This section covers items—reprinted articles, statistics, and maps—pertaining to Israeli settlement activities in the Gaza Strip and the West Bank, including East Jerusalem, and the Golan Heights. Unless otherwise stated, the items in this section have been written by Geoffrey Aronson directly for this section or drawn from material written by him for Report on Israeli Settlement in the Occupied Territories (hereinafter Settlement Report), a Washington-based bimonthly newsletter published by the Foundation for Middle East Peace. JPS is grateful to the Foundation for permission to draw on its material. Major documents relating to settlements appear in the Documents and Source Material section.

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**THE NEW GOVERNMENT**

**NETANYAHU PUTS SETTLEMENTS BACK ON THE MAP**

*From Settlement Report, September 1996.*

Three months after the defeat of the Labor government led by Shimon Peres, the settlement policies of Benjamin Netanyahu’s new government remain a work in progress. While its initial declared intentions for settlement expansion during the coming four years do not exceed Labor’s program, the idea of settlement is enjoying a renaissance, and the settlers themselves are being welcomed once again into the Israeli political mainstream.

**Lifting Restrictions**

In a 19 July interview in *Yedi’ot Aharonot*, Finance Minister Dan Meridor put the Likud’s intentions into proper perspective when he was asked about the new government’s intentions to prevent once and for all the possibility of withdrawal from the occupied territories. His answer also offers an important insight into how one of the more thoughtful Likud leaders views the settlement issue in the context of relations, both domestic and foreign:

In this regard, we have to praise Yitzhak Rabin (may he rest in peace) and Shimon Peres, who during the last four years raised the number of Jews in Judea and Samaria by 40 percent. During their tenure, thousands of homes were built in Judea and Samaria and the number of Jews increased from 100,000 to 140,000.

But we need not be thankful only to them. We should also praise the Israeli left which didn’t utter a word about this for four years; and the American government which knew but didn’t care. And also we should give thanks to the Palestinian Authority which saw that we were building but did not permit this to disrupt the peace process.

It is clear as can be that we will not do less in this regard [settlement construction] than the

Labor Party. I already told the American ambassador that he can rest easy about one thing—that Labor's policy of massive settlement will not change. Maybe we will do it a little differently. . . . But it is clear that if we are serious in our intention not to return to the 1967 lines, words alone will not suffice. Settlement is one of the things that determines the map of the country. Therefore if we stop settlement in one place or another it means that we have surrendered that place. I don't think that we have behaved provocatively, but it is necessary to continue the settlement enterprise in Judea and Samaria in a sober and controlled manner, and within our economic limitations. There are communities which for sure were dried out in recent years, and that will certainly be rectified.

When Netanyahu met U.S. Pres. Bill Clinton in Washington in July, the two leaders reaffirmed the understandings reached between President Bush and Prime Minister Rabin in August 1992. This agreement gave U.S. assent to a policy of settlement expansion according to the ambiguous definition of "natural growth," though not to the construction of new settlements. But where Rabin promised Bush not to construct new settlements, Netanyahu made no such commitment, nor, obviously, did he promise any limitation on settlement expansion.

"When we come to things that we have not agreed upon," Netanyahu was reported to have told Clinton, "I will inform you straight away. We will not surprise you. We will not place caravans on hilltops." This last was a reference to the "Baker settlements" demonstratively established by the Shamir government on the eve of the U.S. secretary of state's many visits to Israel in the aftermath of the Gulf War.

Netanyahu outlined his view of U.S. policy in a 12 July interview on Israeli television:

The United States understands that there is a natural process of development of the Jewish settlements in Judea, Samaria, and Gaza. I showed President Clinton and Congress the table demonstrating the expansion, the growth of the Jewish population in Judea, Samaria, and Gaza by 50 percent under the Labor government, not the Likud government. . . . In other words, the natural growth within the framework of the municipal boundaries of the existing settlements is not something that appears to be in dispute. The other thing on which there is agreement is the bypass roads, which were agreed upon in the Oslo process, which is something I welcome since they reduce the friction between the Jewish and Palestinian populations.

On 29 July, the director general of the prime minister's office, Avigdor Liebermann, himself a resident of a West Bank settlement, announced the new government's commitment to the economic vitalization of the settlements, including an intent to restore unspecified benefits and subsidies that were denied to some settlements by the previous government.

On 2 August, the government decreed an end to restrictions placed on settlement expansion by the previous Labor governments, including the rental or sale of 1,500 apartments whose disposition was frozen by Labor. The government has empowered the minister of defense to rule on all new residential construction planning and zoning in the settlements. In principle, these changes should result in the faster approval of expansion plans in areas outside the already popular communities near the Jerusalem and Tel Aviv metropolitan areas where Labor concentrated its construction activities and in the approval of development projects like gas stations and industrial parks held up by Labor.

As Prime Minister Netanyahu explained in an interview the day the new policy was announced, however, the government decree only lifted the ban and did not set out actual building plans. "Today, we created room to maneuver," he explained. "We canceled past restrictions, but we left the issue of policy for our future discussions. . . . I cannot tell you now what the scope of our decision will be, the amount of resources we will invest in Judea and Samaria, or whether or not we will set up new settlements. This is for the future."

Impact of the New Policies

The policies announced by the Netanyahu government should increase the Israeli population in the West Bank and Gaza Strip (excluding East Jerusalem) by 50,000 people, to reach 200,000 during the next four years. This increase is little different from the expansion recorded under the previous Labor government.

The chairman of YESHA, Pinchas Wallerstein, confirmed the expectation of an increase of these dimensions, estimating that 10,000 new dwelling units will be constructed during the coming four years at a rate of 2,500 annually. This anticipated increase was supported by reports noting the planned construction of 60,000 apartments by Israel during 1997 and 1998. The proportional share of settlement construction in the
West Bank and Gaza Strip has historically hovered at between 8 and 10 percent.

Wallerstein noted that there is no practical need to establish new settlements, but that the ideological imperative to undertake such a policy cannot be disregarded. "It is necessary to thicken and to strengthen that which already exists," he explained. Wallerstein also anticipates that settlement growth will continue in much the same way as it did during the last four years—in communities close to the metropolitan areas of Israel such as Adam near Jerusalem and Na'ale and Ofarim near the Green Line.

Some disappointment in the settler community has been registered insofar as the new government's declarations do not portend a significant departure from past construction activity. The settler community, according to Shlomo Katan, head of the local council of the Alfe Menache, "believes that the most important undertaking is to renew the connection [between settlers] and the center of the country. Only if they understand that most of the settlers are actually urban and secular just like them and not like the stigma of the settler will there be a possibility of renewing the connection and facilitating settlement expansion."

Judging from the increase in housing prices in settlements throughout the occupied territories (in some cases by 50 percent since Netanyahu's victory), settlements, in the words of one newspaper headline, "are once again on the map."

**Settlement Population Growth Under Labor**

<table>
<thead>
<tr>
<th>Date</th>
<th>Population West Bank</th>
<th>Population Gaza</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/92</td>
<td>97,800</td>
<td>3,410</td>
<td>101,210</td>
</tr>
<tr>
<td>6/1/92</td>
<td>145,000</td>
<td>5,500</td>
<td>150,500</td>
</tr>
<tr>
<td>Increase</td>
<td>47,200</td>
<td>2,110</td>
<td>49,290</td>
</tr>
<tr>
<td>Percentage Increase</td>
<td>48%</td>
<td>62%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Number of settlements that gained population since 1992: 109
Number of settlements that lost population since 1992: 13

Source: Peace Now Settlement Watch Report, No. 8.

**Sharon Emerges as Key Player**

From Settlement Report, September 1996.

Ariel Sharon does not like doing things quietly. As minister of agriculture after Camp David, he set up "dummy" settlements in Sinai to rattle the Egyptians. As Yitzhak Shamir's Minister of Housing, he exasperated Secretary of State James Baker by creating new "Baker settlements" on the eve of each of the secretary's numerous visits and built thousands of homes in West Bank settlements. He has earned the nickname "bull-dozer" by ignoring or brushing aside whatever obstructs his path.

Now, under a new prime minister, he is keeping to form. Heading the newly created Ministry of National Infrastructures, he is establishing for himself a mandate to expand Israel's civilian presence in the West Bank and Gaza Strip.

In late July, the very day that Netanyahu counseled settlement leaders that loud declarations to the press can be counterproductive, Sharon announced that construction would commence before the year's end on two new West Bank roads and the rehabilitation of a third, as well as the construction of new bridges linking Israel and the Golan Heights. Sharon's announcement produced headlines in papers around the world and was the subject of the first question asked at the joint White House press conference of President Clinton and Egyptian President Mubarak. A somewhat embarrassed American president explained that "I don't want to blame them for something they haven't done yet."

Sharon is dreaded by American government officials because he does not much care what they think. He forces them to confront issues—like the proposed roads—that Labor leaders were expert at finesse.

Sharon is an object of almost equal concern in Netanyahu's inner circle and even among some settlers who fear his penchant for headlines will put the spotlight unnecessarily on their expansion plans. Sharon was a key player in creating the pre-election coalition that brought David Levy and Raphael Eitan onto the same list as the Likud, and his bid for an important ministry was based on this achievement. Netanyahu, however, was not keen to award Sharon the powerful cabinet portfolio due him because of concerns about his legendary capacity for controversy, particularly where policies toward the Palestinians and Syrians are concerned. That is why he was denied the defense and finance portfolios.

But Netanyahu feared the damage that Sharon could do as the spurned leader of the
campaign for Greater Israel more than he feared giving him a seat in the cabinet.

At the top of Sharon's agenda today, as always, is creating physical and demographic obstacles to any Israeli retreat from territories captured in June 1967. As far as Sharon is concerned, the diplomats can chatter all they want; when the maps are drawn, what will count will be the "facts" that Sharon has created in various posts since 1967. The Oslo II map, for example, is almost an exact image of Sharon's "cantonization" plan envisaging the creation of noncontiguous Palestinian-administered cantons in the West Bank and Gaza Strip surrounded by Israeli settlements and roads.

"Were there not Jewish settlements today on the Golan Heights and Judea and Samaria," explained Sharon in an interview last year, "Israel would long ago have returned across the Green Line. The Jewish settlements are the only factor that has prevented the agreement of this [Rabin] government to withdraw and created difficulties for it in negotiations."

The new Ministry of National Infrastructures, with a 1996 budget of one-half billion dollars, was created especially for Sharon. The powers that he has already been able to concentrate there offer him an extensive platform to advance his vision for the future of the occupied territories.

First and foremost, Sharon has wrested control of the Israel Lands Authority [ILA], which Netanyahu originally wanted under the direct control of the prime minister's office. The ILA, which controls over 93 percent of the land within Israel and tens of thousands of dunums in the occupied territories, provides Sharon with an enormous land reserve which he can allocate to suit his settlement objectives. Sharon has long considered the ILA a critical element of his executive power. As minister of agriculture under Begin and as minister of housing under Shamir, he fought for, and won, control of the ILA and the lands that it commands.

Through the ILA, Sharon has embarked on what Israeli television called a "quiet campaign to buy land in the territories and East Jerusalem."

The ILA, Sharon explained, "is not only a source of state revenue. As I see it, it is the main tool the government has to attain national goals."

Sharon's promotion of new roads is a consequence of his authority over the Public Works Department, formerly in the Ministry of Housing. He views roads as a key element assuring Israeli control of the occupied territories as well as the expansion of the Israeli presence there. In addition to gaining control of the bypass roads, Sharon's ministry in July wrested from the civil administration control over the 1,500-km network of main and arterial roads in the West Bank and Gaza Strip. Sharon's aim is to tie the West Bank to Israel through the creation of a modern integrated road system of east-west and north-south highways and including the bypass roads linking the Israeli settlements to each other and to the metropolitan areas of Tel Aviv and Jerusalem.

His assumption of the powers of the now-abolished Ministry of Energy gives him authority over the provision of electricity to settlements, a key element in their ability to expand and accommodate industrial development.

This role also puts him face to face with Palestinian negotiators dealing with electricity. He will also lead negotiations with the Palestinian Authority, Jordan, Syria, and Turkey on water issues. This power places him at the center of Netanyahu's diplomacy with Israel's neighbors.

Sharon has established a consultative mechanism with the important Ministry of Housing and Construction to prepare a comprehensive plan for development and construction in the occupied territories. The Israeli press reports a renewed effort by Sharon's associates to purchase thousands of dunums of land in the West Bank through companies established specifically for this purpose in Brazil, the United States, and Cyprus.

Control over the decisive areas of land, water, electricity, and transport, coupled with the fact that the new ministry's scope will in large part be a function of the determination of the minister leading it, offers Sharon opportunities he will not fail to exploit. It also entails dangers that may yet haunt Netanyahu.

The new road construction was first conceived in a plan authored by Sharon in 1984. The two routes were supported in principle by Rabin and Peres but the budget of more than $50 million needed for their construction was not allocated. The Netanyahu government has not provided Sharon with the monies either, but it is assumed that he will cobble together the necessary funds. The $10-million rehabilitation of the main road
through the Jordan Valley was budgeted by the previous government.

Sharon's announcement about the new road construction that caused so much controversy was therefore first and foremost a political statement. Sharon was informing his antagonists in America and the Arab world that he is back. And he was firing a shot across Netanyahu's bow as well, declaring that he will operate as he always has, not quietly, but with guns blazing.

**Sharon on Settlements: An Interview**

The interview appeared in Ha'aretz on 21 May 1996 and was reproduced in Settlement Report, July 1996.

Q: What is your assessment of Labor's settlement policies?

Sharon: The Labor government also invested in settlements. There has been extensive construction at Givat Ze'ev, in Ma'ale Adumim, and Alfe Menache. Considerable growth continues. I estimate that if the Likud was now in power, the proportions would be even greater, but even so settlements grew.

When I was minister of construction I ordered the planning of bypass roads that would enable the normal life of the [settlement] communities to continue even if an autonomy plan was implemented. Along came the Labor government and froze this project in the context of "a new order of priorities." At the time I told Rabin: "It is a pity that you are stopping the paving of roads because it is necessary also to implement your plans, and after that you will be pressed for time." The paving of bypass roads was done according to my plan, but because of its earlier postponement Labor did it under the pressure of time, at a price higher than planned, and of an inferior quality in most places.

Q: Did the settlers manage to create facts on the ground during the last four years?

Sharon: The local councils broke open roads connecting communities, which the government would not have done. There was also the necessity to expand the area of the communities and grab the hills around them, hills which dominate them. State lands were grabbed, most often lands within the master plans, in order to prevent their capture by Arabs—roads were built, guard towers were constructed. This was done in tens of communities: in Ariel, Itamar, Elon Moreh, Bet El, in Efrat... In order to do this I went from place to place for four years; in order to strengthen settlements and to prepare them for a possible siege.

Q: Does a critical mass of settlers exist to prevent evacuation of settlements?

Sharon: This is an irreversible process. It is impossible today to reverse the settlement enterprise—completely impossible.

Q: A structure of facts has been created on the ground, in order to prevent the establishment of a Palestinian state. But since the arrival of the Peres-Rabin government a second system of new facts has been established alongside what was done by the Likud government. Settlements did not prevent the withdrawal from the Palestinian cities.

Sharon: I didn't wake up one morning and decide to establish a settlement on a hill. I was influenced by security considerations and the operational plans of the IDF: areas of deployment, warning stations, and military storage depots. There was once a Labor minister who said, when speaking about settlement in the Jordan Valley, that it was a mistake to establish these communities because they would complicate future negotiations. I contend the opposite: The situation here is so complex and complicated and can be very dangerous—so much so that there will not be simple solutions. What needs to be done? This peace is so painful, almost like a war, it is not possible to reach an arrangement without broad agreement among the Zionist parties in Israel. It is necessary to arrive at a situation in which no one side will get everything that it wants, but it is possible to reach an agreed-upon plan.

Q: What will happen in the territories if the Likud wins? Will there be many more Elon Morehs?

Sharon: It is clear to me that the existing communities will grow. This expansion is, in any case, outlined in the master plans and will occur on state lands. I would add settlements in security areas, parts of which are described today in the Oslo accords as area C, not within Arab populations. For example, communities east of the Green Line: There is no reason that next to Pedual and Alei Zahav, next to Bet Arieh—there are areas empty of population—not to establish a new community. It is possible even to call this an expansion of an existing settlement. In the beginning these communities will seem like isolated points. In the end it will become a territorial continuity.

It is necessary to settle in areas that are required for the protection of a Jewish
majority in Greater Jerusalem and along the ridges that dominate the coastal plain. Also between Jerusalem and the north of the Dead Sea, in the space between Wadi Kelt and the Kidron stream, more communities will be established. Ma'ale Adumim will be expanded in this fashion. If I take Jerusalem, the place most appropriate for the "build your own house" program is from Ma'ale Adumim eastward. But settlement will be primarily the expansion of existing communities.

Q: How many settlers will there be after four years of a Likud government?
Sharon: Kiryat Sefer will be transformed into a big city of 10,000 dwelling units: Ma'ale Adumim can reach 200,000 people in the future. If there are today 5,000 people in Emmanuel, there is no problem to see a future population of 15,000. There is enough room for everyone, without confiscating more land. Without difficulty it is possible to settle in Judea and Samaria one-half million Jews, but this will take more than four years.

RENEWED PALESTINIAN PROTEST ON SETTLEMENT ACTIVITY

From Settlement Report, September 1996.

The deterioration in relations between Israel and the Palestinian Authority (PA) has led to increasingly vocal Palestinian attacks on the Netanyahu government's settlement policies.

PA Chairman Arafat described the changes in settlement policy announced by Israel on 2 August as "the most dangerous" threat the Palestinians are encountering: "No one is going to confront settlement before we do. Settlement is a flagrant violation of the agreement. This is a conspiracy not only against us, but against peace. The most important thing is to confront this demon that swallows up everything, including the peace process."

"One more settlement here or there will not improve the security of Israel," said Saeb Erekat, PA minister of local government and head of the Palestinian delegation to the talks on final status. Erekat accused Israel of creating a "Little Bosnia" in the West Bank through its settlement policy. "Israel," he explained, "must understand that peace and settlement do not go together."

The escalation in Palestinian rhetoric toward settlement has been accompanied by continuing clashes in scattered villages throughout the West Bank and Gaza Strip between Palestinians and Israelis over land-taking. On 19 July, for example, 200 Palestinians protested the seizure and fencing off of 400 dunums of agricultural land by settlers from Shilo and Shvat Rachel. The 10,000 residents of the village of Sammu near Hebron were placed under extended curfew after residents destroyed machinery being used to build a bypass road. Residents oppose the confiscation of their agricultural land for the road, and they also fear that the road will endanger their access to thousands of dunums of agricultural lands located between the new road and the Green Line.

In an August letter to Egyptian President Husni Mubarak, Arafat warned that the "explosion between Palestinian landowners and settlers is approaching as a result of the Israeli government's support for expanding settlements. Indeed, popular protests throughout the West Bank have often accompanied the creation of the extensive system of roads connecting settlements. These roads were approved by the PA as part of the Oslo II agreement signed last year.

Palestinians have long maintained that settlement expansion is prohibited by Article 31 of the Oslo II agreement, which notes that the "integrity and status" of the West Bank and Gaza Strip are to be maintained during the interim period, scheduled to last until 1999, and prohibits each party from "initiating or taking any step that will change the status" of the occupied territories during this period. Israel rejects the applicability of these clauses to settlement.

During the Labor era Palestinian concerns about settlements were muted, and the PA's agreement to Israeli demands such as the bypass roads facilitated settlement expansion. But recently, Arafat described Israel's 12 August decision to place mobile homes in West Bank settlements as "a new breaching of what had been agreed upon and what had been signed."

"We see how these mobile homes become permanent," said Hanan Ashrawi, PA Minister of Higher Education. "You cannot say you are part of a peace process based on land for peace and continue to confiscate land. Violations which lead to settlement expansion and land confiscation," she charged, "undermine the foundations of the Oslo process." Ashrawi also criticized the United States for not opposing Netanyahu's policy: "When Netanyahu speaks of the settlements and expanding them, no U.S. official sought to emphasize that settlements are
illegal and unlawful and run counter to the peace process."

Meanwhile, Hamas issued a communiqué on 15 August calling for an uprising against settlements. Dr. Mahmoud Zahhar, Hamas leader in the Gaza Strip and the key speaker at a rally called to oppose settlements, suggested a number of anti-settlement actions, including scattering nails on roads frequented by settlers, staging sit-ins to block roads to settlements, and installing loudspeakers to disrupt settler life.

At the first meeting of the joint steering committee overseeing the implementation of the Oslo accords, PA representative Jamil Tanfi declared, "Israel now speaks of 'no peace without security' so we are adding that there will be no peace with settlements." Ashrawi also condemned the 28 August approval of the construction of more than 3,500 new settlement dwellings. "These are the real actions. We are not interested in statements of appeasement and promises in the air. . . . The real proof is in this decision to build thousands more housing units, to confiscate more land, to expand settlements and settlement activities."

But the surge in Palestinian attention to settlement policy decisions by the Netanyahu government during the summer owes less to the changes that these decisions signal in Israeli settlement policy than to the general deterioration in the atmosphere of Israeli-Palestinian affairs that followed in the immediate wake of Netanyahu's victory. Announcements regarding settlement expansion are now occurring in an atmosphere characterized by diplomatic stalemate and the new Israeli government's principled opposition to the Palestinians' central objective—the creation of a Palestinian state with Jerusalem as its capital. At a meeting of the Likud central committee on 5 September, Netanyahu vowed that "There never will be a Palestinian state between the [Mediterranean] Sea and the [Jordan] River."

In contrast, while settlement expansion policies during the Labor era were the source of never ending Palestinian frustration, Palestinian leaders became reconciled to them as a necessary cost of the negotiating process. In the current atmosphere of crisis, similar policies are now viewed in a more critical light.

THE GOLAN HEIGHTS

BUILDING QUIETLY

From Settlement Report, September 1996.

"Quietly, quietly," begins a 13 August article in Yediot Aharanot, "without media scrutiny, 130 families have moved to the Golan Heights in the last three months. Thirty more families will have moved before the end of August. Why, of all times, now?"

Today there are 14,000 Israelis living in thirty-two settlements established in the wake of Israel's 1967 capture of the Golan Heights. Yehuda Wallman, head of the Golan regional council, estimates that this number will increase by 1,000 during the next year.

These newcomers will purchase apartments built under the Rabin-Peres government. Two thousand dwelling units are in various stages of construction. Completion of some were frozen by previous governments. Others were rented to army officers stationed in the area. A few sat empty because of the lack of demand that resulted from the uncertainty created by Israeli-Syrian negotiations over the Golan's future.

This picture was already changing in the months before the elections. Following the collapse of negotiations with Syria in February, Prime Minister Peres ordered the sale of many of these apartments and made building plots available for private construction. By that time, the last of 700 units built during the last three years at Qatrin, the largest Golan settlement, had already been sold. Qatrin's population had grown by 50 percent during this period, from 4,000 to 6,000. A full twenty percent of the town residents arrived in the last year. Planning and site work for 1,000 additional units was launched. One hundred fifteen new units for the Elad settlement were approved in April. And in May, the Golan Regional Council began a drive to sell 250 units scattered throughout the thirty-two settlements on the Heights.

"Demand has increased tremendously," explained Uri Meir, head of the Company for Golan Development, two months before Peres's defeat, "and every free apartment is being snapped up." The election of Prime Minister Benjamin Netanyahu has only increased the momentum.

"It is clear to us that Netanyahu has frozen the matter of peace with Syria, at least as it concerns evacuation of the Golan Heights, so there is no reason not to live here," explained Anat Shapira, who recently
moved with her husband from the posh Tel Aviv suburb of Herzliya. "We've worked hard all our lives. Now we rented our house and bought a house in Qatzrin at a ridiculous price: half a dunum for $55,000. Here you have quality of life, here the air is terrific, so why not populate the Golan?"

Even while it was raising the possibility of withdrawal from the Golan, the Rabin-Peres government compiled an unchallenged record investing millions there, building and selling hundreds of dwelling units but spending funds principally on development projects in tourism, industry, and agriculture. The government invested in the Golan as if there were no Asad and conducted negotiations as if there were no investments.

During 1995, the government invested $30 million in infrastructural development alone. The budget for 1996 totals almost $50 million. Investment in tourism projects will total more than $2 million in 1996. Income from industry, tourism, and agriculture in the Golan, according to the Company for Golan Development, grew from $300 million in 1994 to $360 million in 1995. One of the most prominent projects now underway is a $130-million tourism and hotel project at Hamat Gader (El Hama) claimed by both Syria and the Palestinian Authority. Other noteworthy projects include a deal between McDonald's and the kibbutz Merom Golan to grow potatoes for the company's French fries on 300 dunums and a $4.5-million dairy, the largest in the Middle East, at the settlement of Ortal.

Netanyahu's election has changed the context in which Israelis evaluate the prospects of living on the Golan. Since his victory, housing prices have appreciated by 50 percent in some settlements. The 9 July decision of the U.S. company Office Depot to pull out of a manufacturing joint venture on the Golan Heights because of the territory's uncertain future is the exception rather the rule.

"Today the future seems a bit brighter than in the past," explained Wallman, "and so many families from different areas of the country are moving north. Housing prices are comfortable, with mortgages amounting to 85 percent of the property value, so you are speaking about a good deal."

At meetings with Golan settlers, Netanyahu reiterated his commitment to increase Qatzrin's population to 15,000 during his tenure. He also announced his approval of their "Golan 2000" plan, presented to him before the election. The plan calls for a $202-million public sector investment in infrastructure, and new housing construction in ten settlements aimed at increasing the plateau's Israeli population by 10,000 during the next four years.

"We will work to strengthen settlement," said Netanyahu. "We will expedite the development of roads and invest in infrastructure, in order to produce suitable conditions for investors to invest on the Golan."

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**U.S. POLICY STATEMENTS ON SETTLEMENTS**

**DEPARTMENT OF STATE DAILY BRIEFING, 9 MAY 1996**

*Q: Did you happen to notice the Likud people are speaking now of reviving settlement activity if they should win? I wonder if the State Department has an opinion on that subject?*

*State Department Spokesman Nicholas Burns: ... We're aware of the comments made during the campaign. In the past, settlement activity has created a great deal of tension and it has been a complicating factor...*
in the Middle East, and in relations between Israel and the Palestinians and others. We certainly believe that to be true. I think its also true that Israel and the Palestinians have decided to resolve this question, if they can, in the context of the final status talks which began last Sunday at Taba. So it's up to them now to resolve that problem, but it has been a matter of tension and complication in the past, certainly.

Q: Well, at present, is it the U.S. view that that would have a negative effect if there were further settlements? Would that have a negative effect? Let's look at a U.S. viewpoint from the secretary's hopes of broadening the peace accords.

Mr. Burns: What I'd like to avoid is commenting directly on what Mr. Netanyahu has said in the course of their campaign there, because if I answered your question, I'd be doing that. So I'd rather just take the step back that I did, Barry, and just say that our position is, it has been complicating and it has produced tension—it being the matter of settlements. I think that's clear for all to see.

SECRETARY OF STATE WARREN CHRISTOPHER ON "FACE THE NATION," 2 JUNE 1996

Q: I take it that we oppose settlements on the West Bank. Is that still U.S. policy?

Secretary Christopher: I think we'll have to adapt our policy to the current situation. That was our policy. There's been no change in that policy. But I would want to keep open the situation of adapting our policy to the situation as it develops, as this new administration forms its government and begins to develop its own policies.

Q: Well, that's interesting, Mr. Secretary. How might we adapt our policy? Traditionally, it's been that settlements are an obstacle to peace; that under the loan guarantee agreement, as I understand it, Israel undertook commitments not to build settlements outside the Jerusalem area—new settlements. How might it be adapted?

Secretary Christopher: I'm not going to go any further than I've gone. I simply made what I regard as a prudent comment. I told you we're not going to change the policy that we made. At the same time, circumstances do change, and we'll move into dealing with this new Israeli administration wanting to have a good arrangement with them—wanting to have the same kind of close arrangement, close discussion, trust and confidence that we had with the prior administration. So I don't want to take any adamantly positions here as they begin to form their government.

HEARING OF THE HOUSE INTERNATIONAL RELATIONS COMMITTEE, 12 JUNE 1996

Chairman: Rep. Benjamin Gilman (R-NY)
Witness: Assistant Secretary of State for Near Eastern Affairs Robert Pelletreau

Rep. James Moran, Jr. (D-VA): We have substantial leverage with Israel. . . It seems to me that we have some responsibility to use our leverage in furtherance of a peace in the Middle East because that is in our national direct interest. Now, we've read stories in the Washington Post about Arab families who have lived for generations in their home being displaced so that Jewish citizens could take over their home. That was just this week. We've seen renewed or—or actually, I should say—expanded settlements in the administered territories in the West Bank. We have seen a total intransigence at least from a rhetorical standpoint in terms of even letting the status of Jerusalem be on the table in the peace process. We agreed that it would be a matter to be decided as part of the peace process. . .

The Israeli government in Oslo agreed: one, to redeploy troops in Hebron and still-to-be-determined areas of Zone C; to release security prisoners; and to create a land passage between Gaza and the West Bank. We were in agreement with that. There was never any indication that we were not fully supportive of that agreement on the part of the Israeli government. . . Would we object if those troops were not redeployed from Hebron?

Mr. Pelletreau: We would expect that the discussions which will take place between the new government and the Palestinian Authority would be discussions about implementation of existing agreements as well as how they go ahead, and would hope and expect that the two sides would continue to work together to implement the agreements that have been reached.

Rep. Moran: . . . Is there any point of difference between U.S. policy and the announced policy on the part of Prime Minister Netanyahu with regard to the peace process? Is there any point of disagreement?

Mr. Pelletreau: Let me say that U.S. policies and U.S. support for the peace process have not changed, and the new Israeli government has not yet developed its policies. What you have out there are some campaign
statements, but the new Israeli government is in the process of negotiating through a process of give and take between those parties that are going to eventually be represented and be party in the government. And when that policy is formulated and we’ve had a chance to consult on it, we will.

.......

Rep. Lee Hamilton (D-IN): Mr. Secretary, our policy with respect to the settlements has been in the past, as I recall, that we thought that increasing or strengthening the settlements was an obstacle to peace, if I recall the phrase, or unhelpful. Is that still our policy today?

Mr. Pelletreau: Our policy has not changed, Mr. Chairman—

Rep. Hamilton: All right. . . . And if you find settlement activity increasing, what would be the effect of that with respect to current U.S. law, Section 226-D of the Foreign Assistance Act? That’s the complicated section you may recall that requires a reduction in the loan guarantees for money Israel spends on settlements. That’s in the law today—

Mr. Pelletreau: Absolutely, and we would expect that amounts spent on settlements would be deducted from loan guarantees.

Press Conference of President Clinton and Egyptian President Mubarak, 30 July 1996

Q: My question is for President Clinton. It was reported yesterday that the Israeli government is considering lifting the ban on the settlement activity. So if this happened, what will be the U.S. position with regard to this issue?

President Clinton: Well, first of all, we haven’t changed our positions on any issues as a result of the election in Israel. Our positions are just what they were. So we haven’t changed. The settlement issue under the Oslo accords is a matter for determination between the parties as we move to the end of the negotiations. And we have encouraged everyone not to do anything which would weaken the chances of peace.

And so, again, we need to know exactly what it is they’re thinking about doing, because in the previous administrations, Prime Minister Rabin and Prime Minister Peres, the existing settlements expanded more or less with population growth in the state of Israel. And that was not considered to be a serious violation of the understandings that were existing at that time.

So before we—again, I say before I say anything I would need to know exactly what it is they intend to do. But my position on these issues is the same today as it was the day before the election in Israel. None of our positions have changed and they won’t change.