

REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

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NEWS

Steps are under way to facilitate the resumption of negotiations that have been frozen since mid-March between Israel and the Palestinian Authority (PA). The Israeli decision to begin construction of the Har Homa settlement was the factor precipitating the breakdown in talks. See story page 1.

Construction will not be halted at the contested site. But the PA has noted its intention to place issues of settlement and land at the center of the negotiating agenda.

The Clinton administration's policy regarding settlement expansion has undergone a subtle rhetorical change, without, however, any practical effect on Israeli policy. See stories on page 1 and page 4.

A comprehensive index of *Settlement Reports* for the 1991-1996 period is now available, by request, from the Foundation.

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PRESSURE GROWS ON U.S. TO DEFINE POLICY ON SETTLEMENTS ISSUE

By Geoffrey Aronson

The Clinton administration is faced with an ongoing crisis in relations between Israel and the Palestinian Authority (PA). This crisis has less to do with any particular incident than with the growing Palestinian recognition that the government of Israeli Prime Minister Benjamin Netanyahu is an unreliable partner in the process established by his immediate predecessors. The key element in this assessment was not the decision to proceed with construction at Har Homa or even the minimal transfer of lands outlined in the "further redeployment" that was to have been implemented in early March.

Rather it is PA Chairman Yasser Arafat's conclusion that Netanyahu is intent upon forcing the Palestinians to "lower their expectations" to accommodate Netanyahu's vision of a Palestinian entity that controls less than 50 percent of the West Bank.

As Netanyahu explained in a press conference with Jordan's King Hussein on February 23, "The expectation that we will remove these settlements and dry them out, choke them, yank them away is not realistic. The outlines of such a [negotiated] settlement [is one] that would leave the Palestinians governing themselves in self-government,

U.S. POLICY, *continued on page 7*

HAR HOMA: NETANYAHU WINS FIRST ROUND OF THE BATTLE FOR JERUSALEM

"The battle for Jerusalem has begun," declared Prime Minister Benjamin Netanyahu days before construction began on the new settlement community of Har Homa in the southeast corner of annexed East Jerusalem. "We are now in the thick of it, and I do not intend to lose."

Presenting the construction at the disputed site as a symbol of Israel's claim to unilaterally determine the future of Jerusalem offered a sharp contrast to previous Israeli government efforts to "build quietly" tens of thousands of dwelling units in areas annexed shortly after the June 1967 War. As President Ezer Weizman lamented, "Har Homa

has turned into a symbol, and symbols are more important than things."

Having raised construction at the site to a historical test of Zionist resolve in the face of Arab opposition, Netanyahu could not entertain, as former Prime Minister Yitzhak Rabin had done two years ago when he reversed an order to expropriate Arab lands in the city, U.S. requests and Arab demands for a freeze on construction. Nor, only days after announcing in early March the meager dimensions of the first "further redeployment," was Netanyahu interested in moderating Palestinian opposition to

HAR HOMA, *continued on page 8*

TO OUR READERS

Perhaps the most important consequence of the deterioration of relations between the Netanyahu government and the Palestinians in recent months is the resulting necessity to refashion a new foundation for future diplomacy. Both Israel and the Palestinians have put forward their own preferences for the new post-Oslo ground rules. Not surprisingly, the Palestinians have rejected Israel's format for a "jump" to final status talks. The Israelis, for their part, summarily refuse Palestinian demands for an end to all settlement expansion.

The United States presides uneasily over this awkward situation, endeavoring to maintain fidelity to a set of policy prescriptions formulated in an era that time—and the policies of the principles themselves—has passed by.

Foremost among these outmoded policies is the Clinton administration's benign tolerance of Israel's settlement expansion in the West Bank, Gaza Strip, and Golan Heights, and its policy of settlement creation in the disputed area of East Jerusalem.

Under the rubric of "natural growth,"

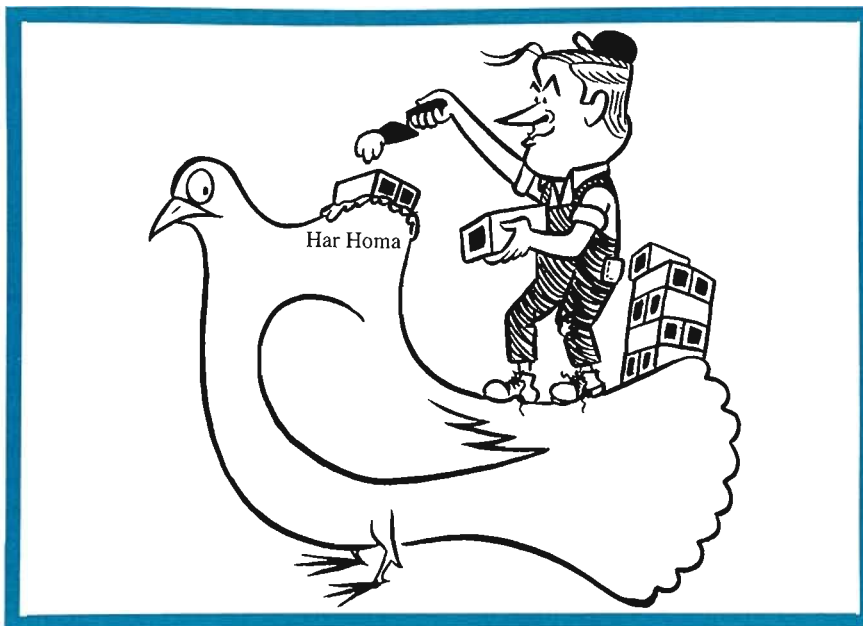
Israel's settlement policies have proceeded with a wink and a nod from the Clinton White House.

Today, however, the U.S. must rethink its policy toward Israel's settlement program. Small signs suggest such a reevaluation is in progress. President Bill Clinton has come close to describing settlement expansion as a violation of an Israeli commitment not to undertake unilateral acts that prejudice final status discussions. He needs to make such a common sense determination without his constant ambiguity.

Secretary of State Madeleine Albright now views Israel's policy of "thickening" settlements with a newly articulated "concern." Such well-founded "concerns" must be expressed with greater vigor, sincerity, and consistency.

The failure to make these necessary changes will not bring peace any closer. Rather, it will confirm the growing inevitability that the Clinton administration will do no more than preside over the demise of Israeli-Palestinian conciliation.

Lucius D. Battle



Ha'aretz, February 26, 1997

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SETTLER POPULATION GROWS TO MORE THAN 160,000 IN 1996—A 9.4% INCREASE

Nine thousand Israelis moved to settlements in the West Bank and Gaza Strip during 1996, according to Israel's Ministry of the Interior. In a report published by Peace Now, the growth of the settlements was augmented by 4,661 births, producing an extraordinary rate of natural population increase of more than 3 percent.

The large number of religious families residing in settlements accounts for this high rate of expansion. The Council of Jewish Settlements in Judea, Samaria, and Gaza estimates that the Israeli population in the West Bank and Gaza Strip now numbers more than 160,000.

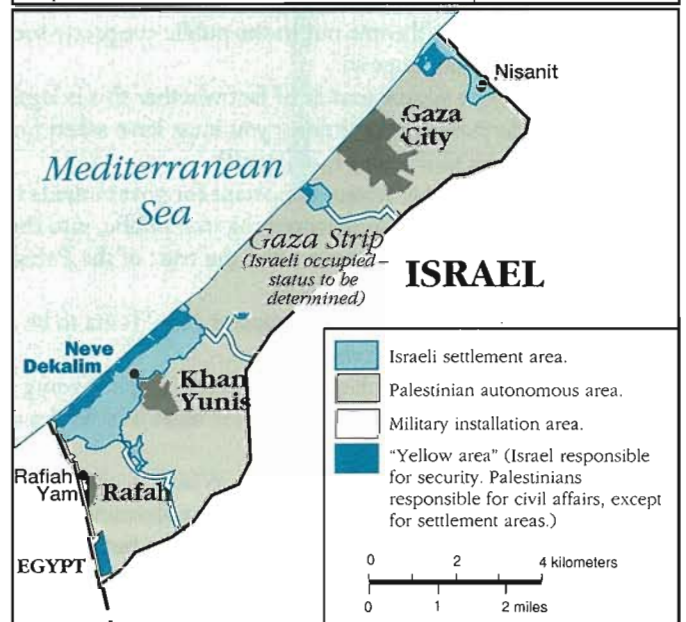
During 1996, some settlements once defined by former Prime Minister Yitzhak Rabin as "political settlements"—smaller outposts established in the West Bank highlands by Likud governments during the 1980s and early 1990s—has particularly high rates of growth. Construction of the new dwellings in these settlements occupied during 1996 took place during the years of Labor rule.

The isolated Gaza Strip settlement of Netzarim is a conspicuous example of a "political settlement" that flourished during the years of Labor rule. With a population of only 20 in 1992, Netzarim, in the center of the Gaza Strip and the focus of numerous clashes, now numbers 220.

Overall, 36 of the 144 settlements in the West Bank and Gaza Strip enjoyed population increases of more than 10 percent. Most of these settlements have populations of less than 500, however, making their numerical increases comparatively small. Prominent exceptions include Betar, south of Jerusalem, which grew by almost 40 percent to 7,611; Kiryat Sefer, on the Green Line between Jerusalem and Tel Aviv, which increased by 27 percent to 5,669; and Givat Ze'ev, north of Jerusalem, which increased by 12 percent to 7,981.

Only 12 settlements increased in population by more than 100 people. Betar grew by 2,071, and Kiryat Sefer by 1,269. Ma'ale Adumim, the largest West Bank settlement, grew by only 322, to 21,000.

Settlement Population Growth—1996



SHORT TAKES FROM STATE

The following statements on settlement-related issues were made by President Bill Clinton, Vice President Al Gore, Secretary of State Madeleine Albright, and Nicholas Burns, the Department of State spokesman.

The U.S. Position on Israeli Construction of Har Homa in Annexed East Jerusalem

March 3, 1997

Burns: As the president said, we wish that this decision [to construct housing at Jabal Abu Ghneim] had not been taken. . . .

Question: The United States today has not taken a position on the legality of this action nor on the future disposition of that barren terrain outside or on the outskirts of Jerusalem that the Israelis have chosen to build housing. What you've taken a position on is the spirit of this action as fostering mistrust?

Burns: We have not taken a public position on those issues, but we certainly made our views very clear in public since this decision was announced last week.

Question: But your public views go to atmospheric. They don't go to legality or substance that I can figure out.

Burns: Since the Palestinians and Israelis agreed on the structure of their peace negotiations, which includes the final status talks, which of course includes Jerusalem, we have made a tactical decision, for as long as I've been spokesman here—over two years—not to comment publicly on perfectly legitimate questions . . . because we don't think it's in our tactical interest to do so. I'm just being very open with you. I would judge us on our track record. We've been pretty successful in helping the Palestinians and Israelis make peace. So we might as well stick to the game plan that got us here.

Question: Are you going to be able to keep the government lawyers who work on this matter from expressing their views in such a way that they'll come out in the public eye pretty soon?

Burns: I certainly hope so.

Question: It's a simple matter of fact whether this is legal or not. You must have legal opinions; you must have asked for legal opinions as to whether it is [legal]?

Burns: It sometimes is very important for governments to resist the temptation to spill everything into public, into the public view. . . . We have to maintain the trust of the Palestinians as well as the Israelis.

Question: Do you consider the plan at Har Homa to be a plan to construct a settlement?

Burns: . . . That's a trick question. . . . So I'm not going to give you an answer to that question. It is what it is. We're disappointed in it.

Question: Which is what? Hold on. Which is what?

Burns: It is an initiative that we believe undermines the trust and confidence that is necessary to make peace between the Israelis and Palestinians, for obvious reasons.

Question: But maybe the United States would prefer that Israel freeze any kind of new building until this final round can be concluded?

Burns: I'm just going to have to stand by everything I've said today and all last week. We've given you guys a lot of information on this. I'm surprised you even ask these questions.

Question: . . . You never addressed if you're willing to say whether Jerusalem belongs to Israel, whether East Jerusalem should be the capital of the Palestinian state?

Burns: . . . The Israelis and Palestinians have agreed that they're going to discuss those issues in the final status talks. . . . That relieves us of the necessity to spout off in public about our own views. Our views don't matter. What matters is what the Palestinians and Israelis think.

Question: The Israeli government has actually done something, you see. They've done something. Even while Israel and the Palestinians have relegated Jerusalem to final status talks, the prime minister of Israel and the cabinet, unanimously, have done something in the city of Jerusalem. If the U.S. government wants to keep saying, "We have no opinion on what they did except that it doesn't help create trust and we have no position on what they did," that's fine. But it isn't as if they haven't acted. Israel has acted.

Burns: . . . I'm being slightly facetious here. I'm looking for a way to end the conversations.

Question: It's not academic anymore.

Burns: The reason why their views matter more than our views is because they are the negotiating parties. . . . We're going to be a constructive intermediary by not saying in public everything that we may be thinking in private.

March 17, 1997

Question: Has the United States government been in touch with the Israeli government in the last couple of days asking them not to go ahead with the actual ground-breaking [at Jabal Abu Ghneim]?

Burns: I know that there were some high-level phone calls last week and high-level letters that made very clear the position of the United States—that we did not think this decision ought to be taken, and we didn't think that this construction ought to go forward. We made our position known, but the Israeli government is going forward.

The U.S. Position on Israel's Plan for "Further Redeployment"

March 6, 1997

Burns: We believe this decision is a demonstration of Israel's commitment to the peace process. The decision on the first phase of further redeployment represents a serious expansion of Palestinian authority. It is only the first step in a three-phase process, and we hope the government of Israel will do

more in the second and third phases.

March 10, 1997

Burns: The Israeli redeployment decision represents an expansion of Palestinian authority. Therefore, we hope that this phase of redeployment will be carried out as soon as possible, and we expect that the Israelis will do more in the second and the third phases of their redeployment on the West Bank.

The U.S. Vetoes of UN Security Council Resolutions Critical of Israeli Settlements

Remarks by President Clinton at a photo opportunity, April 1, 1997

Let me say that the vetoes did not evidence support in the United States for the decision for the building to go forward at Har Homa. And I made that clear at the time. We were very clear about our position on that.

We vetoed the resolutions for two reasons. One is, we don't think that they're very helpful to the peace process. And second is, there were other—there was language in both resolutions which we believe prejudiced the final status negotiations against the Israelis in the same way that we favor—we felt that some of the actions prejudiced final status negotiations in their favor. We don't want to do either one.

Remarks by Vice President Gore before the American-Israel Public Affairs Committee, April 6, 1997

While we expressed our concern about the timing of the decision to begin construction at Har Homa, we do not believe that Jerusalem or other permanent status issues are appropriate for others to decide. It is for this reason that the United States, on two separate occasions, vetoed resolutions in the Security Council that sought to condemn Israel. It is why we stood with Israel when this issue came before the General Assembly.

(Applause)

Simply put, we do not believe that this issue is appropriate for the United Nations—period.

The U.S. Position on Settlement Expansion

Remarks by Secretary of State Albright at a photo opportunity, April 4, 1997

Question: Madam Secretary, on the Middle East. Do you have any comment on the Israeli decision to thicken settlements in the West Bank?

Albright: We are in the process of trying very hard to get the peace process back on track. It is a very delicate moment in the whole situation, where it's very important to do everything we can to rebuild the bonds of confidence and to get back to where we are dealing with a way to ultimately get a comprehensive peace. Within that context, I expressed my concerns to [Israeli Defense] Minister [Yitzhak] Mordechai about the thickening of the settlements.

Burns: The secretary raised with Defense Minister Mor-

dechai the issue of the announcement by the Israeli Government yesterday of the construction of additional housing units for existing settlements in the West Bank and Gaza Strip, and Defense Minister Mordechai explained that these were not new settlements. They're what is referred to generally as the "thickening" of existing settlements. As the secretary said, she noted our concerns. Our concerns, of course, are long-standing on activities of this type, but primarily I think the sense that she was able to give the defense minister was that the peace negotiations are in a very difficult moment. Now is surely not the time to add to the difficulties. Now is the time to try to create new cooperative events and initiatives to bring the Palestinians and the Israelis together.

Question: Well, the position was, as I understood it, going back to Bush and Baker, was no new settlements, but the expansion of existing settlements was okay as long as it was—I forget the catch word—"natural growth." It appears now that there's a change in policy to be opposed even to the thickening of existing settlements.

Burns: No change in policy. I've been very careful with my words today. The secretary told you herself upstairs, she noted our concerns. In the past we've said that these kinds of developments create tension, and that's exactly what she was referring to when she said she noted our concern.

Question: No, you didn't. You all didn't say that the expansion of existing settlements creates tension. You said new settlements create tension. This is something new.

Burns: This has been our consistent position all along. We've not changed our position on this. We've been very careful and precise in what we've said publicly.

Question: I'm sorry, I have to differ. I don't think you're correct, but the record will reflect.

Question: Nick, does the U.S. think that the building of housing on existing settlements that predate a Palestinian-Israeli agreement is a violation of those agreements?

Burns: It's a very technical question. I don't have the Oslo accords in front of me. I think we have a well-known position on the issue of settlements. I don't think I need to repeat it in great detail for everyone today.

The U.S. Position Regarding Settlement Construction as an Action Preempting an Issue To Be Negotiated in Final Status Negotiations

Remarks of Secretary of State Albright in an interview with the *Los Angeles Times* editorial board, April 15, 1997

What happened was that as a result of decisions made as Hebron was being carried out—that is, the forward redeployment and the Har Homa decision, which is viewed as a unilateral act that is preempting a final status issue and then subsequently the bomb in Tel Aviv, have created anything but confidence. On the contrary, I think they have created a level of mistrust between the two parties that we haven't seen in some time. The Israelis need to understand that taking actions which preempt some of the final status issues makes it difficult for the Palestinians to negotiate. ♦

SETTLEMENT TIME LINE

March 3 Defense Minister Yitzhak Mordechai approves the E-1 Plan for settlement expansion. The plan includes expropriation orders for thousands of dunams (4 dunams = 1 acre) to enable the construction of 1,500 units and 3,000 hotel rooms in 10 new hotels to be built on 3,000 dunams between the East Jerusalem settlement of Pisgat Ze'ev and the West Bank settlement of Ma'ale Adumim. Execution of the plan is not expected to begin for three years.

Palestinians stage a general strike to protest the decision to build a settlement at Har Homa.

March 6 The Israel Defense Forces inform 40 villagers of Ta'amon and Tubas near Jenin that 5,000 dunams have been declared a "closed military area" that they must leave within one week.

Prime Minister Benjamin Netanyahu's cabinet approves the first of three "further redeployments" agreed to in the Oslo II accord. The government intends to transfer 2 percent of the West Bank (108 square kilometers) from Area C to Area B and A status, and 7.1 percent of the West Bank from Area B to Area A status. The former transfer includes 15 parcels of primarily agricultural land not located near Israeli settlements or claimed by Israel as "state land." If the redeployment is executed, the Palestinian Authority (PA) will exercise full control (Area A) over less than 10 percent of the West Bank. The transfer of lands in Area B to Area A will bring 50 additional villages and 200,000 more West Bank Palestinians under the complete civil and security control of the PA.

March 7 The United States vetoes a UN Security Council resolution critical of Israel's decision to construct a settlement at Har Homa.

March 9 Minister of Trade and Industry Natan Sharansky approves a \$30 million program to encourage investment, including in the settlements of Kiryat Arba, Betar, Emmanuel, and Ma'ale Ephraim in the West Bank, Neve Dekalim in Gaza, and Katzrin on the Golan Heights.

March 12 Defense Minister Mordechai and leaders of the Council of Jewish Settlements in Judea, Samaria, and Gaza (YESHA) meet, and Mordechai accepts 40 of 46 YESHA recommendations for modifications of the "further redeployment" plan approved on March 6.

A letter issued by the legal advisor to Prime Minister Netanyahu notes that Jewish prayer on the Temple Mount in Jerusalem is not illegal. Senior *Wakf* and Islamic figures express concern about the opinion.

March 17 *Ma'ariv* reports that PA Chairman Yasser Arafat demands cancellation of the E-1 settlement construction project. In return for Palestinian acquiescence in construction at Har Homa, he demands a "quiet" Israeli agreement not to expropriate and build in East Jerusalem until the end of final status talks.

March 18 Construction begins at Har Homa. The prospective settlement is named Pisgat Shmu'el.

March 19 Five Israeli families move into homes in the East Jerusalem village of Silwan. Seventeen Israeli families now reside there. Together with 30 seminary students, the total settler population of 100 occupies one-half of the homes in the City of David area.

March 20 *Ha'aretz* reports that Prime Minister Netanyahu promised King Hussein that Israel would freeze settlements in East Jerusalem after Har Homa. Netanyahu's office denies making such a commitment.

The first clashes take place between Israeli troops and Palestinian demonstrators mobilized in the wake of the beginning of construction at Har Homa.

March 21 The United States vetoes a second UN Security Council resolution critical of Israeli construction at Har Homa.

A bomb placed by a Palestinian in a Tel Aviv cafe kills three Israelis.

March 28 Defense Minister Mordechai approves the deposit of a plan for the construction of 1,550 units at the settlement of Givat Ze'ev, north of Jerusalem.

March 30 The Knesset Finance Committee approves a special allocation of \$16 million for reinforcement of settlement in the West Bank and Gaza Strip, as promised in the agreement establishing the governing coalition.

April 1 The Jerusalem City Council allocates \$90,000 to plan a new Israeli settlement community of 280 units in the annexed portion of the Palestinian village of Abu Dis.

April 2 Israeli television (CH 2) reports that Defense Minister Mordechai has approved "dozens of plans for construction in

various settlements throughout the territories. Approval was given for thousands of new housing units, some of which will be built in the near future."

April 3 A new policy of benefits to settlers, approved in principle late last year, is finalized. Purchasers of apartments in 110 settlements in the West Bank and Gaza Strip will receive additional mortgages and grant payments between \$3,000 and \$4,500.

YESHA sends a letter to Prime Minister Netanyahu prior to his visit to the United States asking him not to freeze settlement in Jerusalem and the territories. In a letter to the U.S. ambassador in Israel, settler leaders protest the United States' growing involvement in Israel's domestic affairs: "It is inconceivable for President Clinton to dictate to the Israeli Government its decisions on settlement."

April 6 Defense Minister Mordechai approves construction of 310 units in the settlement of Ganim near Jenin. Forty-eight units in Shar'arei Tikva, 53 in Karnei Shomron, and 94 units in Elkana had also been recently approved.

It is reported that YESHA wants to turn the paramilitary settlement of Rahelim, along the Jerusalem-Nablus road, into a full-fledged civilian settlement. During the past year, five families with small children moved there secretly under military cover. According to *Ma'ariv*, "The five families in Rahelim are actually a new settlement, that does not exist under the law." There are two additional military outposts where settlers are living, Ofri near Ofra, and Nahal Plugot in the Etzion Bloc.

Foreign Minister David Levy rejects a European Union demand to freeze settlements as part of an EU-sponsored "code of behavior" to stop Palestinian protests.

April 15 It is reported that dozens of settlers had recently received orders to turn in their IDF-assigned weapons. The list of those whose weapons were confiscated mainly comprises those who had used them in the past.

April 25 An emergency special session of the UN General Assembly approves a resolution (134 in favor, and 3—the United States, Israel, and Micronesia—opposed) for a halt in construction at Har Homa and an end to all settlement activities in the occupied territories. ♦

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able to conduct their lives in every way, able to elect their institutions, to choose their leaders, to legislate their laws, to levy their own taxes, to run every aspect of their lives and leave Israel with protection of its most basic interests, foremost of which is security.”

Defying Clinton

No one, including President Bill Clinton himself, has prevented Netanyahu from scoring what he, and some well-informed Palestinian observers, consider to be a considerable diplomatic achievement on issues relating to the final status issues of Jerusalem and the settlements. He has successfully defied both U.S. advice and the much harsher but equally ineffective Arab and international opposition to construction of a new settlement in annexed East Jerusalem, while demanding, with full U.S. support and evident practical success, continuing Palestinian security cooperation.

U.S. efforts to reverse the deterioration sparked by the beginning of construction at Har Homa and the subsequent terror attack in Tel Aviv that left three Israelis dead have followed prescriptions established by the Netanyahu government. These prescriptions do not include reconsideration of the scope of “further redeployment” or of the decision on Har Homa—both of which U.S. diplomats have advised Palestinians are *faits accomplis*—but rather to Palestinian efforts, in Secretary of State Madeleine Albright’s approving words, to “dismantle the infrastructure of the [Palestinian] terrorist organizations.”

During his visit to the United States in early April, Netanyahu did not accept any American proposals for Israeli confidence-building measures. Netanyahu also declared that Israel does not intend to proceed with the second “further redeployment,” scheduled to occur in September, if his proposal for accelerated final status negotiations is accepted and, contrary to U.S. expectations, this second redeployment will be no larger than the first—that is, the transfer to Palestinian control of a further 2 percent of the West Bank.

Ha’aretz reported on April 9 that “Clinton did not specifically request that Netanyahu stop construction at Har Homa, or in settlements in general, but asked that Israel refrain from taking unilateral decisions as long as negotiations continue and that it notify the U.S. in advance about all construction in the occupied territories.”

Secretary of State Albright took a more forceful line at her meeting with Israeli Defense Minister Yitzhak Mordechai. The meeting was described by an Israeli official as “uncomfortable.” Albright reportedly explained that settlement expansion imperils chances for dialogue, asked for an explanation of Mordechai’s recent approval of new construction in various settlements, and demanded a freeze on all settlement construction. Albright noted U.S. “concern” for settlement expansion in public remarks after the meeting.

Palestinian officials were subsequently informed by U.S. negotiator Dennis Ross that the United States cannot halt

construction at Har Homa, one of the Palestinians’ central demands. The idea of a settlement freeze has been reconstructed into a more general U.S. effort to persuade Netanyahu to refrain from taking unspecified unilateral measures.

Arafat’s campaign to force Netanyahu’s reconsideration of his settlement policies, however, has served only to highlight the Palestinian and Arab inability to mount a successful challenge to Israel’s unilateral efforts to determine Jerusalem’s future, even when all their diplomatic forces are mobilized.

U.S. efforts to reverse the Har Homa decision or to win an Israeli pledge to freeze settlements have not been pursued with vigor or with any apparent confidence of their success. U.S. interest in arguing for these changes is necessarily tempered by the recognition that Israeli support for the rapprochement with the Palestinians has always been based on their assurance that settlement expansion would be facilitated, not endangered, by the process. The Clinton administration, by its long-standing support for the settlements’ “natural growth,” recognized this element of the process. The U.S. refusal to view settlement expansion as a unilateral action that prejudices negotiations of a final status issue, as the Palestinian leadership has unsuccessfully argued, was based on the same reasoning.

The Palestinians, by demanding a freeze on all settlement construction, have sought to renegotiate the absence in the Oslo process of meaningful restraints on settlement expansion. The United States now notes Israel’s settlement expansion with “concern”—a new twist of the diplomatic lexicon—but such concern as exists has been less assertive than criticism by President Clinton on December 17, 1996, when he noted that “I don’t think that on the settlement issue anything should be done which would, in effect, be seen as preempting the outcome [of negotiations].”

Trial by Fire

In the period since the Hebron redeployment in January, Netanyahu has taken the measure of the U.S. president. Nothing the administration has done or said regarding settlement expansion is considered compelling by the Netanyahu government. Indeed, having passed through this “trial by fire,” Netanyahu is likely to proceed with settlement expansion with less caution than he has heretofore exhibited.

The problems that have dominated the headlines, however, have not affected the strategic interests binding U.S.-Israeli cooperation. As the Israeli newspaper *Globes* pointed out, “Even as Albright was making her demands, Mordechai was being assured by American officials that the present high level of U.S.-Israeli defense cooperation would continue unabated, with or without regard to the unfolding developments at Har Homa or on the West Bank. Indeed, according to reports from Washington, American support for the Israeli-developed Arrow anti-missile system will now be substantially increased, other defense aid will not be cut back, and current levels of intelligence sharing between Washington and Jerusalem will remain very much intact. All of this, of course, is very good news for Netanyahu.” ♦

the decision by making minor Israeli concessions in the manner that had characterized Israel's strategy under Labor governments.

Support for Construction

Yet Netanyahu's decision to go ahead with construction is not unpopular in Israel, despite universal international opposition, including more than one specific request from President Bill Clinton himself. Former Jerusalem mayor Teddy Kollek, for example, noted, "I am in favor of building now. One cannot give in every time an Arab leader makes a threat."

Domestic opponents of the construction argue not for a permanent cancellation, but rather a delay until the passions roused by the general deterioration in Israeli-Palestinian relations cool. An editorial in Israel's leading daily, *Ha'aretz*, spoke for this consensus:

"In the opinion of most Jewish Israelis, Jerusalem is not merely a piece of disputed territory and Har Homa is not regarded as a new settlement. The reinforcement of the Jewish population in eastern Jerusalem has always been a basic element in the policies of all Israeli governments ever since June 1967.

"Har Homa would not be the first Jewish suburb to be built along the perimeter of Jerusalem, and, in fact, one by one, such suburbs have been set up around the nucleus of pre-1967 Jerusalem, despite the bitter protests of the Arabs and the criticism of the international community."

The Palestinian response—from the dearth of protest by Arab Jerusalemites to the sorry performance of Faisal Husseini's on-site protest—suggests that the construction at Har Homa itself is not the central factor in what is an overall loss of Palestinian confidence that a *modus vivendi* with the Netanyahu government can be constructed. In this context, Israel's

plan to redeploy from only 2 percent of the West Bank, announced on March 6, is of far greater consequence.

"The Netanyahu government does not want to implement the agreements that were signed with us: it only wants the Palestinian Authority to cooperate on security issues," explained Jamal Shubaki, leader of the Fateh organization in Hebron. "And we are unwilling to accept that. Netanyahu violated all the agreements with us and his actions on Jabal Abu Ghneim, for example, are acts of terror. We will not agree to that."

Netanyahu's decision to begin construction came after stillborn Palestinian efforts to ascertain what Netanyahu would be prepared to concede to the Palestinians in return for construction at Har Homa. Palestinian officials Jabril Rajoub, Hasan Ashfour, and Mohammad Dahlan refused to enter into a process that would have entailed "bargaining over Jerusalem" in return for Israeli concessions.

One Palestinian opposing this refusal mentioned the prohibition of additional new settlements in Jerusalem, such as the planned development at Ras al-Amud, as a possible issue on which Netanyahu could be forthcoming. Serious discussions, however, never occurred.

Arafat's Response

"We would rather have Har Homa and nothing than Har Homa and something," encapsulated the prevailing Palestinian view.

Palestinian Authority Chairman Yasser Arafat, like Netanyahu, sees the value of presenting Har Homa as a test of Arab resolve to confront Israeli designs on Jerusalem.

In an interview with the Egyptian newspaper *al-Wafd* on March 3, Arafat said, "Jabal Abu Ghneim is the door to Bethlehem and is adjacent to the Islamic holy places of al-Aqsa Mosque and the Dome of the Rock. With this settlement, they want to isolate the holy places so as to have free rein in them.

Har Homa at a Glance

Location:

Jabal Abu Ghneim, in the southeast corner of annexed East Jerusalem.

Area of Har Homa settlement project:

2,056 dunams (4 dunams = 1 acre).

Date of expropriation:

Commenced July 1991, approved December 1994.

Ownership:

Palestinian residents of the nearby villages of Um Tuba and Bet Sahour own approximately 33 percent (694 dunams) of the entire Har Homa planning area.

Israelis own approximately 75 percent (1,300 dunams), one-third of which was purchased before 1948. The remainder was purchased after 1967.

Housing potential for Israelis:

6,500 units. During Stage One, 2,456 units will be ready for occupancy beginning in 1999. With additional expropriations, immediate environs have a capacity for 12,000 additional units for Israelis.

Compensation offered to affected landowners:

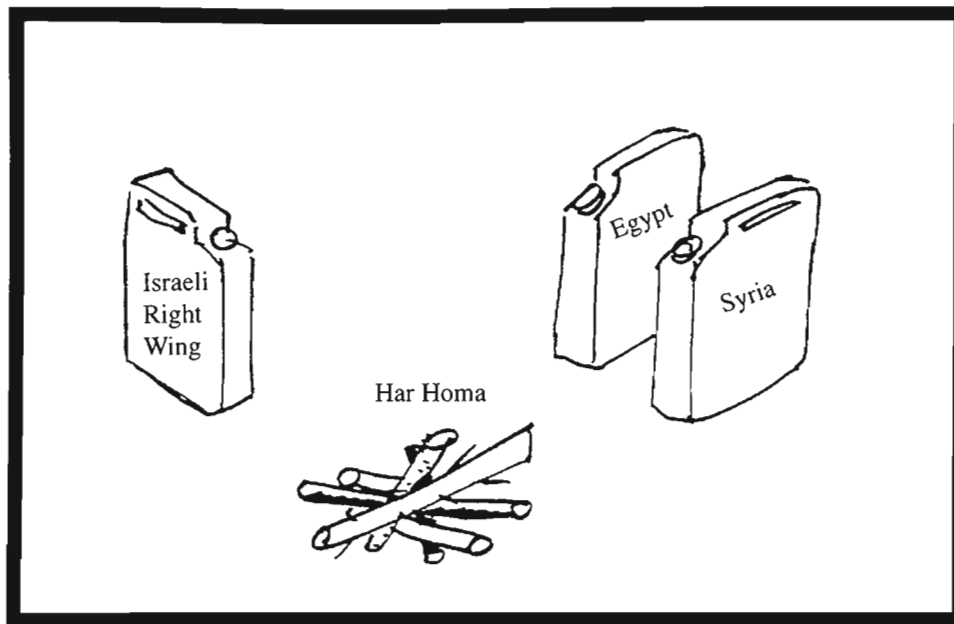
Up to \$45,000 per dunam, according to the zoning of the affected property. Compensation for Palestinian landowners is expected to be significantly lower.

Estimated cost of mortgages and other subsidies to purchasers of finished dwellings:

\$195,000,000.

Cost of site preparation:

\$10,000,000.



Yediot Aharanot, February 27, 1997

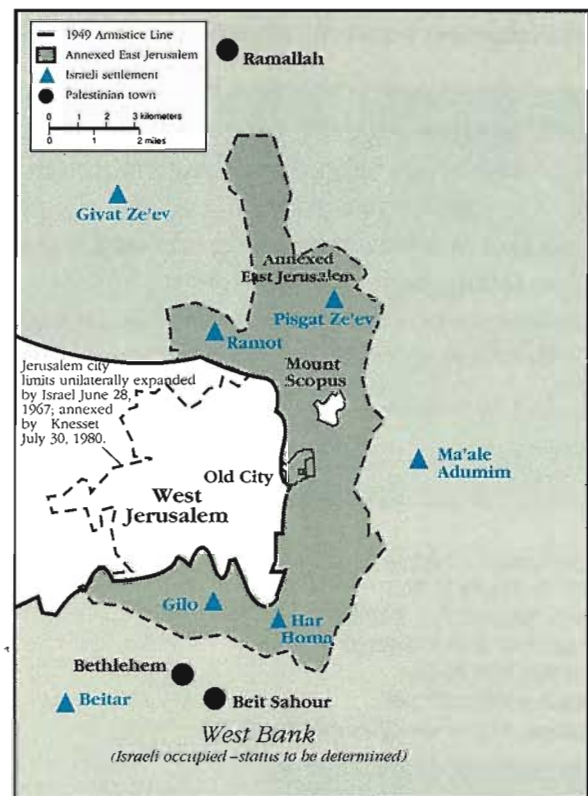
HAR HOMA, continued from page 8

They have built a scale model from which they removed the mosque and the dome and put the Temple of Solomon in their place in preparation for erasing the first of the two Qiblas and the third holy mosque. The plot is multifaceted. The objective is not only to build 38,000 housing units 120 meters from the al-Aqsa Mosque, but to destroy the Islamic and Christian holy places."

The clash between antagonistic symbols has obscured the policy conflict lying at the heart of the deterioration in Palestinian-Israeli relations. And it has also overshadowed the degree to which Netanyahu's views have been hardened by what must be considered his successful pursuit of a confrontational policy rather than the more accommodating tendencies reflected in the Hebron deployment of early 1997.

Indeed, Netanyahu may very well have wanted to raise the stakes of construction at Har Homa in an effort to force a public Palestinian acquiescence in Israel's effort to prejudge the negotiations on Jerusalem, an important component of Netanyahu's strategic demand that Palestinians moderate their expectations of the final settlement.

According to Israeli commentator Ze'ev Schiff, it is more likely that Netanyahu views Har Homa as an appropriate issue to precipitate a crisis in overall relations: "The approach of the political echelon is based on the assumption that a confrontation with the Palestinians is inevitable, and is not connected to the decision to build at Har Homa. It is better that the clash occur now." ♦



LABOR'S VIEWS REGARDING PERMANENT STATUS

The following excerpts are from a March 7, 1997, interview in Ha'aretz with Yossi Beilin, a minister in the Labor governments of 1992–96 and the principal Israeli architect of the Oslo process.

Question: When you entered the Oslo process—Rabin, Peres, and yourself—was it clear to you that the process would lead to a Palestinian state?

Beilin: No. It is quite interesting that the heart-to-heart talks about “where the process was leading” were held only between the sides but not within them. Talks like this were held between us and the Palestinians, and later between Likud people and Labor people. But within the Labor Party, within the government, and within the negotiating team, I don't recall any genuine discussion on a permanent solution.

Question: I don't understand. In 1992 you were elected. In 1993 you set out on the Oslo process. At no time did you ask yourselves where this road was headed?

Beilin: No.

Question: You never spoke with Rabin about the meaning of Oslo over the long term?

Beilin: Never.

Question: You are saying that you embarked upon this unprecedented historic process and at no time did anyone say, “Wait a minute, let's think about this,” and examine where we actually are heading?

Beilin: For Rabin, the absence of a discussion on the permanent arrangement was a political preference. After his death, I

sat with Leah Rabin and said to her, “If anyone could know what Rabin was thinking of as a permanent settlement you are the one.” She said to me, “Look, I can't tell you. He was very pragmatic, he hated to deal with what would be many years down the road. He thought about what would be now and the immediate future. As far as I know, he didn't have a very clear picture of the permanent settlement.”

Question: And Peres?

Beilin: From Peres' standpoint, the preferred solution is a Palestinian state in Gaza. In the West Bank he sees joint rule by Israel, Jordan, and the Palestinian state in Gaza. For Peres, like Ben Gurion, there is a belief that “we don't need to now; it's too early” to make a constitution, to establish borders. More Jews will come. More things will happen. We don't need to close options now. Not in this generation.

Question: He fears a Palestinian state?

Beilin: I don't think that he fears a Palestinian state; he believes that a state is not necessary. He doesn't see that territorial compromise is an appropriate vision. He doesn't want a border. My estimate is that Rabin did not reject a Palestinian state. He spoke of a border, about separation, about a territorial compromise, more or less according to the Allon Plan. Peres, in contrast, since 1967, has not believed in a border. He believes in a functional compromise. If I were to compare the readiness for concessions, including the Golan Heights, I cannot say that between Rabin and Peres that Peres is the dove. I can't say that. ♦

The attacks against me come from one central motive: an attempt to overthrow the government because of our opponents' fundamental disagreement with our path.

They refuse to accept the fact that the people voted for us and not for them. They refuse to accept the fact that we are building on Har Homa; they refuse to accept our efforts to protect the unity of Jerusalem; they refuse to accept our vigorous opposition to a Palestinian state. They refuse to accept that we are guarding the Golan and not coming down from it.

In short, they refuse to accept your, the voters', decision in the last elections.

Prime Minister Benjamin Netanyahu, April 20, 1997, in an address on Israeli television after officials decided not to indict him on charges related to his appointment of Roni Bar On as attorney general

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