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United States Department of State

Washington, D.C. 20520

JUN 28 1989

Dear Mr. Chairman:

Thank you for your June 13 letter to the Secretary, to which I have been asked to reply. You had inquired whether our agreement with the government of Israel to lease property in Jerusalem had any implications for U.S. policy towards Jerusalem.

In the fall of 1988 Congress authorized new construction to replace the inadequate and unsafe facilities in which our personnel now work in Tel Aviv and Jerusalem. This was the basis for the negotiations which we conducted with the Government of Israel resulting in the agreement signed on January 18, 1989.

The January agreement, which was undertaken pursuant to an amendment to the State Department Authorization Act, provides for the lease of property in Jerusalem and ownership of a property in Tel Aviv for the construction of new U.S. diplomatic properties. We have identified a suitable site in Jerusalem. The property is located within the portion of the city administered by Israel prior to 1967. It was formerly used by the British Army as a barracks and, in more recent times, has been used by the Israeli police. We are still in the process of identifying a site in Tel Aviv. Under the terms of the agreement, no obligations with respect to the Jerusalem site become effective until a site is agreed in Tel Aviv.

We are aware of claims that the Islamic Trust (Waqf) holds an interest in a portion of the agreed site in Jerusalem. We have not been able to locate any record of, or support for, this claim during a thorough title search completed by us. The Government of Israel is obligated under its own domestic law to compensate any private claimants presenting valid pre-existing claims to interests in the property.

The Honorable

Lee H. Hamilton,
Chairman,

Subcommittee on Europe,
and the Middle East,
House of Representatives.

The agreement does not change our policy with respect to Jerusalem. The final status of the city should be resolved through negotiations, and the outcome of such negotiations should not be prejudged by the actions of any party. Jerusalem should remain undivided and there should be free access to the Holy Places.

The location of the U.S. embassy remains in Tel Aviv. We will address the issue of moving our embassy only in the context of a negotiated settlement of the status of the West Bank and Gaza.

I appreciate your having brought this concern to my attention. Please let me know if I can provide you with any further information.

Sincerely,

WM/3
Janet G. Mullins
Assistant Secretary
Legislative Affairs