the last two years to mislead Washington about the extent of its settlement activities.

Rabin succeeded in scuttling any attempt to legislate an explicit connection between Israeli settlement activity, including financial incentives, and provision of the loan guarantees. He also managed to prevent official U.S. monitoring of the use made of guaranteed funds, beyond the

According to Minister Ben Eliezer, of close to 10,000 West Bank settlement units approved, 1,700 are in Greater Jerusalem; 2,150 are located throughout the area and are in the framing stage; 5,000 are nearly completed; and 1,000 are being constructed by individual settlers.

At the same time, 4,000 recently completed West Bank settlement units are empty, even though approximately half are sold. An additional 1,500 mobile homes are also available for occupancy. The occupancy of these units during the coming years will bring the settler population in the West Bank to 150,000—a 50 percent increase.

"Forty to fifty thousand is the number I think will be added to the territories if indeed those apartments will be acquired ... by settlers," acknowledged Ben Eliezer on Israeli television. The minister noted that he will approve additional housing only to accommodate the "natural growth" of settlements.

This limitation on future expansion beyond the 10,000 approved units in the future was apparently agreed to by the United States during discussions on the loan guarantees (see story page 1).

No Upheaval Expected

According to *Ha'aretz* correspondent Yerach Tal, "the freeze ... will affect only a few of the apartment units under construction today. In any event, it is not expected to cause an upheaval in the building sector."

Rabin, after returning from his August 10 meeting with President George Bush, sought to dispel the impression that Israel had imposed a settlement "freeze."

"Look, I do not know what you mean when you say settlement freeze, when we are talking of the continued construction of 11,000 units in the territories. I do not remember a time when, even after canceling the construction of some 6,000 to 7,000 housing units, such a drive ever took place. I admit that had we been in the government before, we would not have reached such a scope. Therefore, when I asked a senior U.S. State Department official for the Arab reaction, **I was told that the Arabs are very critical of the United States in view of the fact that, the way they see it, not only** is there no settlement freeze, there is even a hastened pace of construction when compared to two and **one half years ago.**

"Let us keep things in proportion. I am not happy with the situation, but I found ... that we cannot practically cancel the construction of more than 6,000 to 7,000 housing units that were planned before, and for some of which initial ground-breaking **work had begun. The construction of 11,000 units continues, nonetheless. Is this a freeze?"**

Rabin reported that President Bush is aware of the new government's program. "The facts are reported and are known," explained Rabin. "I do not know whether he accepts it or not, but he knows that this will happen." -

The Voice of Israel reported that Bush "was told the 10,000 units under construction are a fact on the ground. He was also told Israel cannot legislate a law to prevent settlers from living wherever they want in the territories. The major issue is what the government will or will not do for the settlers. President Bush was said to understand the constraints, although he did not love hearing them."

In July, Rabin had noted his intention to continue settlement in Greater Jerusalem, as well as along the borders with Syria and Jordan, during a Knesset debate on a no-confidence motion. The prime minister, however, was unable to convince President Bush to disregard his government's plans to continue settlement in the suburban area around Jerusalem.

To Rabin, Greater Jerusalem is a political rather than a geographic concept—rooted in Israel's vision of a metropolitan Jerusalem extending well into the West Bank, beyond even those areas annexed to Israel in June 1967. Rabin has a longstanding interest in this concept. As armed forces chief of staff, he recommended in June 1967 that Israel annex a more significant portion of the West Bank to Jerusalem than did the political leadership.

Rabin Wanted Larger Area

"In the Six Days War the government decided to extend Israeli law and jurisdiction to East Jerusalem," he explained recently. "I proposed then to Prime Minister [Levi] Eshkol and to Defense Minister [Moshe] Dayan to apply Israeli law to a much larger area. If my proposal had been accepted, today there would be no Jerusalem problem. Eshkol and Dayan said they did not want to swallow too many Arabs. They simply took my proposal and narrowed it."

Housing Minister Ben Eliezer has confirmed that "there are no limitations on building" in Greater Jerusalem. As a demonstration of the new government's commitment to the permanent retention of this region, Rabin approved the completion of the \$42 million Gilo-Etzion Bloc road linking the settlements south of Bethlehem with Jerusalem. "The government regards the Etzion Bloc as an integral part of Jerusalem's defensive perimeter," announced Ben Eliezer. The highway, he added, "is of prime security importance."

The new government has exempted from cutbacks major construction projects in East Jerusalem. Five thousand units are currently under construction in Jerusalem's suburbs annexed to Israel. There are plans for the construction of an additional 10,000 units in this area as well as

Israeli Population in the West Bank*

1995 [est.]	160,000	1982	21,000
1992 [est.]	110,000	1981	16,119
1991	92,000	1980	12,424
1990	76,000	1979	10,000
1989	69,000	1978	7,361
1988	63,600	1977	4,400
1987	57,700	1976	3,176
1986	51,100	1975	2,581
1985	44,100	1974	2,019
1984	35,200	1973	1,514
1983	22,800	1972	1,182

*Israelis living in annexed Jerusalem are not included. Population figures vary—sometimes by as much as 20 percent—depending upon the source. Numbers for recent years are considered conservative. Years of Labor-led governments appear in blue.

Israeli Housing Starts in West Bank Settlements*

1992 [January-June]	2,300
1991	9,000
1990	1,800
1989	1,320
1988	1,560
1987	1,270
1986	430
1985	1,660

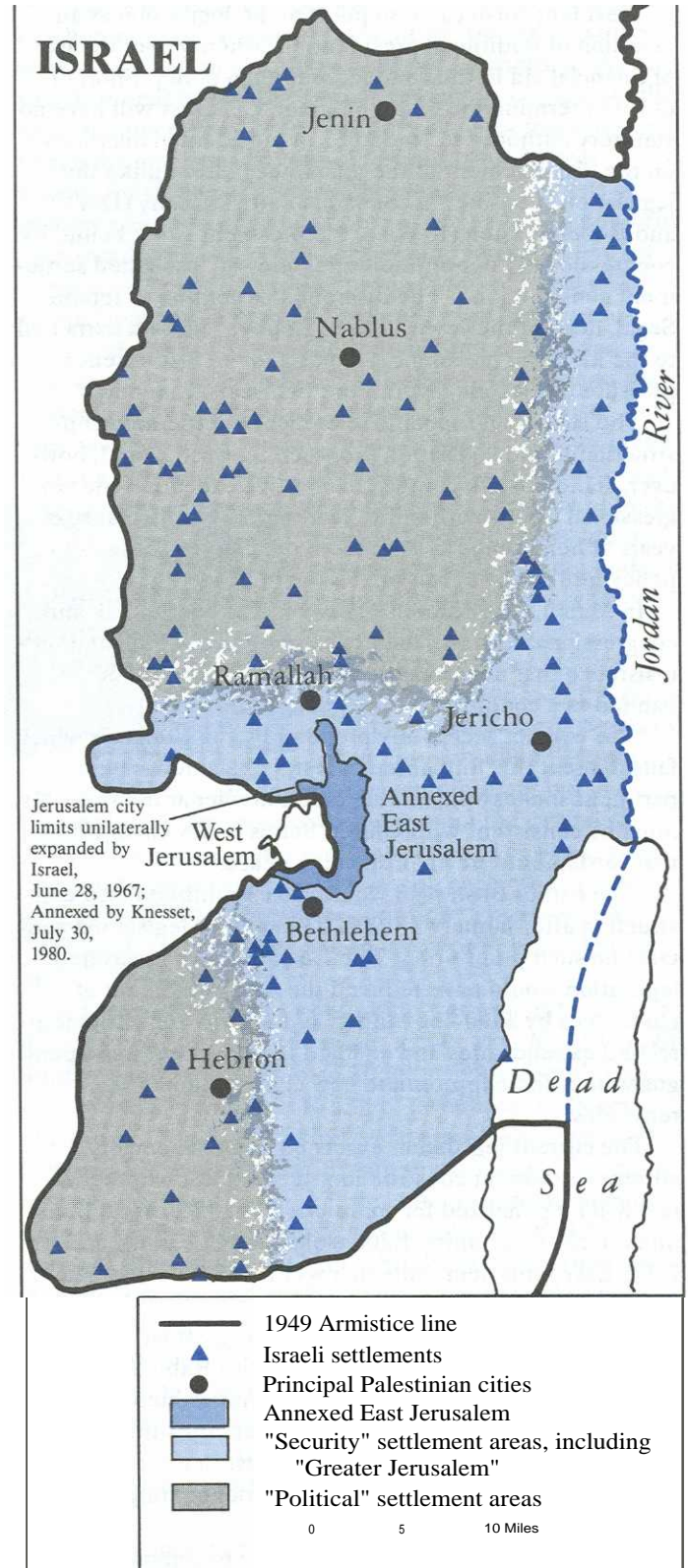
*Not including annexed Jerusalem; permanent housing units only.

How Settlers Voted

Settlers voted overwhelmingly for right-wing parties in Israel's June elections. Labor received 14.8 percent. The Likud won 20.3 percent. The National Religious Party took 24.6 percent. Moledet, which advocates expulsion of Palestinians, garnered 11.5 percent. Tsomet, General (Ret.) Raphael Eiten's annexationist party, won 8.7 percent. Selected settlement voting follows:

Settlement	Labor	Likud	NRP	Moledet
Ariel	12.4%	49.2%	1.4%	6.9%
Ma'ale Adumim	15.1	41.4	10.9	4.6
Kiryat Arba	3.0	25.0	18.1	18.5
Efrat	3.7	20.9	40.2	10.3
Elkana	1.9	19.3	57.3	7.5

West Bank: Political and security Settlements —1992_i



traditional, ineffective prohibition on the use of any financial aid beyond Israel's pre-1967 borders.

President Bush can also point to the legislation as an assertion of traditional presidential authority over the use of financial aid in the conduct of foreign policy. Short of outright termination of the program, Congress will have no statutory authority to "meddle" in presidential decisions on the disbursement of the guarantees. And unlike the legislation sponsored by Senators Patrick Leahy (D-Vt.) and Robert Kasten (R-Wis.), the president is not bound by congressionally determined categories of "protected settlement construction." The discretion, according to Jerome Segal, head of the Jewish Peace Lobby, "adds an extra tool to the kit if the president is looking for an instrument to pressure the Israeli government two years from now."

The lack of any specific reference to settlement construction in the legislation proposed by Bush would, however, stand in stark contrast to abortive executive and congressional efforts earlier this year to translate almost two years of heightened U.S. concern over Israeli settlement policy into specific legislative sanctions.

In March, a compromise between President Bush and congressional leaders failed because of the administration's insistence that new construction in the territories be banned as a condition for the guarantees.

"We will not accept any proposal by the Congress which fails to meet this fundamental test," explained state department spokeswoman Margaret Tutwiler at the time. "It must be consistent with United States policy since 1967 that settlements are an obstacle to peace."

The earlier Bush plan would have prohibited new construction after January 1, 1992. The current legislation contains no such prohibition. The Leahy-Kasten sponsored legislation would have reduced the first installment of guarantees by \$400-450 million as a penalty for settlement-related expenditures and enabled the president to suspend guarantees for inappropriate new construction in the territories.

The current legislation exacts no financial penalty for current settlement construction. It is unclear whether Israel will be penalized for completion of 10,000 West Bank units, 1,200 Gaza units, 1,200 Golan Heights units, and 7,000 East Jerusalem units that will be under construction during FY1993.

The proposed legislation would give great latitude to the president to establish informally with Rabin settlement-related "red lines" that will prompt reductions in the guarantees. Certainly this type of agreement suits the style of both leaders and is in marked contrast to the explicit public commitments Washington was demanding of the Shamir government.

Red lines may enable Israel not only to complete all housing currently under construction in the occupied terri-

in Greater Jerusalem. (For Greater Jerusalem plans, see January 1992 *Report*.)

"The truth is," wrote *Ha'aretz* correspondent Nadav Sharguy on July 14, "that Jewish settlement in East Jerusalem will not be frozen, and there is every chance that it will be increased substantially. The Labor Party, and not the Likud, gave birth to traditional settlement in East Jerusalem."

The "traditional settlements" supported by the Labor Party include suburbs like Gilo and Pisgat Ze'ev—the large housing estates built around the annexed portions of the city, and that now house one third of Jerusalem's Jewish population.

Labor opposes, and has canceled, four small path-breaking projects for the construction of Jewish enclaves within Arab areas. (See July 1992 *Report*, page 3.) It has also discontinued all covert and overt government funding of the purchase of properties in such areas of East Jerusalem, notably the Old City's Muslim Quarter.

Other Constraints

In other decisions aimed at constraining settlement, the government has announced these measures:

- No new settlements will be created without government approval.
- Settlers purchasing homes in some settlements will enjoy less generous terms for "local loans"—what was heretofore the grant portion will become part of the payable loan.
- Additional funding for 10 roads in the West Bank will be frozen.
- No new government land leases for the private construction of homes in settlements will be granted.
- No new permits for private construction in settlements will be made available by the military government. •

tories without penalty, but also to provide for the "natural growth" of all settlements, perhaps in the range of 1,000-2,000 West Bank housing starts annually, without a reduction in loan guarantees. East Jerusalem and the Golan Heights may well be excluded from any U.S. consideration whatsoever.

The first loan guarantee agreement, approved in February 1991 for \$400 million, restricted loans to the purchase of housing in Israel (excluding East Jerusalem). For the new package, Israel is not required to report to Washington on the allocation of the funds made available as a result of the guarantees. •

FROM THE ISRAELI PRESS

CONFUSION FOR HOME CONSUMPTION

By Ze'ev Schiff

The more one deliberates the differences between "political" and "security" settlements, the more confused one gets. The definition given by Yitzhak Rabin during the election campaign seems to have been formed first and foremost for internal political purposes. There's no wonder then, that he and his aides provide vague answers whenever they are asked for a clear definition of their expressions. The question needed to be clarified with Washington, but it was one of the subjects on which the parties failed to agree.

The term political settlements derives primarily from their geographical location in the heart of areas densely populated by Palestinians. But

more important, perhaps, the establishment of political settlements, according to Rabin, was meant, from the start, to prevent territorial compromise between Israel and the Palestinians—not only to prevent the establishment of a Palestinian state, but any other Palestinian rule, even autonomy. The one who was among the advocates of the establishment of these settlements, Ariel Sharon, said explicitly that that was the purpose of their establishment. Sharon doesn't completely ignore the Palestinian residents. He describes 11 tiny municipal districts, sort of Israeli bantustans, for them, forgetting that the original bantustans in South Africa have failed. The political settlements, then, were meant to encroach further on the Palestinian residents. And the meaning of this was continuing the conflict and aggravating it....

Confusion grows when we examine what Rabin defines as security settlements. They too are determined by their geographic location—along the confrontation line with the Arab countries. But what would have happened if the Jordan Valley had been populated from north to south, and not only in Jericho, by Arab inhabitants? One of the Labor Party ministers defined a security settlement as a border settlement which can take part in blocking an enemy attack and where the residents are organized in a regional defense system. This is a simplistic definition which died away in the Yom Kippur War. When we're talking about

settlement along the border, these settlements have hardly any significance in blocking armored columns.

The deployment along the border doesn't fully explain the military significance of the settlement. How can we define, for example, the Gush Katif settlements on the Egyptian border in the southern Gaza Strip? Are they security settlements? Even according to Rabin's definition, the answer is probably negative or half negative—i.e., it's not the location next to the border but the quality of relations between the countries on both sides of the border that counts. A key question is whether there are relations of military confrontation and state of war. It's highly doubtful then that Rabin will continue to define Jordan Valley settlements as security settlements once there is peace between Israel and Jordan. This border is problematic already today. Are Eilat on the Jordan border, or Sha'ar HaGolan and Neve Or in the Beit Shean Valley or on the Jordan border also security settlements only because they're close to the border? In other words the settlements' security definition can be changed. Hence impermanence

is an important component in the formula. Today it's this and tomorrow it's that, a lot depends on the quality of relations with our neighbors.

There is one geographical zone where the rules of the game are different in Rabin's view, and not in his view alone: Greater

Jerusalem. Here the justification isn't military but political—the desire to keep and protect the capital of Israel. Construction and settlement there continue, and Jews and Palestinians are mixed with each other almost everywhere. All under the assumption that this won't hamper the negotiations and that compromise will nevertheless be found.

It is clear that Rabin's definition was also influenced by Labor's obligation to the people it once sent to settle in the Jordan Valley and the Golan Heights. This doesn't mean that Rabin's intention is to annex these areas to Israel in the future. At most he'd like to determine the Palestinian autonomy's temporary borders in this division. Therefore one gets the impression that the announcement on political and security settlements was mainly destined for internal consumption. This is also the way the Americans explain it to the Arabs. The Arabs are able and ready to understand a leader's need for announcements for internal consumption.

The test will be in the field: whether Rabin's government establishes settlements in the areas in which settlements were defined as security ones. If this happens in the Golan Heights and the Jordan Valley our relations with Washington will be complicated again and the continuation of the peace process will be very doubtful. •

... one gets the impression that the announcement on political and security settlements was mainly destined for internal consumption."

Ze'ev Schiff is senior defense correspondent for *Ha'aretz*. This article, reprinted here by permission, appeared on August 14, 1992.

INTERVIEW, *continued from page 2*

ments—at least to succeed in preempting the final status of the occupied territories to Israel's benefit. We are not initially asking to have the land under our complete control, but Israel should not retain complete authority.

Report: What clarifications have you received from the United States regarding the settlement aspect of the loan guarantee issue?

Shafi: Nothing much. The Americans have said, "We can't tell you anything specific. We stand beside our initial decisions [regarding demands for a settlement freeze]."

But actually the United States went back on its original position, which was conditioned upon Israel stopping the settlement process. When Baker came to the area for the first time, he admitted that settlement activity is incompatible with prospects for peace. Giving the loan guarantees means the violation of their conception.

We don't know what went on between Rabin and Bush. Is this freeze on new settlements permanent or temporary? They won't give you an answer, but [the answer] is obvious. Israel has not stopped the settlement process.

Report: Did you receive any clarification from the United States regarding the political/security settlement classification of Prime Minister Rabin?

Shafi: We didn't receive any answer. We are asking things we already know. We just wanted a frank answer for the record.

Report: What is your assessment of the prospect of engaging U.S. power on your behalf on the settlement issue?

Shafi: I think it has faded away completely. I don't have any hope. This became very obvious with America's agreement to provide loan guarantees.

Report: Did you misjudge American intentions?

Shafi: When Baker first came to the region I had one question for him: "Do you think continuing settlement is compatible with peace." He said, "No." I asked, "Can you prevail [on settlements]?" He said, "No, Congress won't permit it." He said negotiations will generate their own momentum.

My attitude then was, America's position has not changed. But finally we were hooked on this process and became engaged. But right from the beginning the American government did not adopt a serious attitude toward Israel's aggressive stand.

The United States has always advised us to stop the questioning of settlements and deal with other matters where it is possible for greater agreement and progress. But I don't understand this. Israel knows what it wants. They have all the determination and know how to see things go their way. If you yield on something basic, it means you are losing.

Report: What has happened to your original position which demanded a settlement freeze as a precondition for negotiations?

Shafi: The question of territory and the question of legislative authority might make it seem as though we are engaged. But really, we are trying hard to just convince anybody that we mean business. ●

The strength of a nation is not measured by land . . . [but] rather by its belief, its ability to foster its social, economic, and defense systems.

Prime Minister Yitzhak Rabin,
reported in *MidEast Mirror*, September 3, 1992.

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