

REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

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NEWS

The September visit of U.S. Secretary of State Madeleine K. Albright has ended without any viable progress toward resolving the current stalemate between Israel and the Palestinian Authority.

While in Israel, Albright repeated the U.S. opposition to unilateral actions such as settlement expansion. (See stories pages 1, 2.)

Settlement expansion under the Netanyahu government is proceeding, however, but at a slower pace and with different objectives than during the tenure of former Prime Minister Yitzhak Rabin. (See stories page 6.)

In view of the current diplomatic stalemate, it is unclear whether the still extensive structure of Israel-Palestinian security cooperation enabling the division of the West Bank into Areas A, B, and C will remain viable.

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THE SEARCH CONTINUES FOR A SUCCESSOR TO OSLO DIPLOMACY

by Geoffrey Aronson

The formal framework of Israeli-Palestinian negotiations, set out in the Oslo I, Oslo II, and Hebron agreements, has been in crisis since Israel's decision in March to begin construction on a new settlement at Jebel Abu Ghneim (Har Homa) in annexed East Jerusalem. At that time, the Palestinian Authority (PA) was angered by what it views as continuing unilateral Israeli efforts to preempt final status issues (such as Jerusalem) by settlement expansion. It insisted that a resumption of talks as prescribed in the Hebron agreement be conditioned on an end to settlement construction at Jebel Abu Ghneim. The PA also demanded a more general halt to Israeli settlement expansion efforts throughout the West Bank and Gaza Strip.

PA Chairman Yasser Arafat viewed Israel's provocative actions as a lever to establish principles that would influence final status negotiations—for example, a settlement freeze—that Palestinians had failed to establish during the Oslo process.

The government of Prime Minister Benjamin Netanyahu accompanied its March decisions with a prescription for rewriting the script for future negotiations. The proposed timetable for "accelerated" talks on final status issues is meant to disassociate continuing diplomacy with the Palestinians from the Oslo framework championed by his domestic political opponents and to

further erode the Oslo timetable for Israeli redeployments in the West Bank—the critical feature of Oslo's "interim period."

Intense diplomacy in recent months, spearheaded by Egypt and the United States, is a testament to the continuing commitment of both Israelis and Palestinians to political dialogue. However, because this activity is occurring outside the framework established in the now defunct Oslo process, and because resolution of outstanding problems has proven difficult, relations between Israel and the PA are said to be in "crisis."

This crisis is, in fact, an expression of a post-Oslo struggle by the central antagonists, the Palestinian Authority and Israel, together with Washington and Cairo and, to a lesser extent, Amman and the European Union, to refashion a diplomatic framework in the aftermath of Netanyahu's election.

First and foremost, Netanyahu desires a diplomatic framework that he can present to the Israeli public as his own creation and not merely a continuation of the Oslo process instituted by his Labor Party rivals. He intends this framework to postpone the "further redeployment" of the Israel Defense Forces (IDF) from territory it now controls. To the extent that he is committed to a final status agreement, Netanyahu is intent on a final territorial agreement with the Palestinians that is in accord

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TO OUR READERS

The moment of decision for U.S. policy toward the troubled Israeli-Palestinian relationship is upon us.

The United States has been slow to realize the extent to which the election of Benjamin Netanyahu in 1996 forever changed the rules of the Middle East diplomacy so celebrated in Washington. The Clinton administration had become accustomed to basking in the reflected light of the diplomatic achievements initiated by Yitzhak Rabin. Because of the evident dynamism of Israeli-Palestinian negotiations from 1993-1995, U.S. policymakers were called upon to do little more than endorse a process conceived and executed by the architects of Oslo.

Not so any longer. Today, the times require an *American* policy. The United States must decide if it will be only a fair-weather friend of the Oslo process, or whether, for example, it will demand Israeli as well as Palestinian execution of the commitments made with U.S. blessing. And if Oslo is in fact history, then the Clinton administration must formulate a set of policy outlines that reflect not only the historical U.S. commitment to Israeli security, but also its opposition to settlement construction not simply as a "complicating factor"

in negotiations, but as a central obstacle to peace.

If, as appears likely, the Clinton administration has come to view its sponsorship of the Oslo commitments as a passing enthusiasm, there is all the more reason for the United States, starting with the president himself, to articulate a broader policy, elements of which have begun to be clarified in recent months. To our dismay, the centerpiece of the U.S. effort aims at gaining Palestinian acquiescence in the postponement of additional Israeli redeployments from the West Bank—the second redeployment was scheduled to occur in September—and reaffirming Israel's right to expand its settlements in accordance with their "natural growth."

This is not enough.

Such limited intentions betray not merely the loss of America's diplomatic energy and creativity, they suggest a U.S. administration unable to fashion effective diplomatic instruments to exploit the considerable power and responsibility it retains over the increasingly perilous developments in the Middle East.



U.S. PLEDGED TO OPPOSE SETTLEMENTS

In remarks made in the course of her September trip to the Middle East, Secretary of State Madeleine Albright raised the profile of U.S. opposition to unilateral actions affecting issues to be raised in final status negotiations between Israel and the Palestinian Authority.

Language requiring Israel to refrain from undertaking "unilateral actions that preempt the final status" appears nowhere in signed agreements between Israel and the PA except for one reference in the Oslo agreement concerning the narrow issue prohibiting preemptive declarations of annexation (by Israel) or independence (by the PA).

The record of Israel's agreements with the PA offers no evidence that Israel has formally agreed to restrict its settlement

activities in any way throughout Area C, the analogous areas in the Gaza Strip, and in the Israeli-controlled section of Hebron.

Palestinian concerns about settlement expansion were, however, addressed by the United States in its "Letter of Assurances," conveyed to the Palestinians on the eve of the Madrid Peace Conference in October 1991.

The relevant portion of the text reads:

The United States believes that no party should take unilateral actions that seek to pre-determine issues that can only be reached through negotiations. In this regard, the United States has opposed, and will continue to oppose, settlement activity in territories occupied in 1967 which remain an obstacle to peace.

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SETTING THE STAGE FOR A DEMOLITION DERBY

The following article on the explosive issue of Israel's demolition of illegally constructed residential housing in Jerusalem appeared in Ha'aretz on August 17. The author, Jerusalem attorney Daniel Zeidman, represents Palestinian plaintiffs in the Jebel Abu Ghneim construction controversy and is legal adviser for the Ir Shalem organization which has led Israeli opposition to construction at the site.

On August 3, three illegally constructed homes were demolished in East Jerusalem. Ten days later another five were added to the list. The demolitions are part of a comprehensive program: by early October, Jerusalem Mayor Ehud Olmert is planning to hold a "demolition derby" in which dozens of illegally constructed homes in East Jerusalem will be torn down. In the meantime, he is conducting a well-polished PR campaign with government officials and the media.

In the context of this campaign, Olmert appeared before the Knesset's Constitution, Law, and Justice committee, offered the members explanations and presented them with figures in an attempt to persuade them of the urgency of carrying out a wholesale demolition program—a program that could lead to another violent clash with the Palestinians. In view of this fact, it is vital to closely examine the data he presented to the committee.

Fact and Folly

On July 15, Olmert told the committee members: "Generally speaking, for all parts of this area [East Jerusalem], there are master plans."

Fact: In June 1967, Israel imposed its sovereignty over the 70 square kilometers of what is commonly referred to as East Jerusalem. Of this area, 25 sq.km. were confiscated in order to build new Jewish neighborhoods. For 28 of the remaining 45 sq.km. there are no master construction plans and any building requires a special permit issued only in exceptional cases. Of the 17 sq.km. for which master plans do exist, only five are earmarked for the construction of residential housing. Thus, after all is said and done only about 8% of the total area of East Jerusalem has been allocated for the housing needs of the Palestinian population. Even in this small area, the potential for construction work is limited: only one- or two-story units may be built there. The lots set aside for residential housing are mainly located in developed areas, where the potential for new construction has already been tapped.

Olmert: "Existing master plans permit the construction of 12,250 housing units for Arab residents . . . There are master construction plans that can be used if the Arab owner of the land so desires."

Fact: In East Jerusalem, there is a potential for 3,000 units, at the very most—less than a fifth of what Olmert claims. His figures are based on a document issued by the municipality's planning department which deals with the potential capacity of all the land in East Jerusalem; these figures do not reflect the much lower number of potential building permits that can be

obtained. Olmert's figures include, on the one hand, thousands of housing units for which building permits cannot be obtained, and, on the other, hundreds of units that have already been constructed.

Olmert: "According to the estimates of the municipality's experts, overcrowding among East Jerusalem's non-Jewish population is less acute than it is among the city's Jewish population."

Fact: As indicated by the Jerusalem Statistical Yearbook for 1996, which was issued in close collaboration with the municipality, 2.4% of the city's Jewish residents live in housing units with a density of three or more persons per room, while 27.8% of Palestinians do. And only 13.5% of Jewish homes have more than two persons per room as opposed to 61.5% for the Palestinians.

Olmert claims that the government does not favor Jews over Arabs in its construction projects.

Fact: Since 1967, more than 35% of east Jerusalem's land has been confiscated by the government and has been used in public housing construction projects that provided 40,000 units solely for Jews; not one unit was built for the Palestinians living in East Jerusalem. Today, 6,500 housing units are being planned or in the process of being built for Jews at Har Homa, while another 2,100 are being planned or in the process of being built—again only for Jews—in the Rekhes Shuafat neighborhood. In contrast, only 400 units are planned for Arabs in Tzur Baher.

Palestinian Construction

According to Olmert, there are 2,600 illegally constructed homes in all of East Jerusalem: 500 in Issawiyeh, another 500 in Silwan, 500 in Kufr Akab, 350 in Beit Hanina and Shuafat, 200 in Um Tuba and Tzur Baher, 50 in Abu Tor, and 200 in the Old City and in the central section of East Jerusalem.

Fact: Between June 1, 1995, and October 1, 1996, municipal housing inspectors identified only 571 cases of illegal construction in East Jerusalem, while, in a two-year period, they identified 2,376 cases of illegal construction in West Jerusalem (not 1,300 as reported by the municipality's spokesperson on July 23).

In conclusion, faced with the dilemma of living under severely overcrowded conditions or leaving the city, East Jerusalem's Palestinian residents, who have a slim chance of obtaining a building permit, choose to engage in illegal construction, which is on a smaller scale than the illegal buildings erected in West Jerusalem—and punished much more severely. ♦

with the "Allon Plus" map that he unveiled in May. (See the July-August 1997 *Settlement Report*.) The PA, in contrast, is trying to fashion a diplomatic process that will commit Israel to undertake additional significant redeployments from the 72 percent of the West Bank territory it now controls (Area C) and to mobilize a constellation of forces that will force Israel to accept externally imposed limitations on one of the cardinal elements of Israeli policy in the occupied territories during the last 30 years—settlement expansion.

Two-Track Diplomacy

This is the struggle at the heart of diplomatic efforts in recent months. Diplomacy has been conducted on two separate but related tracks. One track, the U.S. track, with Egyptian assistance, has been based on resuming final status talks if Netanyahu accepts some notion of a settlement freeze in return for Arafat's acceptance of a postponement of Israel's second "further redeployment" scheduled to take place in September. A second track has revolved around fashioning an Israeli-Palestinian agreement to restart talks on outstanding issues, including the Palestinian port and airport in Gaza and a "safe passage" route between Gaza and the West Bank as agreed upon in the Hebron redeployment accord reached earlier this year.

At their summit in late May, Netanyahu promised Egyptian President Hosni Mubarak that "there won't be any substantial expansion of settlements" and "no substantial confiscation [of land]."

Netanyahu disputes the very notion that settlement expansion preempts final status discussion on the future of the occupied territories—a claim at the heart of Palestinian concerns: "All in all, the [lands of] six cities that the Oslo Accords transferred to the Palestinians do not comprise more than 2.8 percent of Judea and Samaria. Two point eight percent. That is all. According to my estimate, all the Jewish communities together comprise much less than that, maybe half. If we add the increase that began under the Rabin government, I estimate that it can be measured in a small percent of the area. If we assume that there will be a similar increase under our government, then there will be a few more percentage points. This is no strategic aggrandizement over most of the territory, which remains open and unpopulated and over which we need to bargain. Therefore the claim that Jewish settlement determines facts that preempt the final status—is absurd."

The built-up area of 140-odd settlements, excluding those in Jerusalem, now comprise more 3 percent of the West Bank. When the master plan boundaries of these settlements are considered, the area increases considerably. The master plan for the settlement of Ariel, for example, claims an area of 30 square kilometers. Terms such as settlements and confiscation are subject to different definitions. Israel, for example, does not consider the construction of Har Homa in annexed East Jerusalem to be a settlement, like similar outposts in the West Bank,

but rather a neighborhood. The United States refuses to describe Har Homa as a settlement. The international community, led by the Palestinians, considers all civilian Israeli outposts established in territories occupied by Israel since June 1967 to be settlements.

Palestinians charge that since the first of this year, more than 30,000 dunams in the West Bank have been confiscated by Israel, a claim viewed with sympathy by the United States. Israel claims only 400 dunams have been taken. A senior Israeli security source told *Ha'aretz* on June 6 that, "confiscation means land belonging to Palestinians that is confiscated for a public purpose such as roads, water works, and the like. When Palestinians speak of confiscation they include state lands, which they see as the property of the Palestinian people. We are speaking of [state] land that no one uses, that is sometimes part of a settlement's master plan."

At a June 12 meeting in Cairo, Egyptian official Osama al-Baz won Netanyahu's agreement to focus on resuming discussions on a discrete list of interim period issues. PA leader Arafat had already endorsed this approach, which represented a retraction of his decision in March to end all talks pending a settlement freeze. According to Palestinian negotiator Saeb Erekat, "In Cairo we have already agreed to accelerated discussions on the permanent status and to fulfill the 'Note for the Record' accompanying the Hebron agreement in return for [action on the airport and Gaza port], but we told Israel that in order to do that we need a settlement freeze."

But in early July, reports noted an Israel-PA agreement to resume discussions on issues related to the interim period, including security issues, the Palestinian port in Gaza, and the airport. Security issues—including Palestinian claims against Israel—were not prominent.

"If issues connected with the interim period can be solved, it is our hope that there will be momentum to solve the more difficult problems on the agenda"—such as Har Homa and the expansion of settlements—an Israeli official said at the time.

Final Status Framework

Parallel to efforts to resume discussion on interim-period issues, the U.S. was leading an effort to establish a framework for resuming full-scale talks on final status subjects. The key stumbling block during July was a definition of the settlement freeze at Har Homa, and for settlements generally, that was acceptable to both Netanyahu and Arafat. While not absolving Arafat of responsibility for the continuing deadlock, "The United States," wrote *Ha'aretz* correspondent David Makovsky on July 22, "views Netanyahu as a central part of the problem—his inability to see the extent to which Israeli settlements and the construction at Har Homa are viewed by the other side as indefensible in the run up to final status discussions."

By the end of July, there were indications that the "talks about talks" had made progress. On July 28, Israeli Foreign Minister David Levy and Palestinian negotiator Nabil Sha'ath announced a renewal of talks by joint Israeli-Palestinian negotiating committees on outstanding interim-period issues. The

Palestinians argued that their agreement to renew talks, despite Netanyahu's continuing refusal to accede to a settlement freeze, was limited and aimed at building confidence. Levy had told Sha'ath that Netanyahu would not permit controversial construction of Israeli apartments to go ahead at Ras al-Amud in East Jerusalem. Otherwise, Israelis viewed the agreement to begin talks as "postponing as long as possible if not canceling altogether a new worrisome American initiative" centered around defining a settlement freeze.

The main outlines of the U.S. initiative were worked out between Nimrod Novik, an adviser to Shimon Peres, and Saeb Erekat with the knowledge of Danny Neveh, a top Netanyahu official. The document, "The Clinton/Albright Six-Month Initiative," is dated June 26, 1997, and was meant to form the basis for the secretary's September trip to the region. The text reads as follows:

Four-Point Plan

"Following two months of preparatory work by U.S. diplomacy (in coordination with Egypt), Secretary of State Albright will announce the "four-point plan" which will be implemented over the following six months. She will announce the plan during her official visit to Israel and the Palestinian Authority this coming September:

"Final Status Negotiations (FSN) will resume at once, in a bid to reach an agreement on all the relevant issues within six months.

"Further Redeployment (FRD): The implementation of the first and second stages of the FRD will be put off to the end of the six-month period.

"In the course of the FSN, the sides will agree on the scope of the FRD and the specific areas to be included in it.

"The FRD will be implemented at the end of the six-month period (unless decided otherwise in the final status agreement).

"The United States will provide attendant letters stating its understanding that the FRD will include the conversion of no less than 12 percent of Area C into Area A zones as well as the conversion of a mutually agreed part of Area B into Area A zones.

"Unilateral actions: During these six months, both sides will abstain from unilateral actions liable to influence the outcome of the FSN. No new settlements will be built.

"There will be no significant expansion of existing settlements.

"Construction for Arabs and Jews in Har Homa will stop.

"Security cooperation: The sides will reaffirm their commitment to do their utmost to prevent any type of violence, armed or otherwise (including violent street demonstrations); mutual security coordination and security cooperation will resume at once."

The plan appeared to have gained Palestinian support. It also met Netanyahu's conditions for a postponement of any further redeployment, while permitting settlement expansion

without any real impediment, including at Har Homa. Yet, Netanyahu's acceptance of U.S. conditions would have meant a confrontation with an important segment of his ruling coalition.

The July 30 terrorist attack in Jerusalem's Mahane Yehuda neighborhood upended prospects for an early Israeli consideration of the proposal and placed the issue of the PA's commitment to assuring Israeli security—a more manageable topic for both Israel and the United States than differences over a settlement freeze—at the top of the diplomatic agenda.

As reported by *Ha'aretz* columnist Akiva Eldar on August 14, "The terrorist attack spared Netanyahu a difficult confrontation with President Bill Clinton. Netanyahu did agree to freeze construction for a month. [U.S. negotiator Dennis] Ross wanted 90 days, and believed he could finish with the Palestinians in two months. He informed the prime minister's office that Clinton would contact Netanyahu to finalize the envoy's visit. Jerusalem intimated that the prime minister was afraid that the government would not approve a freeze of even 30 days. The conversation with Clinton was canceled. Instead, Ross was to leave for Jerusalem with the initiative, including an unequivocal demand for a meaningful freeze."

Unless Netanyahu totally mismanages the situation, the probability of an Israeli-U.S. confrontation over a settlement freeze is more apparent than real. The latest version of the Novik-Erekat formula attempts to provide a face-saving solution for the Palestinians without exacting any real damage to Israel's settlement program.

Four-Point Plan B

The plan includes the following elements:

- A six-month period for discussion of final status issues.
- Agreement that the second redeployment will occur at the end of the six-month period.
- During the six months, Israel will refrain from "meaningful" construction in settlements and at Har Homa. This Israeli commitment will not be declared explicitly, but will be contained in a letter from the United States to Arafat.
- The United States will commit to funding the PA until 2003 at an amount yet to be determined.

The wording regarding a halt to "meaningful" or "substantial" settlement construction will not impede settlement expansion during the six-month period. Defining the area of a settlement is not a simple exercise. There are the already built-up areas, and then there are the borders as fixed by the order of the IDF Central Command, and still others fixed by master plans that most but not all settlements have had approved. Finally, there are the so-called state lands—which comprise most of Area C—and which settlers view as their land reserve.

In response to the terrorist attack in Jerusalem on September 4, the Netanyahu cabinet distanced itself irrevocably from the Oslo framework. It formally repudiated the "interim period" model, including its commitment to undertake three redeployments by mid-1998, in favor of support for negotiations on a final status agreement. ♦

SETTLEMENT SNAPSHOTS

On A Clear Day

Baal as-Sur (Bal Chatzor in Hebrew) rises above the rolling hilltops that define the topography of the West Bank between Ramallah and Nablus. The starkly beautiful landscape of the West Bank heartland spreads out below its 1,000 meter high summit. The mountaintop bristles with an impressive array of antennae and satellite dishes, enabling Israel to "see" all the way to Iraq.

The intelligence and early warning station on this strategic site was first established as part of the Allon Plan, adopted over two decades ago by Israel's Labor-led governments. The site is also within bounds of the "Allon Plus" map put forward by the Netanyahu government.

Not so the nearby settlement of Ofra, however. In recent months, settlers of Ofra have established themselves in trailers—and expanded the settlement—on a nearby hilltop closer to Baal as-Sur, hoping that by establishing their presence that much closer to the strategically significant site they will also assure Ofra's inclusion in an expanded Allon Plus map.

Expansion into Area C is the main activity of the small settlements all along the central spine of the West Bank between Ramallah and Nablus.

Many of the mountain ridges near Baal as-Sur boast the distinctive red-tiled roofs of Israel's settlements. Ofra, Shilo, Eli, and Ma'ale Levona run almost in a line from south to north up the central axis of the West Bank. Eli, for example, sits on four separate, and as of today, unconnected hilltops. The few trailers placed on the most recently settled hilltop are more than one kilometer from the nearest settler homes. In the lexicon of Israel's colonization of the West Bank, this new site is an "expansion" of the existing settlement of Eli, not a new settlement. Between Eli's far flung "neighborhoods" lie the lands farmed by Palestinian villagers from Karyut and Jalud.

No "Substantial" Expansion

A one-day survey of 117 of the 140 West Bank settlements (excluding East Jerusalem) conducted on August 10 by Peace Now revealed that in these settlements there are 3,025 empty dwellings and an additional 4,594 under construction, creating a capacity for approximately 30,000 additional Israeli settlers. More than 155,000 settlers currently live in settlements in the West Bank, Gaza Strip, and Golan Heights.

A recent CIA survey placed the vacancy rate at 26 percent in Israel's West Bank settlements, far higher than the 8 percent rate noted by Peace Now.

A November 1996 Peace Now report noted only 910 empty units, with an additional 4,094 under construction.

The bulk of new and available housing is located in the larger settlements. Ma'ale Adumim, the largest West Bank settlement, with a population of more than 20,000, accounts for almost one-fourth of the construction in progress.

Fifty settlements surveyed in the most recent Peace Now

report have no empty units. In many others there are fewer than 20 vacant units. In more than half of the 59 settlements surveyed no new housing construction is under way.

Many of the empty housing units can be expected to be inhabited before the start of the school year in September.

The number of dwellings that Peace Now reported to be under construction is approximately equal to that under construction when Benjamin Netanyahu took office in July 1996 and less than one-half the number inherited by Yitzhak Rabin from Yitzhak Shamir in 1992.

Settlement Survey—August 1997

Settlement	Number of units under construction	Number of empty units
Elon Moreh	5	136
Efrat	500	0
Ariel	0	600
Betar Ilit	520	0
Givat Ze'ev	400	0
Kiryat Sefer	900	10
Eli	13	640
Shilo	3	186
Ma'ale Adumim	1,000	0

Source: Peace Now, August 10, 1997.

Plotting Settlement Growth

One feature of Israel's centralized system of land development is government control over the availability of building lots for residential housing. The marketing of these lands is a strong indicator of future construction.

From January through July of this year, government agencies marketed 14,100 residential building sites. This rate translates into an annual marketing of sites for 28,677 housing units, compared to 35,000 in 1996. This 20 percent reduction is one more indication of the housing construction slump affecting the Israeli market, including the occupied territories. In Jerusalem for example, the ministry of housing intends to market 1,100 sites this year—800 in the East Jerusalem community settlement of Pisgat Ze'ev and 300 elsewhere. While a detailed breakdown is not available, it can be estimated that around 10 percent of the housing lots being marketed are located in occupied territories.

Marketing of Land—January-May 1997

Area	Housing Units	Building Lots
Jerusalem (East and West)	2,469	419
The North (including the Golan Heights)	1,608	298
The Center (including parts of the West Bank)	3,990	449
Judea and Samaria (West Bank)	672	111

Source: *Ma'ariv*, June 8, 1997; *Ha'aretz*, July 28, 1997.

BOMBERS AND BULLDOZERS

On August 6, Secretary of State Madeleine K. Albright offered her assessment of U.S. policy toward the Israel-Palestinian conflict in a speech before the National Press Club in Washington, D.C. Later that day, President Bill Clinton addressed the issue at a White House press conference. Excerpts from their remarks appear below.

Secretary of State Madeleine K. Albright
Remarks and Q&A Session at the National Press Club
Washington, D.C., August 6, 1997

The Israeli-Palestinian Peace Process

... The vast majority of the people of the region—Israelis, Arabs and Palestinians—have come to believe that the status quo is unacceptable, that the costs of conflict are too high, and that the effort to achieve peace holds at least the promise of a better future.

Both sides agreed to settle their differences over the subjects of negotiation at the bargaining table, and not somewhere else. It is in the interests of each party to avoid steps that undermine the other's confidence and trust in the process. In practice, this means forgoing unilateral acts which pre-judge or pre-determine issues reserved for permanent status negotiations.

Let me be clear. There is no moral equivalency between suicide bombers and bulldozers, between killing innocent people and building houses. It is simply not possible to address political issues seriously in a climate of intimidation and terror. But the principle of refraining from unhelpful unilateral acts is central to maintaining mutual confidence; especially as we look ahead to permanent status negotiations. . . .

Palestinians argue that Israel has taken some actions in recent months that pre-judge issues reserved for permanent status negotiations. These include settlement activity, construction at Har Homa and the confiscation of land. These actions have generated uncertainty among many Palestinians about Israeli intentions, undermined for them the very logic of negotiations and caused a crisis of confidence in their Israeli partner. It is fair to ask, how can you create a credible environment for negotiation when actions are being taken that seem to pre-determine the outcome?

To restore confidence, both sides must think seriously and in advance about the potential impact of what they do and say. They must do more than ask whether an action is technically legal. They must ask whether it is wise, whether it is consistent with the spirit of their partnership, and whether it brings them closer to the goals of their agreements. . . .

To restore momentum, we have to increase confidence on both sides about where the negotiating process is leading and what the outcome of permanent status talks might be. If the parties have a clear, mutual and favorable sense of the ultimate direction of negotiation, it will be easier for them to overcome setbacks and avoid distractions along the way. This will require accelerating permanent status negotiations.

THE WHITE HOUSE
Office of the Press Secretary
August 6, 1997

Press Conference by the President

Question: Mr. President, editorially *The Washington Post* says, "Up to now, President Clinton has avoided confronting the implications of Mr. Netanyahu's reluctance to bargain territory for a Palestinian settlement. Now he must decide whether to minimize short-run frictions with the Israeli government or reach for a long-term peace." What do you say to that?

The President: Well, first of all, let me say that the Secretary of State gave a very important speech to the Press Club at noon today. I read the speech last night; I went over it with great care and I am in full accord with what she said.

In this year alone, the United States helped to broker the Hebron agreement; we have hosted all the leaders from the Middle East here. Indeed, there is no foreign policy problem to which I have given more of my personal time since I became President in 1993.

The question is not whether the United States or this administration on any given day or week is popular or not in any foreign capital. The question is, are we doing what is most likely to work. And sometimes reasonable people can disagree about that.

... As Secretary Albright made clear, until the parties trust each other, and until the Israelis believe that the Palestinian Authority is making 100 percent effort—which is different from 100 percent results—but making 100 percent effort on security, it is impossible for peace to proceed.

On the substance of the peace process, the parties still have to make the final decision. But on the process itself—how to get the process going again with some integrity designed to restore confidence in both parties—I think the United States can and should offer its best ideas, and that is exactly what we intend to do and that's what the Secretary of State's speech was designed to set the stage for today.

Question: Well, the point of friction has been the settlements. And do you think you've been even-handed in that respect?

The President: Well, I think we've made it clear to the Israelis that we don't think anything should be done which undermines the trust of the parties and violates either the spirit or the letter of the Oslo Accord and which predetermines the outcome of final settlement issues under Oslo. I think we've made that clear. And I think that the Secretary of State's speech today was quite clear on that.

But let me say there is no parallel between bombs and bulldozers. You cannot draw a parallel. . . .

But I also believe that the government of Israel clearly has a responsibility to try to—to carry its end of the load, too. This has got to be a two-way street. Security first; then let's see both sides do what it takes to restore the confidence. ♦

SETTLEMENT TIME LINE

April 30 Plans are announced to extend the East Jerusalem neighborhood settlement of Ne've Ya'akov to the West Bank settlement of Adam, which would halt continuing Arab construction between the two Jewish communities.

The Israel Defense Forces announces that new bypass roads are being planned. One will bypass PA-controlled Nablus and areas to the south, and another will serve residents of the settlement of Dolev, west of Ramallah, and the surrounding settlements. The plan, if it receives budgetary approval, would cost \$330 million and will require expropriating Palestinian land.

May 1 The Civil Administration releases plans to expand the settlement of Efrat, south of Bethlehem, by 220 dunams.

May 5 Additional housing is approved for the settlement of Barkan near Ariel. Construction on 50 of the 150 approved units is scheduled to begin soon.

May 8 The Palestinian Authority Ministry of Local Government and various Palestinian committees hold public assemblies to discuss Israeli expansion of Ma'ale Adumim, which would involve the confiscation of more than 16,000 dunams of Palestinian land (the E-1 or Eastern Gate Plan). Palestinians residing in the affected areas were urged to bring documentation to support court petitions against the confiscation.

May 11 *Ha'aretz* reports that the Jerusalem municipality and the Interior Ministry have been working on secret plans to develop a "mega-Jerusalem municipality." The plan would bring some West Bank settlements into a greater Jerusalem area that Israel would annex after the permanent status of the city is determined.

May 18 Defense Ministry officials state that 500 more Palestinian homes located near settler by-pass roads, Jewish settlements, or IDF installations have been targeted for demolition in the West Bank. Since Netanyahu took office in July 1996, more than 170 Palestinian homes have been demolished.

May 22 The PA's Ministry of Information announces that since the Oslo process began in September 1993, 325,000 dunams of Palestinian land have been taken by the Israeli government, 243 Palestinians have been

killed by Israeli forces, and 1,047 identity cards have been confiscated from Palestinian Jerusalemites.

May 27 According to the 1996 *Jerusalem Statistical Yearbook*, the Arab population of Jerusalem has grown 163 percent since 1967 compared to the Jewish growth rate of 114 percent.

In 1995 Jerusalem's population was 70 percent Jewish and 30 percent Arab: 167,000 Israelis and 181,000 Palestinians resided in annexed East Jerusalem, while 256,000 Israelis lived in West Jerusalem. Immediately following the June 1967 War, the Jewish population of the city was 74.2 percent.

May 29 The Meretz party reports that Israel has confiscated 30,000 dunams of Palestinian land in the West Bank since January 1997, including 20,000 dunams located in the Jerusalem area.

May 30 The Jerusalem weekly, *Yerushalim*, reports that the Netanyahu cabinet approved the establishment of a new settlement, "Sanaana," in the Hebron region to be populated by members of the right-wing "Betar" movement.

June 2 Confrontations between residents of the Gaza settlement of Morag and Palestinians begin when settlers fence off additional lands. Over the coming days, IDF reinforcements are brought in to maintain order. Palestinians block roads and uproot trees. An IDF van is struck by a bullet and another Israeli vehicle is reportedly fired upon.

June 5 Orient House, headed by Palestinian leader Faisal Hussein, charges that the Israeli Interior Ministry continues its policy of confiscating Jerusalem identity cards from Palestinians. On May 31 and June 1 alone, more than 45 cards are confiscated.

June 6 The Netanyahu government proposes to permit the construction of 400 to 500 apartment units for Palestinians on land in the neighborhood of Tzur Baher, expropriated from Palestinians in 1968.

June 10 In Washington at a meeting between the Israeli ambassador in Washington, Eliahu ben Elissar, and Secretary of State Madeleine Albright, Ben Elissar reports explaining, "I said to the Secretary, 'Both you and Arafat know that we are not

establishing [new] settlements at all, and even not expanding them'. Here Albright looked at me as if to smile, as if she wanted to say, 'Oh really?' I backed down a bit from my unequivocal statement and added, 'Almost none.' In truth, I have no idea how much we are building and expanding."

Netanyahu attends a dedication ceremony on the campus of the College of Judea and Samaria in Ariel.

June 12 Israeli Deputy Housing Minister Meir Porush says that, for various reasons, construction plans in the West Bank—specifically in the settlements of Ariel and Beitar Illit—are not being carried out.

The U.S. House of Representatives votes 406 to 17 for a non-binding resolution calling upon President Bill Clinton to reaffirm that Jerusalem must remain Israel's undivided capital. According to the PA, the non-binding resolution is a "declaration of war" on the Palestinian people.

June 14 In a statement issued after an emergency meeting, Fatah, the leading Palestinian political agency, asserts that "[Israel's] policy of settlements and land confiscation constitutes organized state terror against the Palestinian lands. The Palestinian people have a right to react to settlement terror via all means."

June 15 Road 2500, the main road linking the settlements of the Katif Bloc in the Gaza Strip, is completed at a cost of \$800,000.

June 16 Israel's Ministry of Building and Construction publishes a tender for the construction of 74 apartment units in the settlement of Beitar Illit. Since May, 1,210 units have been put out for bid, including 545 in Beitar, 278 in Ariel, 222 in the Etzion Bloc, 110 in Karnei Shomron, and 55 in Ma'ale Efraim.

June 20 The IDF requests \$100 million to fortify settlements throughout the West Bank and Gaza Strip and to make improvements for IDF troops serving in the areas.

A new settlement area named "Gideonim," located 3 kilometers from the settlement of Itamar, south of Nablus, is established. Three families reside at the site.

July 1 The Knesset Finance Committee endorses a decision made in December 1996

by the Netanyahu government to grant "Preferred Area A" status to West Bank settlements, restoring benefits canceled by the government of Yitzhak Rabin.

July 2 At a meeting with architects and planners, Mayor Ehud Olmert announces that Jerusalem, "will expand naturally to the east [into the West Bank]."

July 4 The Jerusalem weekly, *Kol Ha'ir*, reports that regional government offices, a new mall, and apartments will be built at the settlement of Givat Ze'ev, near Ramallah, at a total cost of \$40 million. The project includes a 17-story tower which will be the tallest building in the occupied territories.

July 11 *Kol Ha'ir* reports that the Ministry of Interior plans to recognize as independent settlement, some "neighborhoods" established as parts of already existing settlements by the Shamir government from 1990 to 1992.

The new West Bank settlements are Alon, Nofei Prat, North Talmon, and Shvut Rachel.

July 14 *Ha'aretz* reports that the European Union (EU) is examining whether Israel's milk exports to the EU originate in settlement enterprises. If so, the question would arise as to whether settlement-produced goods qualify for reduced or duty-free status accorded by existing trade agreements.

Ha'aretz reports that from January 1 to July 3 the Ministry of Housing began construction on 14,000 dwellings. The figure represents a 20 percent decrease from the previous year.

July 15 Ghazi Jabali, the head of the Palestinian police force, is implicated by Israel in a planned attack by police on settlers at the Har Bracha settlement near Nablus.

July 16 The UN General Assembly recommends that UN members actively discourage activities that contribute to Israeli settlement building. It also demands that Israel provide information about goods produced in settlements.

The resolution condemns Israel's failure to comply with an earlier resolution adopted in April demanding that it stop construction at Har Homa.

The vote on the UNGA non-binding resolution is 131 to 3, with 14 abstentions. Voting against are the United States, Israel and Micronesia. Germany and Russia are among the countries abstaining.

July 18 *Yediot Aharonot* reports that the paramilitary outpost of Hemdat in the northern Jordan Valley was transformed into a new civilian settlement.

Yerushalim reports that only 79 apartments were sold in the settlement of Ma'ale Adumim during January to April 1997, a dramatic decline from the previous year, when more than 600 units had been sold.

July 21 Israel's Ministry of Housing reports that there are 2,725 apartment units for sale in the West Bank. Since the beginning of the year, 291 purchase contracts for settlement housing have been signed.

July 22 *Ha'aretz* reports that the Israeli Treasury has requested \$30 million from the Finance Ministry for new residential construction in the settlements. These dwellings are to be earmarked for new immigrants and young couples.

According to Jerusalem mayor Ehud Olmert, land at the disputed settlement of Har Homa will be marketed to contractors beginning in October. The first construction phase of the project will require an investment of \$5 million and will involve building 2,000 apartments. The building of 4,500 additional apartments will follow.

July 23 The Knesset Finance Committee approves \$12 million in grants and subsidies for 400 dwelling units to be built in rural West Bank settlements.

July 28 Israel's Ministry of Interior announces the suspension of a permit granted for construction of Jewish housing in East Jerusalem's Ras al-Amud neighborhood.

Israeli Foreign Minister David Levy and PA negotiator Nabil Sha'ath agree to resume the work of the nine joint committees on a limited number of issues.

July 30 An attack in West Jerusalem by unidentified suicide bombers kills 16.

August 1 Israeli Minister of Defense Yitzhak Mordechai approves in principle the E-1 plan for expanding the settlement of Ma'ale Adumim and increasing its population from 28,000 to 40,000.

August 7 The Israeli organization Peace Now petitions the IDF to cancel the decision to turn over the NAHAL (paramilitary) settlement of Hemdat in the Jordan Valley to civilians.

August 8 *Kol Ha'ir* reports that, in the event of a worsening situation in Hebron, the

IDF has decided to evacuate all women and children from the Israeli settlements in the city.

Minister of Defense Mordechai approves the construction of 10 apartment units in the Jewish area of Hebron. Fifty Jewish families currently live in Hebron.

The Ministry of Construction reports that from the inception of the Netanyahu government until June 1997, 804 (19 percent) of the 4,364 tenders that the government issued were for construction in the urban settlements of the West Bank, including 500 at Ariel and 222 at Alon Shvut. No figure is given for construction in other types of settlements. During June-August 1997, an additional 600 tenders were issued for settlement housing.

August 15 Ten Knesset members belonging to the ruling coalition warn Prime Minister Netanyahu that they will bring down the government if he agrees to transfer any lands to PA control as part of any future IDF redeployment in the West Bank.

August 28 Ten new mobile homes are placed at the settlement of Talmon, with the approval of Defense Minister Mordechai.

September 3 Khader Shkirat, the director of the Palestinian Society for the Protection of Human Rights and the Environment, tells a news conference that since Netanyahu took office, "245 Palestinian homes have been destroyed, 21 of which were in East Jerusalem and the rest in still-occupied areas of the West Bank." The targeted homes "were mainly located near Jewish settlements, military areas, or near bypass roads."

September 5 Prime Minister Netanyahu tells the *Jerusalem Post*, "I think we have contented ourselves with allowing the growth of existing settlements. They're growing. I don't think they're growing quite at the pace at which they grew under the Labor government, and I don't say this with any particular pride. They expanded by nearly 50 percent of the population under Labor. That didn't seem to be such a hindrance toward peace then, the way it is presented now."

Netanyahu's inner cabinet decides to repudiate an earlier commitment to undertake additional "further redeployments" from the West Bank. Under terms of the Oslo and Hebron agreements, the IDF is to undertake three "further redeployments" in unspecified parts of the West Bank during 1997-1998. ♦

A PALESTINIAN OUTLINE FOR A POST-OSLO STRATEGY

During July 1997, Hani al-Hassan, a Palestinian businessman and Fatah veteran, participated in informal discussions with Israelis on final status issues. An excerpt from an interview published in al-Hayat, August 6, 1997, follows.

What is going on is not a quest for peace but a search for a deal. The problem is that [Prime Minister Benjamin] Netanyahu wants to impose a victor's deal on the vanquished, and the struggle is about establishing an equitable deal. If no sovereign Palestinian state is established with Jerusalem as its capital and the settlements in the West Bank and Gaza are not evacuated, then there will be no real sovereign national solution. Keeping the settlements in place will mean there is no state or even a coherent autonomous entity. Any state that is fragmented and has no territorial continuity is a fiction of a state.

In reality, even if Yitzhak Rabin or Shimon Peres were in power, in the negotiations regarding sovereignty and borders we would be facing a position not very different to that which Netanyahu is presenting. The only difference is that they used to negotiate, whereas he has made up his mind. The Oslo accord died without being buried. It died because Netanyahu is no longer committed to it. So the Palestinians have to devise a clear line aimed at obliging the Israelis to give back the land.

Netanyahu ditched Oslo after Israel took its share of the accord so as to avoid giving us our share, namely the return of the land through so-called redeployment. We must continue demanding implementation of redeployment, but we must not persist with the same policy now that it no longer applies on the Israeli side. When one side reneges on an agreement you do not have to renege on it yourself, but you must find ways to force it to implement what remains of the agreement. That is a major battle. To Netanyahu's mind, final status talks are negotiations without an end or a future.

Thus it is a mistake to make any concessions to him; he is clear about what he wants: Palestinian autonomy without borders—not even with Jordan—and without the right even to have civil aviation without Israeli permission, and that on just 50 percent of the land. That kind of autonomy proposed by Netanyahu is occupation, so why should we legitimize occupation? Better that he impose it on us by force. ♦

"There can be no backing off from Oslo commitments or from the principle of reciprocity that is inherent in them. This means that Israel should refrain from unilateral acts, including what Palestinians perceive as the provocative expansion of settlements, land confiscation, home demolitions, and confiscation of IDs.

"We believe that a time-out from these kinds of unilateral actions will create a climate in which . . . an accelerated approach can succeed in achieving a final Israeli-Palestinian peace agreement."

Secretary of State Madeleine K. Albright in a speech at the Jerusalem Academy of Arts and Science, September 11, 1997

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