QUARTERLY UPDATE ON
DEVELOPMENTS

EDITED BY
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Geoffrey Aronson, a writer and analyst specializing in the Middle East, is the editor of the Report on Israeli Settlement in the Occupied Territories, (hereinafter Settlement Report), a Washington-based bimonthly newsletter published by the Foundation for Middle East Peace. Unless otherwise stated, the items in this section have either been written by Geoffrey Aronson directly for this section or drawn from material written by him for Settlement Report. The Institute for Palestine Studies is grateful to the foundation for permission to draw on material appearing in its publication. Major documents relating to the settlements appear in the Documents and Source Material section.

West Bank Updates


Recent revelations about new building in West Bank settlements have raised questions about Israel’s current settlement policy there.

In the period since Prime Minister Rabin’s election in July 1992, the settler population of the West Bank and Gaza Strip has increased by 28,000—from 112,000 to 140,000, while that of East Jerusalem has grown by 22,000—from 148,000 to 170,000. This represents an overall settler increase of 50,000, or just under 20 percent in two years.

The settler population is increasing at a faster rate than the population anywhere in Israel itself, and few settlers are leaving. The government is supplying housing subsidies to less than 150 settler families that have returned to Israel.

“The policy of the government,” explained Housing Minister Benjamin Ben Eliezer, “was and remains not to effect any action that will result in settlers leaving Judea and Samaria or cause the dismantlement of the settlements.”

It is widely, but incorrectly, believed that Rabin in talks with Presidents Bush and Clinton committed Israel to a freeze on all new settlement construction. In fact, the most that Rabin promised was an end to the creation of new settlements—long a marginal aspect of Israel’s settlement policy. Indeed, in his discussions with President Bush in August 1992, Rabin reaffirmed his intention, and won U.S. consent, to build where the pressures of “natural growth” required the expansion of existing settlements, and to lend government support to settlement construction generated by market forces. The massive construction in East Jerusalem—more extensive than the remainder of the territories combined—was not even addressed.

Since the August 1992 meeting, Rabin has completed the construction of 11,500 units inherited from his predecessor, while, without fanfare, initiating extensive new building in the largest and most successful settlements around Jerusalem.

Two recent decisions will add further to the stock of available housing in settlements. The first decision formally expands the area of favored new construction—from the environs of Jerusalem to a corridor along the eastern edge of the Green Line, the term used to describe the pre-1967 border that separates Israel from the West Bank. The second decision makes available for rental some of the thousands of government-owned housing units in settlements throughout the territories that the Rabin government has until now kept empty.

Settlement Construction During the Rabin Era, 1992-94


West Bank/Gaza Strip (excluding East Jerusalem)

Likud-era housing units pledged for completion by Rabin government in August 1992 11,500
Housing units completed but unoccupied (1 November 1994) 3,900
Housing units populated since July 1992 7,600
Labor-initiated housing construction planned and initiated since July 1992 4,000
Current settlement population 140,000
Population increase during Rabin era 28,000
East Jerusalem (annexed by Israel in 1967)
Likud-era units under construction in August 1992 13,000
Construction planned for East Jerusalem, including “Greater Jerusalem” settlements Ma’ale Adumim, and Givat Ze’ev—1993-97 15,000
Current planned capacity for additional construction in East Jerusalem only 10,000
Israeli Population 170,000
Population increase during Rabin era 22,000

New Settlement Activity Around Jerusalem

Ma'ale Adumim

Ma'ale Adumim, just east of Jerusalem, has a population of 18,000, making it the largest settlement in the occupied territories outside of Jerusalem itself. Its mayor recently noted that the outpost's development momentum has not slowed in recent years, and that lately the surge in construction has even increased, along with budgets for development and infrastructure. These factors, the mayor concludes, are evidence of the government's intention to encourage settlement there.

Indeed, new construction at this location is resulting in its expansion to the outskirts of Jerusalem itself. The latest announcement was of a new neighborhood in which 91 homes will be built next year on 16 acres.

Givat Ze'ev Area

A few kilometers away, a new settlement site is being developed on lands under the jurisdiction of the Givat Ze'ev settlement just west of Ramallah. Known as Mt. Shmuel, these 200 units across the road from Givat Ze'ev are being developed by former Minister of the Interior Arieh Deri. Within Givat Ze'ev, population 6,500 and growing, construction continues apace. The head of the local governing council announced in August plans to construct 750 dwellings opposite Mt. Shmuel.

Har Adar

In early September, Rabin's deputy Nach Kimarti approved the implementation of Part II of the settlement's master plan calling for the construction of 700 new houses, enough to increase Har Adar's population by 3,000. The development's cost is estimated at $30 million.

Har Adar is situated at the junction of the two principal settlement initiatives of the Rabin government. Less than 10 miles from downtown Jerusalem, the settlement, population 2,000, is at the southern end of what the Rabin government intends to be a line of thriving settlements—including Kiriya Sefer, Oranit, and Alfe Menache located along the Green Line.

This construction is proceeding according to an enlarged master plan that was approved earlier this year, additional evidence of the current government's intent to expand the stock of available housing in its preferred settlements. Government officials explain that like Ma'ale Adumim, Har Adar is part of "Greater Jerusalem" as defined by the prime minister.

Alfe Menache

While the above developments were prominent among numerous settlement initiatives that proceeded without public attention, the publication of Rabin's approval of 1,000 new housing units at the Alfe Menache settlement in late September did not pass unnoticed.

Implementation of the plan will double Alfe Menache's population of 4,350 within three years, according to its mayor.

Housing decisions in Rabin's preferred areas—East Jerusalem, its West Bank hinterland, and along the Green Line—are proceeding without reference to ongoing Israel-Palestinian negotiations. Israeli policymakers regard these areas as "non-negotiable." Housing construction decisions in these regions are dictated primarily by domestic considerations such as market demand and party politics. Government plans indicate that Rabin intends to build where the stock of housing inherited from the Shamir government and completed by Rabin has been sold. Indeed, Minister of Housing Benjamin Ben Eliyezr argued that the new housing was approved "to suit market demands."

According to a report in the Ha'Aretz newspaper, Ben Eliyezr said that Alfe Menache is one of a number of settlements that are not negotiable as far as Israel is concerned. The minister said that this also applies to Ma'ale Adumim, Betar, and Givat Ze'ev. The Construction and Housing Ministry, according to the report, would allocate "state lands" controlled by the military government for the building of hundreds of housing units in these settlements as part of its multi-year plan.

The settlement is more than two kilometers from the Green Line border. In July 1992, Rabin approved the completion of 260 units then under construction in the settlement, and froze 145 others, according to a Ministry of Hous-
ing document. The decision to build 1,000 units therefore represents more than simply “unfreezing” formerly planned units.

In nearby Oranit, located near the Green Line, construction proceeds unhindered. The Ministry of Education recently allocated $1.7 million for the first stage in construction of a regional high school there. And Rabin’s office has approved the construction of 270 new units.

“Secret” Development Plan for Jerusalem


It’s a closely guarded secret and it has far-reaching political implications. It’s only a plan for a metropolitan area, but then, Jerusalem is not like other cities.

An interministerial committee that has been meeting for two years to determine plans for development in metropolitan Jerusalem has nearly completed its work, committee sources revealed this week.

However, the principles set down by the committee reflect policies that are already being pursued by the ministries involved, and affect plans to build everything from new homes to new roads in the Jerusalem area.

The sources said a sharp Palestinian reaction to the plan is expected because of the changes it calls for in areas over the Green Line which are slated to come under Palestinian control.

For that reason, the committee’s proceedings and the final proposal it is now completing are being kept as secret as possible.

The sources, meanwhile, emphasized that if the plan is presented correctly by the government as beneficial to both Israelis and Palestinians, the Palestinian leadership could be convinced of its importance.

“This is going to be a major test of whether this peace is for real, and whether there is really going to be cooperation,” one of the sources said.

The details are being finalized by officials from the Interior, Housing and Transport ministries and [the] Israel Lands Administration. The final product is to be presented to Prime Minister Rabin soon. Such a plan would normally just be presented to the interior minister, but because of the sensitivity of the area, it will in all likelihood have to be approved by the entire government.

The sections involving areas in Samaria have already been shown to at least one government minister in the hope that the plan can be presented to Palestinian leaders for consideration.

The proposals for the Jerusalem metropolitan area—bordered to the north by Ramallah and the south by Bethlehem, and including Ma’a’le Adumim to the east and Bet Shemesh to the west—center on the construction of two new highways linking the coast and Jerusalem.

One highway, No. 45, is slated to enter Jerusalem from the north and is the most controversial because it goes through areas that are expected to come under Palestinian authority in Samaria.

Highway No. 45 is to start from the Tel Aviv area, pass Ben-Gurion Airport, and then cut south just before Ramallah toward Jerusalem. It is meant to provide an excellent route for commercial traffic to and from Jerusalem, Ramallah, and other Arab and Jewish communities in the area.

Planners, who have dubbed the proposal the “peace highway,” say it will eventually continue to Amman. Service and industrial areas are proposed along Highway No. 45 between the airport and Jerusalem.

The committee did not address the issue of housing construction along the route because it is over the Green Line.

The other highway, No. 39, is slated to run from Ashdod, pass just south of Bet Shemesh and Zur Hadassa, and enter the capital from the southwest. This highway would be within the Green Line all the way and is meant to serve a greatly expanded Bet Shemesh, giving residents there easy access to Jerusalem. Major growth expansion is also slated for Zur Hadassa.

*Jerusalem Post, 4 November 1994.
The planners recognized the massive housing crunch in Jerusalem and the need to find solutions, and fast. But they opted against allowing the city to simply expand outward in the effort to build new homes.

Instead, home-buyers in Jerusalem will be encouraged—as they already are—to move to Bet Shemesh or even Modi’in.

The metropolitan Jerusalem plan also calls for the continued expansion of Ma’ale Adumim, just east of the capital.

“We were working under the assumption that there is a consensus surrounding Ma’ale Adumim,” although the community lies over the Green Line, the committee source said.

The committee resisted allowing for construction in the few remaining undeveloped valleys and wadis in Jerusalem. They will be preserved to protect the city’s character.

The plan calls for several thousand units to be built in existing neighborhoods and several large undeveloped tracts, most notably Har Homa in southern Jerusalem. The committee also recommends building high-rises in the city center.

A recent survey by the Engineers, Architects and Academics Bureau showed that nearly 50,000 units could be built in Jerusalem without damaging the city’s natural beauty.

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THE OSLO PROCESS AND SETTLEMENTS

The Settlements and Redeployment
Ahmad S. Khalidi and Hussein J. Agha, “After Gaza/Jericho: Some Problems of Redeployment in the West Bank,” (excerpts).*

... Whereas the 17 Gaza settlements with their 3,500-4,000 inhabitants could be reformed into two large blocs (Gush Katif in the south and Erez Bloc in the north) with only two minor settle-ments falling outside these zones, such a relatively neat security arrangement may be impossible to achieve elsewhere in the Occupied Territories. The 135,000 settlers of the West Bank live in approximately 145 settlements that have been spread throughout Palestinian territory, precisely in order to prevent any security/demographic disengagement between the two sides. The spread of settlements in the West Bank has two main consequences as far as any Israeli redeployment is concerned. First, in order for Israeli forces to fulfill their tasks as specified in the DOP (security for Israelis and settlements, and defense against external threats—see Article VII), they must be able to reach almost any part of the West Bank at relatively short notice. In other words, “redeployment” may require such a pervasive Israeli military presence on Palestinian territory as to render any rearrangement of this presence both operationally and politically insignificant. Second, any attempt to form large self-contained blocs of settlements to which Israeli forces could “redeploy” along the lines of Gaza would pose a serious threat to the territorial and political integrity of the Palestinian Authority. From a Palestinian perspective, these would appear as predecendental and prejudicial to the final-status negotiations, particularly in view of the Labour Party’s declared aim of partial annexation under the guise of “territorial compromise.”

... A combination of large settlement blocs and continued Israeli security use and/or control over state lands would necessarily limit the scope and nature of any future Israeli redeployment. At the same time it seems most unlikely that the Israeli government will retreat from its position on either issue. From the perspective of Israeli Prime Minister Rabin, settlement blocs appear to hold the key to maintaining if not improving the security conditions for the settlers in the interim phase while dovetailing neatly with the Labour Party’s long-term options for “territorial compromise” on the one hand and facing down possible right-wing criticism on the other. Alternative plans based on

the redistribution of Israeli forces amongst 145 scattered individual settlements are unlikely to be seriously considered by Israel for both operational and economic reasons. In some scenarios the end result may even be a net increase in the number of Israeli forces on the West Bank were such a redistribution to take place. The single most important element facilitating a significant redeployment incorporating a material reduction in Israeli troop levels in the West Bank remains the dismantlement of a substantial number of settlements. Whether this is politically acceptable to the current Israeli government is questionable.

U.S. POLICY EROSIONS

U.S. Settlement Policy

U.S. opposition to settlement construction has undergone continuous erosion since the election of Prime Minister Yitzhak Rabin in July 1992. No longer are settlements an "obstacle to peace"—the formula established during the 1980s by successive Republican administrations. This formulation itself represented a diminution of a policy established during the Carter administration, which also defined settlements as "illegal."

Today settlements are a "complicating factor"—to use a term consistently employed by Assistant Secretary of State Robert Pelletreau in testimony before Congress.

In addition, U.S. policy provides for the expansion of settlements due to "natural growth"—a term which entered the U.S. diplomatic lexicon in March 1993 when Assistant Secretary of State for Middle East Edward Djerejian testified before the House Foreign Affairs Subcommittee on the Middle East.

The source of these changes in policy was the loan guarantee agreement reached in August 1992 between President George Bush and Prime Minister Yitzhak Rabin. No official record of the terms of their agreement on U.S. policy towards settlement construction has been published.


[This map is a slightly simplified version of the map appended to the Gaza-Jericho Agreement and initialled by PM Rabin and Arafat, on 4 May 1994. The areas in dark blue correspond to the "Yellow Areas" delineated in Article IV.4 of Annex I. This map was adapted by Settlement Report for its September 1994 issue.]

This map is a slightly simplified version of the map appended to the Gaza-Jericho Agreement and initialled by PM Rabin and Arafat, on 4 May 1994. It was adapted by Settlement Report for its January 1995 issue.

One verifiable aspect of the regression of U.S. policy on settlements is the virtual removal of settlement construction in East Jerusalem and the Golan Heights from the U.S. agenda. In both of these areas, the Rabin government has continued to encourage settlement growth through new housing and ancillary infrastructural improvements. In 1993, the United States exacted only a symbolic $6.5 million penalty for settlement construction in East Jerusalem, and ignored the Golan entirely. According to a reliable U.S. source, in assessing the October 1994 penalty, $6.2 million was deducted for infrastructure expenditures in East Jerusalem. The Israeli assessment of its nonsecurity budget presented to the United States included $59.1 million for the Golan Heights.

In Pelletreau's October testimony before Congress,* persistent questioning by Rep. Lee Hamilton further illuminated the evolution of U.S. policy. The administration's decision to compensate Israel for redeployment costs in the Gaza Strip and Jericho areas reduced the amount of the $311 million settlement penalty by $95 million. Hamilton observed that this decision "weakens further U.S. opposition to Israeli settlement activity."

Assistant Secretary Pelletreau also noted that the United States is no longer maintaining its historical policy of opposing unilateral actions—such as Israeli settlement—that predetermine the final status of Jerusalem. Indeed, Pelletreau refused to characterize settlement per se as a unilateral action prejudicial to Jerusalem's final status.

In recent months, U.S. policymakers have attempted to establish a distinction between public construction—that is, settlement building undertaken or directly financed by government entities—and so-called "private" construction by Israel's private construction sector—in the occupied territories. According to one well-informed U.S. diplomat, the latter type of settlement construction, which comprises most of the settlement growth in the occupied territories (and in Israel proper) since Rabin took the government out of the housing construction market in 1992, is viewed far

*See Doc. D2 in this issue.
more leniently by the State Department than government-funded development. And in assessing settlement penalties outlined in the loan guarantee legislation, Washington has excluded from its calculations all such "private" settlement development.

Yet for U.S. diplomats implementing a U.S. policy opposed to settlement construction, there are a number of reasons why the differentiation between private and public residential construction in the occupied territories should be meaningless:

- The occupied territories are defined in international law as territories under belligerent occupation. This being the case, it is evident that the actions of the occupier or its agents (in this case private construction firms) can only occur as a result of decisions by the relevant political authority (in this case the military government or Israel's civilian ministries). In areas under military occupation, to speak of private, and therefore autonomous, actions by Israelis simply makes no sense. Given that resettlement of citizens of the occupying power in lands under military occupation is a violation of international law (and opposed in principle by the United States) how can the violation of this law by Israeli entities occur except through government endorsement and protection? Relevant international and Israeli law as well as every Israeli settlement plan (in which construction capacity figures are determined) also make the point that settlement construction is first and foremost a national enterprise.

- U.S. policy towards issues relating to settlement construction have never been conditioned on the public/private character of such housing. Indeed, the United States has traditionally objected to Israeli efforts to "privatize" the occupation. For example, it has opposed decisions permitting the private purchase by Israelis of West Bank land, and opposition to the arming of nonmilitary forces. Why should the United States object to these actions, while considering, as a matter of policy, the actions of private construction firms to be qualitatively different than those of Israel's Ministry of Housing?

- If there is any housing market in the world that is government-directed, it is the Israeli housing market—within Israel as well as in the occupied territories.

From the distribution of land for construction, to financing and planning, the Israeli market is a ward of the state.

- The involvement of the state in housing construction decisions in settlements in occupied territories is even more intrusive than in Israel. "State land" for settlement construction is leased but never transferred outright to corporate or private ownership; all construction conforms to government or the quasi-official World Zionist Organization master plans. Considerable sums appropriated directly by government agencies are critical to construction and financing.

The United States and the UN: Final Status Issues


The UN has historically been at the center of the Israel-Palestinian conflict. UN resolutions marked the beginning of international concern about the fate of Palestine, and established the United Nations—the representative body of the international community—as responsible for setting the norms of international legality in the Arab-Israeli arena. UN decisions also symbolized the internationalization of the Arab-Israeli conflict, and the entrée of the UN as an interested party to the conflict. The partition resolution, together with resolutions concerning Jerusalem, Israeli settlements in the occupied territories, and the Israeli-occupied Golan Heights—form the foundation stone for the Palestinian right to sovereignty as well as for Arab claims against Israeli efforts to "create facts" in the territories occupied in June 1967.

The United States is adding its voice to Israel's in suggesting that after Oslo, the UN no longer has any role to play on central issues such as the legality of Israeli settlements, the status of Jerusalem, Palestinian refugees, and Palestinian sovereignty. These concerns will be resolved in "final status" negotiations to commence in two years, and are therefore, according to Washington's reasoning, no longer the concern of the international community.

But the Oslo Accord does not materially change Israel's international stand-
ing as occupying power, or lessen its legal obligations to Palestinians in the territories. Israel is not absolved of its responsibilities as defined by the United Nations, the Geneva Convention, and other expressions of international consensus simply because it has agreed to resolve such issues as Jerusalem and settlements in the future.

With some notable exceptions, UN actions on the Palestine question reflect the sober consensus of the international community on the just requirements for a resolution of Israeli-Palestinian and Israeli-Arab antagonisms.

It is the UN General Assembly (UNGA) that has rejected Israel’s annexation of East Jerusalem and the Golan Heights; that has called upon Israel to respect the Geneva Convention; and that has reaffirmed that settlements in the occupied territories are illegal and an obstacle to peace. While these positions lack the authority invested Security Council resolutions, they are vital indicators of international sentiment.

This consensus is now being rejected by the Clinton administration as passé. The first suggestion that Washington viewed the Oslo agreement as an opportunity to circumscribe the UN role in the resolution of the conflict occurred almost one year ago, when a U.S. delegate to the UN argued that Jerusalem, as a final status issue, should not be addressed by UN bodies. During last year’s General Assembly, the United States, for the first time, abstained on the vote reaffirming Resolution 194, which establishes the right of Palestinian refugees to return to their homes or to receive compensation. After the Hebron massacre last February, this new U.S. position appeared in Security Council deliberations.

Today, U.S. Ambassador to the UN Madeleine Albright argues that the historical UN interest in these issues is a relic of a previous era and that they are now the bilateral concern of Israel and the PLO. The UN, she argues, should limit its involvement to resolutions supporting reconciliation and economic development.*

This change in the U.S. position suggests that when resolutions regarding final status issues are introduced in the General Assembly this autumn, the United States will not abstain, but will vote against them.

The PLO, in a letter now circulating at the UN, responds that, “illegal actions remain illegal, and the illegal settlements in the occupied territories, for instance, do not become less illegal with the beginning of negotiations.”

In a letter to Albright, the head of the PLO UN delegation Nasser Kidwa noted that implementation of the new U.S. policy “would be tantamount to forsaking international law and international legitimacy and effectively allowing the illegal, de facto situation created by Israel, the Occupying Power, to prevail when the time for negotiation arrives . . . . Suggestions that the General Assembly has no business to do with final status issues cannot and should not be accepted.”

The PLO’s own negotiating strategy, however, has not tied itself to implementation of UN decisions. The multilateral talks on refugees, for example, make no reference to the implementation of UN resolutions. Nor is there any reference to relevant UN decisions or international law on such final status issues as Jerusalem or settlements in the Oslo or Cairo agreements.

The Clinton administration desires to circumscribe the historical responsibilities of the UN towards many of the defining issues of the Israel-Palestinian conflict. Whether it will succeed or not depends on how much political capital the U.S. delegation is prepared to invest in undermining the General Assembly’s traditional support of these guidelines.

**Talks on Possible U.S. Embassy in Jerusalem Detailed**

Amnon Barzilay, “What Is the United States Building on the Allenby Base?”†

[The United States has never recognized Jerusalem as Israel’s capital—a refusal

*See Doc. D1 in this issue.

based upon its support for the internationalization of the city as called for in the UN partition resolution of November 1947. Although there have been informal commitments by American politicians to move the U.S. Embassy from Tel Aviv to Jerusalem, Washington, as a matter of policy, has hitherto refused formally to abandon the course adhered to since 1947.

Quietly, without blaring trumpets, the Israeli and U.S. Governments recently reached an arrangement on the start of the construction of a building that may become the U.S. Embassy in Jerusalem. As in many other cases, this agreement, which meant that the government had to abandon previous stands, was primarily achieved thanks to an understanding between Prime Minister Yitzhak Rabin and Foreign Minister Shim'on Peres. In this case, Rabin was acting also in his capacity as interior minister.

The present agenda speaks of “diplomatic buildings” [Mivnim diplomatim]. This discreet and noncommittal formulation, which has been adopted also by the Interior Ministry's District Planning Committee, rescued the negotiations from an impasse of several years. In the past, the Government of Israel objected to the vague U.S. definitions of the functions of the buildings that would be erected on the site of the army's Allenby base. The abandoned army site had been leased to the U.S. Government in 1989, and Israel hoped it would build an embassy there. The U.S. State Department wanted to build several buildings on the site, but it never agreed to make a commitment to establish its embassy there.

In discussions held at the District Planning Committee, Israel demanded that the agreement stipulate that the project will become an embassy and that another structure—a residential one—would be inhabited by the ambassador. The United States refused to determine in advance either the function of the buildings or what nature of high-ranking official would occupy the luxury residence it planned to build. At some stage, the District Planning Committee asked for the Foreign Ministry legal adviser’s assistance in the formulation. The ministry contributed its own version of the definition of the residence: “a residence that can be used as the ambassador’s quarters.”

The District Planning Committee thought this version meant surrender to a U.S. dictum and rejected it. The discussions had been stuck in committee since 1992, but the new Middle East reality had an impact on these negotiations as well. In messages exchanged by the two countries in the interim, Israel decided not to insist on its previous formulas, and the U.S. stand was also rendered more flexible. Cabinet Secretary Shmu'el Hollander, who joined the talks in the past few weeks, was party to the legal phrasing. The final drafts were submitted for the prime minister's approval last week. The approved definition stated that “diplomatic buildings” will be erected on the site and that “the most senior U.S. diplomatic representative will live” in the building assigned for residence. The fiery arguments over various snags, which were conducted primarily under Likud governments, are perceived as unimportant in 1994.

“I can assure you that the complex about to be built by the U.S. Government on the Allenby base site, not far from the promenade on the line dividing East from West Jerusalem, will contain impressive and beautiful diplomatic buildings—the most beautiful in Jerusalem,” Jerusalem Attorney Oren Persky, who represents the U.S. Government in the negotiations, told me yesterday. Persky confirmed having received a green light from the U.S. Government to promote the negotiations in the wake of the progress made in the peace process. A construction agreement will be also signed very soon, to be followed by the publication of tenders and a timetable for the beginning and conclusion of construction. The construction is expected to continue concurrently with the progress made in the permanent arrangement negotiations with the Palestinians.

As one of the main peace process sponsors, the United States may want to be well prepared for the most important stage of the process. The establishment
of the U.S. Embassy in Jerusalem is therefore a symbolic and consequential phase in the international recognition of Israel's sovereignty in the city.


[The following written response and excerpt from the foreign aid bill were issued by the State Department in answer to a question posed by the media during a press briefing. The text was provided by the State Department.]

Q: Does the United States have any plans to build a new embassy in Jerusalem?

A: Discussion between the United States and the Government of Israel over possible new facilities began in 1986. However, about that time, Congress enacted legislation prohibiting expenditure of funds for that purpose. In 1988, Congress lifted its prohibition provided that sites in Tel Aviv and Jerusalem were developed concurrently and their designation as consular or embassy premises was left until construction was near completion. In 1989, the United States and Israeli governments signed an agreement under which the parties would identify sites suitable for these purposes in both Tel Aviv and Jerusalem. Our two governments have agreed on the Allenby site in Jerusalem, but have not agreed on a suitable site in the Tel Aviv area. Once we agreed on the Allenby site, the parties moved to obtain the proper zoning for the site and have the plan included in the various city and district planning documents, the normal procedure in such cases. We understand this proposal was approved in October of this year. We will continue to work with the Government of Israel to locate a suitable site in Tel Aviv. We have no immediate plans to build on the Allenby site.

The lease on the Allenby site is for 99 years at U.S. $1 a year.

Section 305 of Department of State Appropriations Act, 1989:

"Notwithstanding Section 130 of the Foreign Relations Authorization Act, fiscal years 1988 and 1989, and Section 414 of the Diplomatic Security Act, and any other provisions of law, such funds as are authorized or that may be authorized under the Diplomatic Security Act, or any other statute, and appropriated to the Department of State, under this or any other act, may be hereafter obligated or expended for site acquisition, development, and construction of two new diplomatic facilities in Israel, Jerusalem, or the West Bank, provided that each facility, (A) equally preserves the ability of the United States to locate its ambassador or its Consul General at that site, consistent with U.S. policy, (B) shall not be denominated as the U.S. Embassy or Consulate, until after the construction of both facilities has begun, and construction of one facility has been completed or is near completion, and (C) unless security considerations require otherwise, commences operations simultaneously."