

# REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

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## NEWS

Settlements have emerged as the primary obstacle to the implementation of the next stage of the Oslo agreement. Diplomacy during the early months of 1995 confirms that Israel's settlement policy will not change.

After two years devoted principally to the completion of almost 10,000 dwelling units in the West Bank, the Rabin government has unveiled plans for the construction of thousands of additional units in numerous West Bank settlements.

Despite the Rabin government's pledge to stop new construction in settlements, a recent investigation details numerous instances where building is taking place. (See story page 7.)

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## RABIN EXPANDS SETTLEMENT CONSTRUCTION

The Rabin government's construction plans for West Bank and Jerusalem settlements rival and in some respects surpass the settlement construction efforts of the Shamir government during 1989-1992. The government is considering plans to build in the next three years about 30,000 apartments beyond the Green Line, despite its declaration of a building freeze in these areas.

The construction plan was prepared by an inter-ministerial committee that includes the prime minister's office, the housing ministry, and the ministry of defense. It represents a marked increase in the pace of construction initiated by the Rabin government in the occupied territories during its first two years.

During this period, Rabin completed more than 11,000 units inherited when the Labor Party defeated Likud in the 1992 election. The sale of most of these units, particularly in the region around Jerusalem and along the 1967 border, has created a market for the additional housing outlined in the new program.

"This plan shatters any remnant of the Palestinians' illusion that the Oslo accord will bring about either an Israeli withdrawal from significant territories in the West Bank, or that eastern Jerusalem can ever serve as a Palestinian capital," wrote *Ha'aretz* correspondent Danny Rubinstein on January 10.

Minister of Communications

*BUILDING, continued on page 4*

## SETTLEMENTS OBSTRUCT NEGOTIATIONS

The Rabin government's settlement policies emerged as a contentious issue between Israeli and Palestinian diplomats in the early months of 1995. For the first time since the signing of the Oslo accords in September 1993, Palestinian negotiators were forced by popular Palestinian protests at Israeli settlements and the sites of various land confiscations to raise the issue of settlements in talks with Israel.

These discussions produced a reiteration of the longstanding Israeli government's contention that the government, if not the private sector, has considerably reduced settlement expansion and a reassertion that, during the "interim period," settlement policy is an exclusive

Israeli concern.

The Oslo accords, as well as a subsequent Israeli-Palestinian agreement at Cairo, defined Israel's civilian settlement in East Jerusalem, the West Bank, and Gaza Strip—and their 310,000 Israeli residents—as "final status" issues. During the interim period established by the accords, the settlements and settlers are to remain solely under Israeli jurisdiction, security, and control.

Beginning in late December, popular Palestinian opposition to the expansion of the Efrat settlement, south of Bethlehem, was followed by numerous Palestinian protests throughout the West

*DIPLOMACY, continued on page 6*

## TO OUR READERS

There are differences of opinion regarding the proper U.S. policy toward Israel's settlement program in the West Bank and Gaza Strip. But no responsible party suggests that the U.S. position is an unimportant factor in any resolution of the continuing conflict between Israel and the Palestinian Authority.

A close reading of the official State Department daily briefing transcript, reproduced on page 8, cannot but raise doubts about the thoughtfulness, and indeed the seriousness, of current American policy. The dismissive manner in which this critical issue was addressed by department spokesperson Christine Shelly indicates that Washington officials are sorely out of touch with what is happening in the territories

and at the negotiating table.

Also at the State Department, Michael McCurry's reiteration of U.S. policy is no less disturbing for portraying an administration that is using the Oslo accord as an excuse to disengage from one of the central issues still dividing Israel and the Arab world.

A more sober American approach to Israel's troubling settlement plans might result in a policy better suited to face the reality of this issue.



## POLITICAL CONSENSUS FOR ANNEXATION

The de facto annexation of a large swath of the West Bank in close proximity to Jerusalem became far more explicit in the early weeks of 1995. In late January, the Rabin government approved plans that added to the already prodigious and formidable establishment of large concentrations of Israeli settlers in an area running from Ramallah in the north to Hebron in the south.

More important for demonstrating the existence of a political consensus in Israel favoring this policy, however, were statements from a range of government officials. Included in this consensus are ministers belonging to Meretz, a coalition of parties generally the most critical of settlement expansion.

Minister of Housing and Construction Benjamin Ben Eliezer, for example, told Israeli Radio that greater Jerusalem is an existential rather than a philosophical concept. Although Ma'ale Adumim and Givat Ze'ev settlements are outside Jerusalem's municipal borders, he explained, they nevertheless constitute part of Jerusalem.

Ben Eliezer's top aide at the ministry was more explicit: "Ma'ale Adumim is not part of Judea and Samaria, but a city like any in

the center of the country, for example, Rosh HaAyn or Hadera.

"Every year, including this year, we are building thousands of units, which will join it to Jerusalem in the direction of Pisgat Ze'ev." (The boundary of Ma'ale Adumim comes to within 175 meters of Pisgat Ze'ev, a settlement in the northeast corner of annexed East Jerusalem.)

A columnist for *Ha'aretz* commented that Ben Eliezer's plan for the construction during 1995 of an additional 4,100 dwelling units in greater Jerusalem settlements "is intended to persuade the Palestinians at the negotiations on the permanent status to give up spacious territories outside the municipal bounds of the unified city."

Meretz ministers Yossi Sarid and Amnon Rubinstein have noted their approval of this campaign. Rubinstein has explained that although he opposes the thickening of settlements and further land confiscations, "it is necessary to strive to enable the Etzion Bloc [south of Jerusalem] to stay under Israeli sovereignty." Sarid has said that he supports continued construction in Ma'ale Adumim, east of Jerusalem, where more than 20,000 Israeli settlers now reside. ♦

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## INDYK TESTIFIES ON SETTLEMENTS

*On February 2, 1995, Martin Indyk, former member of the staff of the National Security Council, appeared before the Senate Foreign Relations Committee in a hearing on his nomination to be U.S. ambassador to Israel. Excerpts from his testimony are reprinted below.*

**Sen. Claiborne Pell (D-RI):** I understand that the Israelis are looking into their policy with regard to the settlement territories and a new policy may be developing. Could you fill us in a little bit on that, what is the new policy if there is one, what's being considered?

**Mr. Indyk:** I believe—first of all, there's a lot of confusion about this issue, so—

**Sen. Pell:** That's the reason for this question.

**Mr. Indyk:** —and there is a plethora of Israeli statements, so it's not always easy to define, but I will give you my best understanding, with that caveat, so that if I get it wrong you will understand.

The Rabin government, when it came into office, decided that it would curtail settlement activity in the West Bank and Gaza. Prime Minister Rabin announced that there would be no new settlements, that there would be no government funding for building settlements, with the exception of some 11,000 housing units that were under way and needed to be completed. However, he made clear that the government would continue to fund infrastructure and the kinds of things that are needed to keep the existing settlements going. But the kinds of subsidies and support that the previous government in Israel had been giving to the settlement would curtail [*sic*]. That did not do anything to stop private construction in existing settlements and that has been going on.

Recently, because the issue became so controversial, the prime minister established a ministerial committee to review all settlement activity before it took place, and that committee, I think as recently as last week or maybe the week before, stated that it had given approval for I think it was something like 4,000 or 5,000 new housing units to go up in settlements around the Jerusalem area.

Again, I'm not sure, but I believe it's the case that this is privately funded apartments in existing settlements.

As far as the confiscation of land, which has been of great concern to the Palestinians, I believe that Prime Minister Rabin recently told Chairman Arafat that the only land that

would now be confiscated would be land required to build roads for the purposes of fulfilling the next step in the agreement—that is, one of the next steps in the agreement, which is the redeployment of the Israeli army from Palestinian-populated areas in the West Bank. That's as best as I can tell you on the settlement issue.

**Sen. Pell:** What is our own policy vis-à-vis the building of new housing units in the West Bank?

**Mr. Indyk:** Well, our view, Senator, is that—again, like the issue of Jerusalem—Israel and the PLO have agreed that

settlements are a final-status issue and should be negotiated in the final status negotiations that will begin in May of next year.

My view is that settlements are a problem that complicate—settlement activity is a problem that complicates the negotiations.

It's not the only problem, certainly, at the moment; I think terrorism has a much more complicating impact, but it is a problem that complicates the negotiations. It certainly has a very negative impact on the Palestinians and in the wider Arab world as well.

**Sen. Pell:** Will the 4,000 new units you mentioned, will

they be new or will they be added on to settlements already made?

**Mr. Indyk:** It is my understanding that they will be in existing settlements; they will not be—they will not be new settlements, that Prime Minister Rabin has made clear that there will be no new settlements created.

To try to put this in context for you, because the numbers sound very large, the Rabin government, as I said at the beginning, has seriously curtailed settlement activity, and one compares that to the previous government where there was a great deal of government-funded activity going on. These numbers are, in fact, very small, although I'm sure in the minds of the Palestinians that doesn't make a great deal of difference.

**Sen. Pell:** Thank you very much. I look forward to supporting you. ♦

“ . . . settlement activity is a problem that complicates the negotiations. It's not the only problem, certainly, at the moment; I think terrorism has a much more complicating impact, but it is a problem that complicates the negotiations. It certainly has a very negative impact on the Palestinians and in the wider Arab world as well.”

Shulamit Aloni, who opposes the program spearheaded by Minister of Housing and Construction Benjamin Ben Eliezer, has declared that it “shows the [housing] ministry is operating in complete contradiction to the government’s decisions and its peace intentions.”

Aloni’s critique, however, fails to take into account that the housing ministry is not acting in opposition to the wishes of the Rabin government, but according to its instructions. Ben Eliezer is the official charged with implementing the Rabin government’s settlement program. He has insisted that “all government construction beyond the Green Line received the approval of the ‘exceptions committee’ [established to approve all construction] and was done with the knowledge of the prime minister, and with his full agreement.”

The principal points of the government program for 1995-1998 include these plans:

- 15,000 apartments to be built in East Jerusalem settlement neighborhoods beyond the 1967 borders—Pisgat Ze’ev, Neve Ya’acov, Gilo, and Har Homa;

- 13,000 apartments in the nearby urban region—Ma’ale Adumim (6,000), Givat Ze’ev (1,000), Beitar (5,000), and 1,000 among the settlements of Givon, Har Adar, and Efrat;

- 3,000 apartments in other West Bank locations.

### Government Investment

Ministry of Housing investment in the territories during 1995 is budgeted at \$52.5 million.

Release of these housing ministry budget figures angered government officials, who explained that they “cause damage to the government and to the peace process.”

The U.S. government estimated that Israeli settlement expenditures totaled \$347 million in 1994 and \$437 million in 1993. Private sector investment in housing and industry are not included in the sums.

During the Shamir era, government expenditures comprised around 60 percent of total settlement construction expenses. At a time when Rabin is proposing the construction of an average of 5,000 new units annually in the West Bank and a similar number in East Jerusalem, he is counting on a far lower threshold of government money than was budgeted during the Shamir period to supplement private investment.

The published government expenditures only provide a partial and in some important respects misleading indication of the extent of official allocations. In Beitar, for example,

where more than 1,000 units are under construction, private construction companies were able to purchase land from the government at “especially low prices,” according to a January report in *Ha’aretz*. Land prices ranged from \$1,800 per apartment unit to \$3,750 per unit. Sales at such price levels represent a hidden government subsidy to both contractors and purchasers.

Controversy over housing construction at the settlement of Efrat near Bethlehem forced the government to debate its settlement program in greater detail than it has done since assuming power almost three years ago. At the cabinet meeting on January 22, Ben Eliezer presented the government’s plan for the construction of 4,100 dwelling units in the West Bank settlements of greater Jerusalem during 1995. (See table, page 5.) The Rabin cabinet endorsed the creation of a special ministerial committee to vet this and other settlement construction, reaffirmed the “top priority” it attaches to “the strengthened construction of united Jerusalem,” and promised the allocation of “special resources” to this end.

The ministerial committee approved the settlement construction proposal with minor alterations when it met on January 25. During the committee meeting, Minister Aloni complained to Rabin, “You are exactly like the Likud. Don’t you think that the Arabs need someplace to live?”

“I think about Israelis,” Rabin replied.

Settler representatives in greater Jerusalem were pleased with the outcome.

“We received exactly what we wanted,” said the mayor

of Ma’ale Adumim, where 2,000 units were approved for construction.

“I am pleased that the ministerial committee honored in practice decision 721,” explained the mayor of Givat Ze’ev, where 800 units were approved. (In January 1994 the government granted preferential development status to settlements around Jerusalem.)

“Two days before the Efrat story exploded,” the council chairman from Beitar noted, “we submitted a request to approve the construction of 900 dwelling units. Now the committee has approved it, retroactively, and everything can go back to the way it was.”

When asked what has changed since the days of Ariel Sharon and Yitzhak Shamir, the council member replied, “Nothing at all has changed, and I am happy that this is the case.”

Commenting on the government’s intentions, Minister of Foreign Affairs Shimon Peres remarked, “There will be building, but without declarations.” ♦

According to the numbers made available, in the four years of this Labor government, Israel will complete 30,000 dwelling units in the territories, enabling the addition of 120,000 people. In the [five year] interim period [of the Oslo accords] therefore, the Jewish population of Judea and Samaria will double.

Shlomo Gazit, former head of Israeli Military Intelligence, in *Yediot Aharanot*, January 22, 1995

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## HOW RABIN BUILDS

The Rabin government has been adamant in its public statements, particularly those directed at foreign and Arab audiences, that, except in Jerusalem, it has stopped government investment in settlement construction in the occupied territories.

Typical of such statements was a declaration by Foreign Minister Shimon Peres, who explained on January 3 after meeting with a Palestinian delegation, "We announced that we are not going to build new settlements. . . . We are not going to confiscate land to expand existing settlements or to build new settlements, and third, we are not going to invest government money in expanding settlements."

Construction continues apace, nevertheless, throughout the occupied territories, both in areas like greater Jerusalem, explicitly targeted for eventual annexation to Israel by many planners, as well as in the so-called political settlements—some 70 outposts with small populations located in the heartland of the West Bank.

"There isn't one settlement today that doesn't have a bulldozer at work," notes Shlomo Katan, mayor of Alfe Menache, a Green Line settlement where almost 3,000 new homes are planned.

Much of this construction has been undertaken by private entities, acting with the permission and cooperation and, in most cases, subsidized participation of government agencies. Examples of this activity include the following developments:

■ Since Rabin's election, hundreds of units have been constructed by private entities on lands within the planning areas allocated to each settlement. These homes, often constructed under the "build your own house" scheme, are approved by the settlement's own local or regional planning body, which is composed of settlers themselves. They are built within the planning boundaries of individual settlements or on lands

either owned privately or on "state lands" already allocated for settlement by earlier governments.

■ Construction of hundreds of dwelling units during the Rabin era has been approved by the "exceptions committee" headed by Nach Kinarti, a defense ministry senior official. The committee weighs its decisions according to a formula based upon "the developmental and natural requirements of every settlement." It has permitted housing construction in every settlement.

It is not clear how this committee will relate to the recently established ministerial review committee. It appears, however, that the latter body will serve, as it did in its initial meetings in late January, to endorse decisions already made by the government's settlement bureaucracy.

■ The massive construction occurring under the auspices of the Rabin government is being undertaken by private contractors, working on the basis of proposals put out for bid by the Ministry of Housing. Most of the residential construction in greater Jerusalem and in settlements along the Green Line is being executed in this manner. In Ma'ale Adumim, for example, "the Ministry of Housing is pushing the city's development with all its ability," according to a report in the Israeli daily, *Yediot Aharanot*.

The construction proceeds on the basis of a decision in principle made by the minister of housing or by the prime minister himself. The exceptions committee later approves formal plans along with the settlements' planning committee. The government then allocates "state land" for construction.

The government assists with the development of infrastructure, including roads, power, water, and sewage lines. "We won't allow any settler to be without electricity or water," resolves Minister of Housing and Construction Benjamin Ben Eliezer. ♦

Planned Housing Investment by the Ministry of Housing According to FY 1995 Work Plan (millions of \$)		New Construction Planned in Greater Jerusalem in 1995 by the Ministry of Housing (millions of \$)		
Settlement	Investment	Settlement	Number of Units	Government Investment
Ma'ale Adumim, Beitar, Givat Ze'ev, Kiryat Sefer	\$22.7	Givat Ze'ev	800	\$ 8.0
Jordan Valley	6.3	Beitar	900	4.6
Etzion Bloc	2.1	Ma'ale Adumim	2,000	3.0
Other locations	2.6	Kiryat Sefer	400	1.9
Construction of public buildings (clinics, schools, houses of worship, meeting halls)	1.3	<b>Total</b>	<b>4,100</b>	<b>\$17.5</b>
<b>Total</b>	<b>\$35.0</b>			

Source for both tables: *Ha'aretz*, January 23, 1995.

Bank. Confrontations occurred in regions where settlements were fencing in additional lands claimed by Palestinians, or where new roads were being established for Israeli settlers.

The protests led to a cabinet decision on January 3 to stop construction at the contested site in Efrat and to approve the construction of 200 dwelling units at another site closer to existing residential development in the settlement. The government understood this action to be a precedent-setting decision, in which an authorized settlement project was canceled by government fiat.

The same day at a meeting in Cairo of the Israel-Palestinian Higher Liaison Committee, settlements were the main topic. Minister Yossi Sarid said that they had become the central problem in the negotiations. During these discussions, Palestinians demanded an explicit Israeli commitment to stop settlement construction and land confiscation.

Foreign Minister Shimon Peres explained that Israel would not negotiate on settlements during the interim period. He reiterated Israel's commitment not to establish new settlements or confiscate new lands for settlement expansion or construction. Many lands now being fenced off to Palestinians were in fact declared as "state lands" by previous Israeli governments and only now are being removed from Palestinian control. Peres said that new lands were being confiscated for two purposes only: for infrastructure such as water and sewers and to enable the construction of "by-pass" roads between settlements and around centers of Palestinian population. Peres noted that Palestinian negotiators had approved of this construction as essential to Israel's redeployment in the West Bank.

### Palestinians Seek Construction Halt

Palestinian negotiator Nabil Shaath was not impressed with the Efrat decision, which he described as merely moving the construction "from one hill to another."

"You are the government that was chosen because of a platform which described settlement as an obstacle to peace," he stated, "but we are not convinced that you still maintain that position. You thicken, add, and create [settlement] facts during the interim period, which will create precedents for the final status, in opposition to clauses and to the spirit of the Declaration of Principles."

On January 9, the Palestinian Authority organized a conference in Jericho on "the destruction of peace by settlements." This effort to organize and control what were in some cases spontaneous popular outbursts of opposition to Israeli settlement and land confiscation was managed by Palestinian officials, who were otherwise unable to win substantive Israeli concessions on this critical issue.

The Palestinian Authority Minister of Culture, Yasser Abed Rabbo, one of the organizers of the Jericho conference, called for a suspension of negotiations with Israel unless all settlement was halted. "I think this is the end of the road," he said. "Either all these activities should stop and the settlers with-

draw from the occupied and confiscated land or the Palestinian Authority will have to take serious decisions."

### Cabinet Debates Settlements

At a stormy meeting of the Israeli cabinet on January 9, ministers of the Meretz faction, many of whose members were joining Palestinians in anti-settlement protests, argued for greater cabinet-level supervision of settlement policy.

Minister Shulamit Aloni called on the government "to stop relating to the Palestinians as children," adding that "if we continue the policies of Plia Albeck [a former official in charge of land confiscation] there will be no peace."

Minister Shimon Shitreet attacked another Meretz minister, Yossi Sarid, for his suggestion that the cabinet approve all settlement projects. "We are the government of the people of Israel, not of the Palestinians," said Shitreet.

"You are a Likudnik," replied Sarid.

"And you are outside the national consensus," responded Shitreet. "In the fundamental guidelines of this government, we are committed to assure the needs and security of the settlers, including their natural growth."

Shitreet explained that the widely quoted government decision of November 1992 halted publicly funded residential construction not only in the settlements, but throughout Israel: "The Meretz ministers exploited this decision by suggesting it was directed solely at the territories. They distorted the decision as one aimed at stopping public construction in the territories although, according to the government's fundamental guidelines, there is a need to thicken existing settlements in Judea and Samaria."

At a January 17 meeting of the Knesset Committee on Foreign and Security Affairs, Prime Minister Yitzhak Rabin had difficulty explaining the practical meaning of the commitments made to the U.S. in 1992 regarding settlement construction.

Rabin said he had never promised the United States that private construction in the settlements would cease. "I explained to President of the United States George Bush . . . that I wouldn't forbid Jews from building privately in the area of Judea and Samaria. . . . We committed ourselves that public monies would not be used for construction outside of the sovereign territory of Israel, except for natural growth. . . ."

The problem now facing Israel, Rabin said, was not whether to build, but at what pace: "There is a great difference between natural growth and meteoric growth."

He said he was "sorry that within united Jerusalem construction is not more massive."

The Oslo accords, insisted Rabin, contain "no explicit commitment from us to freeze settlement in the territories."

When Rabin met Palestinian Authority head Yasser Arafat on January 19, he "informed" Arafat that there would be no change in Israel's settlement program. Asked if he were satisfied or not with Rabin's explanation of settlement policy, Arafat smiled and replied, "Somewhere in between."



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## FROM THE ISRAELI PRESS

Hundreds of houses are currently being built in a large number of settlements in the territories, according to a study initiated by Meretz Knesset Member (MK) Dedi Zucker.

A review of 49 settlements in the West Bank conducted earlier this month by investigators Shmu'el David and Tomer Sheinfeld shows that most of the construction is private or done by building societies without any public funds, but with the approval of the local authorities and local government officials. The review did not include Ma'ale Adumim, Betar, Kiryat Arba, and the settlements in the Jordan Valley and in northern Samaria.

The study shows that contrary to the government's policy of freezing construction in the settlements, 325 houses are currently being built in the following locations: 30 in Elkana, 22 in Alfe Menashe, 42 in Sha'arei Tikva, 30 in Barkan, 161 Ariel, and 41 in Hashmonaim. A building drive is also under way in large and small settlements near the Green Line, such as Ma'ale Hashomron (7 houses) and Etz Efraim (5 houses).

MK Zucker points out that private construction has been used to bypass the government's policy since 1992, when the government decided to freeze construction in the settlements. In his opinion, by the time this private construction is completed the settlers' population will have increased by 3,000 to 4,000 people.

The study further shows that the government decision to freeze construction in the settlements has become a worthless piece of paper which is not being observed in many settlements. According to Zucker, government policy is being thwarted in three ways:

- Squatting organized by the local council: In Karnei Shomron, the council helps people move into houses the occupation of which has not been approved by the housing minis-

try. According to the authors of the study, the identity of the organizers who give out the keys to the apartments and connect them to the electricity, telephone, and water networks should be checked.

- Massive sales of apartments the sale of which had been frozen: In Ariel, in contravention of government policy, hundreds of empty apartments the sale of which had been suspended are now being sold regularly. Some 140 such apartments are currently up for sale. This sale cannot be done without the permission and approval of government authorities.

- Infrastructure work in frozen neighborhoods: Costly infrastructure work continues in several settlements in the West Bank in an open and orderly manner, with funds and budgets, even in neighborhoods the occupation of which had been suspended. Roads are being paved, street lights are being installed, and infrastructure work is under way to connect the houses to electricity, water, and sewage networks in most of Karnei, Shomron's Neve Menahem neighborhood. In Eli there are 200 empty apartments, and infrastructure work is under way to enable their sale soon.

MK Zucker emphasizes that what the findings show is not that the government ministries have been turning a blind eye, but that the government and the settlers have been cooperating, either actively or passively, in a bid to thwart the decision to freeze construction in the settlements.

The Meretz faction endorsed the document drafted by MK Zucker and ordered its ministers to submit the findings to the Knesset and to demand clarifications about the fate of 6,500 houses that the government had decided to freeze in 1992.

*Ha'aretz*, January 17, 1995

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### DIPLOMACY, *continued from page 6*

As far as Rabin was concerned, the settlement issue, at least as it related to Palestinians, was now closed. What remained was to end squabbling in the cabinet on the issue. Cabinet decisions in January and February made minor procedural changes in government vetting of construction plans but no substantive revision of settlement policy.

In their efforts to force a change in Israel's policy, the Palestinian Authority turned without success to Washington. On January 10, it made a formal request to the U.S. "to intervene immediately to stop the settlements."

Washington's public response continued to maintain the position established in the wake of the Oslo agreement—that the settlement issue is a bilateral concern. "We admit that [settlements] are a problem," explained State Department spokeswoman Christine Shelly, "but we also revert back to the

Declaration of Principles and enjoin the parties to deal with these issues in their negotiations."

During a visit to Washington by Minister of Housing and Construction Benjamin Ben Eliezer in early February, State Department official Dennis Ross was reported to have made informal general suggestions about the value of a construction halt in settlements. According to a *Ha'aretz* report of February 2, Ross said that Arafat and his advisers claim that Israel is continuing its building momentum and that this is complicating the peace process. "Let's see what will happen if you stop building the settlements, that will give us an indication that everything has been stopped," Ross suggested to Ben Eliezer.

Ben Eliezer declined the suggestion, which was not meant to be construed as U.S. policy. "It's as if I built a secret nuclear reactor that has only just been discovered," he noted. "Everything was done openly . . . and everyone has known and seen this construction, including the Palestinians." ♦

## U.S. POLICY ON SETTLEMENTS—IN THEIR OWN WORDS

### State Department Regular Briefing

*Briefer:* Michael McCurry, January 3, 1995

**Q:** Also on the Middle East, do you have any further thoughts on the timing of the expansion of the Israeli settlements near Jerusalem, and does that have any impact at all on either the substance or the atmosphere of the negotiations?

**Michael McCurry:** It is an enormously complicated question, because the settlements, themselves, are an enormous complication as you look at the process. We have always said there has been no change in our view on that. The Israeli Cabinet has now addressed that question in one specific instance. I think you're all aware of that. Beyond that, I don't think there's a lot more I can add to that.

That is part of a process of what the parties need to deal with in the context of the Declaration of Principles, and there's every indication that they are continuing to do so, as the result of the discussions that are continuing even today.

**Q:** You seem to think—

**McCurry:** Since our views on the settlements are unchanged, I think that we're not going to, in elaborate detail, comment about any decision.

**Q:** I meant what their [Israel's] views on the settlements are, let alone your views.

**McCurry:** That's a question, thankfully, that you can address to them and not me.

### State Department Regular Briefing

*Briefer:* Christine Shelly, January 10, 1995

**Q:** The Palestinians say that Arafat has appealed directly to the United States to get the Israelis to stop their expansion

of settlements. How have you responded to Arafat on that?

**Christine Shelly:** Well, I've seen the report. But I'm—I say—I think we say—when this issue comes up, we say approximately the same thing every time it comes up, and it's largely along the lines of the U.S. position on settlements remaining unchanged, and that the Declaration of Principles makes it clear that settlements is an issue to be discussed by the parties in the course of their negotiations. We admit that they're a problem, but we also revert back to the Declaration of Principles and enjoin the parties to deal with these issues in their negotiations.

**Q:** I'm sorry, did you say you admit there are problems?

**Shelly:** Yes, they're a problem. Is that new? Am I breaking new ground, Sid?

**Q:** I can't remember the last—I don't remember what U.S. policy is towards settlements—

**Shelly:** Oh, Sid, not another lapse of memory again.

**Q:** I didn't hear that, but did you say what the problems were?

**Shelly:** No, I didn't.

**Q:** Would you?

**Shelly:** No. (Laughter) Next question.

**Q:** But just for clarification, you admit that there—there are problems, or you admit they are a problem? (Laughter)

**Shelly:** I think my guidance says they're—and that's T-H-E-Y-apostrophe-R-E—a problem.

**Q:** They are a problem.

**Q:** The settlements are a problem.

**Shelly:** Correct?

**Q:** Are they an obstacle to peace?

**Shelly:** Yes, they're a problem. (Laughter) ♦

**“[Settlement] is a problem that complicates the negotiations. It certainly has a very negative impact on the Palestinians and in the wider Arab world as well.”**

*Martin Indyk  
U.S. Ambassador-designate to Israel  
February 2, 1995*

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