REPORT ON

ISRAELI SETTLEMENT

IN THE OCCUPIED TERRITORIES

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BUSH AND BAKER ON SETTLEMENTS: NO BIGGER OBSTACLE TO PEACE

In testimony before the Foreign Operations Subcommittee of the House Appropriations Committee on May 22, U.S. Secretary of State James Baker offered his most comprehensive assessment of the barrier that Israel's settlement policy poses for Arab-Israeli peace. Highlights of the dialogue with Chairman David Obey follow:

OBEY: "... What specifically is U.S. policy with respect to settlements? Because my understanding is that this activity is in violation of U.S. policy...."

BAKER: "Mr. Chairman, every time I have gone to Israel in connection with the peace process, on each of my four trips I have been met with the announcement of new settlement activity. This does violate United States policy.... I don't think that there is any bigger obstacle to peace than the settlement activity that continues not only unabated but at an enhanced pace. And nothing has made my job of trying to find Arab and Palestinian partners for Israel more difficult than being greeted by a new settlement every time I arrive....

"I have about decided that we're not going to get any movement on settlement activity before we—at least before we have an active peace process going, and it's going to be just that much more difficult to get a peace process going if we can't get any action on settlement activity...."

When asked about Baker's criticism of Israel's settlement policy, President Bush told reporters, "Secretary Baker was speaking for this administration, and I strongly support what he said It would make a big contribution to peace if these settlements would stop. That's what the secretary was trying to say . . . and I'm one hundred percent for him."

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ISRAEL'S PLAN FOR THE FUTURE: 250,000 IN SETTLEMENTS BY 2010

While Secretary of State Baker seeks to arrange an Arab-Israeli rapprochement, a recently revised Israeli government planning document envisions a Jewish population of 250,000 in the West Bank and Gaza Strip by 2010. Today, the Jewish population of these areas is approximately 80,000.

"Part of the increase [to 250,000]," noted the daily *Ha'aretz*, "is based on immigration—in contrast to the official declarations that immigrants aren't going to the territories."

Israel's objectives for the occupied territories first appear in the form of often ponderous planning documents. The creation of scores of new settlements and the addition of tens of thousands of Jewish settlers was, for example, revealed as long ago as 1977 in the first "Master Plan" of the World Zionist Organization.

Seven Million Plan

The revised plan—"The Ordnance Plan for Population Dispersal in Israel"—was prepared by the Interior Ministry's planning administration, which is responsible for population forecasts. It is a legally binding document, used by regional and ministerial authorities to guide long-term planning and development strategies. Originally completed in 1985, it estimated that Israel's population (including the entire population of Israel and annexed Jerusalem, but only the Jewish population of the occupied territories) would reach 7 million by 2020. As a consequence of an anticipated Soviet immigration of 1 million, Israel's population is now expected to reach this plateau by 2010.

According to this "Seven Million Plan," the Golan Heights settlement of Katzrin will expand to a population of 30,000 from its current population of 3,500. The Israeli population of the entire Golan is expected to increase from 11,000 today to 55,000 in 20 years.

PLANNING, continued on page 7

TO OUR READERS

ARAB-ISRAELI PEACE: THE CONGRESS SHOULD BACK PRESIDENT BUSH

The U.S. Congress would do much to advance prospects for Arab-Israeli and Israeli-Palestinian peace by supporting the view of Presidents Ford, Carter, Reagan, and Bush that Israeli settlement of lands conquered in the 1967 war is an obstacle to peace. That is also a position supported by unanimous UN Security Council resolutions and world opinion.

The United States generously provides Israel with more than \$3,000,000,000 of aid a year, but the Congress refuses to attach any meaningful restraints on Israel's expenditures for a settlement program that contravenes U.S. policy. Though the program is estimated to cost as much as \$500,000,000 annually, the Congress is even unwilling to ask that Israel furnish the United States with relevant data on settlement expenditures.

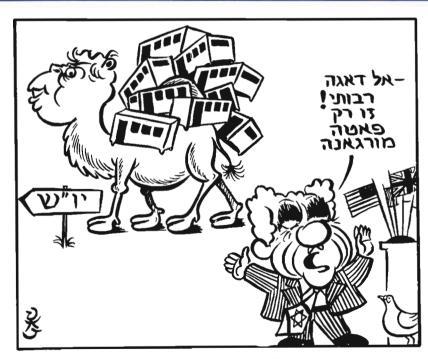
Opinion polls show that most American Jews oppose Israel's settlement policy and that a majority of Israelis favor a

return of the territories. Israelis and supporters of Israel are also concerned that Israel's settlement policy may well prejudice Israel's ability to obtain additional financial support from the United States for housing Soviet immigrants.

The United States has just fought a major war to bring peace and stability to the Middle East. President Bush and Secretary of State Baker are asking Israel to respect international opinion, abandon its dream of a Greater Israel, and address instead its true security needs. Thoughtful Israelis are convinced that Israel's reluctance to address the possibilities of peace will lead to a renewed arms race and eventually another war with heavy casualties. Can it be that Prime Minister Shamir is putting his ideological commitment of never yielding even "one inch" of the West Bank ahead of Israel's yearning for security and peace?

By encouraging the president in his efforts toward peace, the Congress can demonstrate effectively its own support for Israel.

Merle Thorpe, Jr.



"Don't worry friends. It's only a mirage." Ha'aretz, April 15, 1991

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FROM THE ISRAELI PRESS

"Violent Peace Activists"

By Galia Golan

Peace Now and over 50 percent of Israel's population regard the settlements as obstacles to peace. One wonders why caravans were recently brought to Revava and the new settlement two and a half kilometers from Talmon under cover of darkness and in strictest secrecy—with settlers physically attacking a television cameraman and attempting to steal his camera—if indeed the public legitimacy of these new settlements is so clear.

Furthermore, the chairman of the settlement department of the Jewish Agency has even charged Gush Emunim's Amana with stealing a prefabricated WZO [World Zionist Organization] building or painting a WZO sign on it so as to "implicate the WZO in this illegal settlement" (Jerusalem Post, April 26, 1991) claimed by the settlers to be an addition to Talmon.

The issue of violence during the Peace Now protest at Talmon B is presently being investigated by the IDF [Israel Defense Forces] and the police, in response to a complaint lodged by Peace Now regarding the hitting, by settlers, of an IDF officer and soldier, a Peace Now protester and a television cameraman, in addition to the breaking of equipment by the settlers.

The only violence to take place was perpetrated by the settlers themselves.... Indeed, when Peace Now people went to Revava, the Army opened the area to them, presumably in full knowledge that Peace Now had no intention of physically interfering with the work there, but intended rather to express its opposition by peaceful

Settlements and the settlers have been a burden to Israel's security and to the army.

protest.... The Army's concerns have long been over the behavior not of Peace Now protesters but, rather, over the violence of the settlers.

The goal of Peace Now in going to these two new settlements was to bring to the Israeli public a genuine account of what is being invested in these ventures, endangering our national goals of *aliya*, economic growth and employment.

Galia Golan is chairman of the Department of Political Science at the Hebrew University of Jerusalem and spokesperson for Peace Now. This article appeared in the *Jerusalem Post*, April 30, 1991.

In one year alone, \$650,000,000 was appropriated by the government for settlements in the territories; some 20 percent of the Housing Ministry's budget was allocated for the 2 percent of Israel's population living in the territories.

Not only does this misuse of scarce national resources divert needed funds from the acute housing shortage in Israel and from the economic problems of new immigrants

Settlements render territorial compromise virtually impossible.

and veteran Israelis alike, it also jeopardizes the chances for reaching a peace agreement with the Arabs, including the Palestinians. But, of course, this is just what these settlements were designed to do.

They have not been established to provide security. If that were the case, one might have expected the IDF to request and encourage the creation of settlements.

In fact, the settlements—and the settlers—have been a burden to Israel's security and to the army, which has often had to control the settlers, coming into direct confrontation with them.

Rather, the purpose of the settlements has been to place as large a Jewish population as possible close to and in Arab populated areas so as to render separation, that is, territorial compromise, virtually impossible.

By providing sorely needed, high-quality housing and enormous benefits and subsidies, the Housing Ministry has attracted people to the territories—people who come not for ideological or security reasons, but out of economic necessity or interest.

Thus, a constituency was to be created which would make territorial compromise politically as well as geographically impossible, thereby fulfilling the Revisionist goal of Greater Israel....

Indeed it would be a good idea for the government to freeze settlement activity at least for the period of negotiations, as well as during the effort to initiate negotiations. This would serve to alleviate some of the pressure on Israel—to enable Jerusalem to bring pressure itself on the Arab states, for example, to end the economic boycott of Israel.

A freeze would also demonstrate the genuineness of Prime Minister Shamir's proclaimed intention of seeking a solution to the Arab-Israeli and Israeli-Palestinian conflict. Continuation of settlement activity is, in fact, the setting of a precondition by the Shamir government for any negotiations.

If one is dedicated to the ideology of Greater Israel, this can be justified; but if one is honestly interested in a peace agreement and genuinely interested in Israel's security, this is the wrong path. •

GOLAN HEIGHTS: A BRIEF HISTORY

The key to the Israeli-Syrian stalemate is Israel's continuing occupation of the Golan Heights, a volcanic plateau overlooking Israel's Galillee region.

Israeli settlement on the Heights has attracted less attention than the colonization of the West Bank during the last 25 years. The absence of any Israeli-Syrian diplomacy since 1973, the Golan's small native Druze population, its distance from media centers in Jerusalem and Tel Aviv, and, since the ascendancy of the Likud in 1977, Israel's concentration on settling the West Bank—all these factors pushed the Golan far from the headlines. Now, with postwar hints of negotiations between Damascus and Jerusalem, the spotlight is being turned toward the contested area.

The first Israeli settlement in occupied territory— Merom Hagolan—was established in the Golan on July 15, 1967, little more than one month after the end of the June 1967 war. The settlement, the first of four established before 1968, belongs to a Labor-affiliated kibbutz movement.

In Israeli eyes, the Golan Heights presented an alluring opportunity for colonization.

Like the Jordan Valley, the Golan had been depopulated by the 1967 war. Only four Druze villages—with 10,000 inhabitants—in the region's northeast corner remained from a prewar population of 100,000.

Israelis across the political spectrum supported the Golan's geostrategic value. It provided strategic depth for Israel's interior as well as securing a direct route to Damascus, barely 50 miles distant.

In the Golan, as elsewhere, military security according to Israel's model required civilian Jewish settlement. A November 1967 settlement proposal called for the creation of 20 agricultural villages in the northern and southern sectors of the Golan with a population of 7,000 by 1982. A more grandiose plan, published in 1969, projected a Jewish population of 45,000-50,000 within 10 years.

By 1969, 11 outposts, all cooperative settlements associated with factions in the ruling Labor coalition, had been established with a population of 300.

Within the ranks of Israel's political establishment, doubts about the wisdom of "creating facts" in the Golan were overcome by the desire not to be left out of the postwar pioneering era. In the early 1970s, the leftwing Mapam Party voted to join the settlement drive in the Golan.

"The vast majority of party members," noted the party daily, *Al Hamishmar*, "are not prepared to relinquish their part in settling the Golan."

Syria's attack in October 1973 forced the immediate and total evacuation of all Golan settlements, whose population had increased to almost 2,000. Despite this experience, settlements continued to be seen as central and inextricable elements of Israeli security.

"The lesson we learned from the war," noted Labor

minister Yigal Allon, "was that every single settlement should be fortified as if it were a military fortress."

On his first visit as prime minister to the Golan Heights in 1974, Yitzhak Rabin guaranteed settlers that "Israeli governments have not established permanent settlements in the Golan Heights in order to evacuate them or to let them exist in a non-Jewish state. If anyone has any doubts about that he should stop worrying."

Despite such reassuring rhetoric, settlement in the Golan languished until 1976, when hopes for a second Israeli-Syrian disengagement agreement faded and the political initiative was secured by settlement activists.

A plan for the establishment of an urban center—the settlement of Katzrin—was formulated in January 1976. It called for the creation of a town of 20,000 living in 5,000 residential units, complete with commercial and industrial enterprises.

When Labor was ousted in 1977, it bequeathed to the Likud a settlement system in the Golan second only to that in East Jerusalem. Katzrin was populated by its first 500 settlers, which raised the region's total to almost 4,000. By 1979 the momentum established by Labor had produced 28 settlements with a population of 4,300.

The Likud government's "Fundamental Guidelines" promised that "Israel will not descend from the Golan Heights, nor will it remove any [Jewish] settlement established there. It is the government that will decide on the appropriate timing for the imposition of Israeli law, jurisdiction, and administration on the Golan Heights."

Despite such rhetoric, Israel's agreement to return the Sinai to Egypt raised concerns among Golan settlers that a rapprochement with Syria along similar lines would be next. Like Sinai, the Golan held no compelling religious or national-historical attraction. And like the Sinai settlements, those in the Golan were largely the creation of the opposition Labor movement. In contrast, the Likud's efforts to build a constituency rooted in the land were focused on the West Bank.

Minister of Agriculture Ariel Sharon sought to dispel settler fears. "We will never leave the Golan for any price," he told Golan settlers in April 1979, "not even for peace with Syria."

The Knesset's formal annexation of the Golan Heights in December 1981 marked another signpost in Likud's rhetorical support for permanent Israeli rule in the Golan, but under its stewardship, settlement continued to lag. The Jewish population has increased to 11,000 compared to 225,000 in the West Bank and East Jerusalem. And in the last 12 years, only two new settlements have been established.

"Israeli settlement on the Golan isn't such a brilliant success story," writes Labor Party activist Susan Hattis Rolef in the *Jerusalem Post*. "After 24 years of Israeli settlement, the permanent population on the Heights is just over 10,000.... Economically speaking, all the Jewish

settlements on the Golan are in trouble and few can survive without massive financial assistance."

Recent U.S. diplomacy has raised the profile of Israel's settlement activities, causing Israelis across the political landscape to reaffirm their fealty to the Golan's annexation and to publicize accelerated settlement plans.

"The Golan Heights is not a subject for territorial negotiations," declared Prime Minister Yitzhak Shamir on March 18. "Resolution 242 has nothing to do with the Golan."

Former Prime Minister and Defense Minister Yitzhak Rabin concurred, noting that Israel "must not come down from the Golan Heights, even for peace."

On this point, Labor Party leader Shimon Peres is in agreement. Peres, repeating a tactic he employed during the post Camp David debate on withdrawal from Sinai, has warned Shamir against territorial concessions to Syria. At a March 18 meeting of the Knesset's Foreign Affairs and Defense Committee, Peres taunted the prime minister. "Don't worry," Peres charged, "[Despite your statements] you will return the Golan Heights."

"We will not return it, and neither will you, even if you want to," Shamir retorted.

"To those who are worrying," announced Minister of Housing Ariel Sharon at the same meeting, "we are not only talking but are taking practical steps."

"We are now in the process of building 1,200 housing units in the Golan Heights," noted Sharon on March 19, "and I hope next year we will build some 1,200 more. All this is to increase the [Jewish] population in the Golan from 11,000 today to 20,000."

Sharon's time frame may, as usual, be too optimistic. According to the "Seven Million Plan," prepared by the Interior Ministry's planning administration, it will take 20 years for the Golan settlement of Katzrin to expand to a population of 30,000 and for the Jewish population of the entire Golan to increase to 55,000.

Labor Party figures, whose Golan settlements will benefit from the increased budgets that accompany growth in population, have been silent on the issue. On the parliamentary left, MK Yosef Sarid (Citizens Rights Movement) has called on the government to stop "provocative building" in the Golan.

GOLAN FACTS

Area: 500 square miles

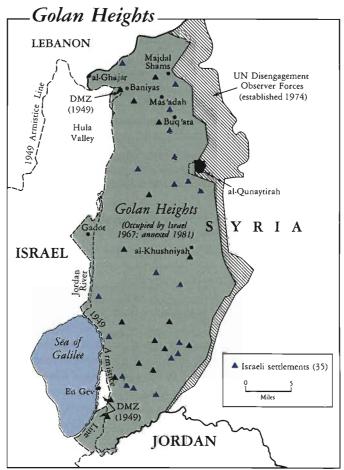
Population:

Pre-1967 war: 100,000 Syrians

July 1991: 16,000 Syrians, 11,000 Israelis

Number of Jewish Settlements: 35





PALESTINIANS TELL BAKER THEIR SETTLEMENT FEARS

"It is self-evident," declared a memorandum delivered to U.S. Secretary of State James Baker by a Palestinian delegation led by Faisal Husseini, "that Israel's process of confiscating land and expanding settlements is entirely incompatible with any attempts at starting a peace process."

The six-point memorandum, delivered to Baker on April 9, outlined Palestinian positions on a number of issues relating to the Baker mission. On the issue of Israeli settlement, the memorandum said,

"On your last visit, you indicated that you were seeking to promote a series of confidence-building measures to be taken by the government of Israel and by Palestinians as a way to establish a basis for negotiations for our future. I hardly need to review for you the Israeli response which has been to intensify the restrictions on Palestinians—which effectively translate into economic strangulation and the fragmentation of our society into Bantustan-like areas cut off from our capital, East Jerusalem—and to continue the policy of expulsions. The most serious response, however, which affects our very lives on our land, is the continuation of settlement expansion and the confiscation of Palestinian land.

"In the last year, an estimated 15,000 new settlers have moved into the Occupied Territories and every day brings an average of 50 new settlers. Already, the Jewish population in East Jerusalem equals the Arab population of 150,000, while the Jewish population in the rest of the Occupied Territories exceeds 100,000.

"The stated position of the Israeli Ministry of Housing that 'only' 10 percent of new housing starts are taking place in the Occupied Territories is disingenuous and disguises its true intent—to erase the 'Green Line' and to establish facts on the ground in order to sabotage a negotiated settlement.

"Since the beginning of the Gulf war, and the imposition of a blanket curfew of the Occupied Territories for six weeks, Palestinian villages have received notices declaring thousands of dunums 'state land' and ordering them to cease farming or face 'trespassing' charges.

"By the mid-1980s, Israel had already seized over 50 percent of the land base of the West Bank and Gaza for exclusive Jewish use, and every year since, confiscation orders are issued to another one-two percent of this land. The clearing of these lands for Jewish housing and road construction has also resulted in the uprooting of over 100,000 olive and other fruit-bearing trees. All this is happening in a period when thousands of workers dismissed from their jobs in Israel have returned to farming as their only source of subsistence.

"As precious time is wasted on lengthy discussions and

MORTGAGE SUBSIDIES FAVOR SETTLERS

The Israeli government is subsidizing mortgages for settlers in the West Bank to the tune of \$17,000 to \$25,000 per apartment. If 4,000 units are constructed in the occupied territories this year, the cost of this incentive program alone will be approximately \$85 million.

A report by opposition Knesset members Dedi Zucker and Haim Oron detailed the mortgage subsidies, which they claimed were enlarged by Ariel Sharon after he assumed the top housing ministry post in June 1990.

"This study clearly demonstrates the stark preference given by the state of Israel to mortgagees who choose to purchase a house in the settlements of Judea and Samaria," note the authors. "People with no money, whether young couples or new immigrants... would have to be stupid to lose tens of thousands of shekels," charged Zucker.

In March, the State Department issued its own study of Israel's expenditures in the territories (see *Report #3*), but it failed to include specific data about housing subsidies.

Mortgage subsidies favor settlers in the following ways:

■ Below market interest rate—100 percent of the mortgage amount available to settlers is subsidized below the market rate of 6 percent (usually 4-4.5 percent).

MORTGAGE, continued on page 8

requests for documentation on spending and building plans, our land is being pulled out from under our feet. The destruction of our farming land and the transfer of large numbers of Israeli civilians onto this land are creating almost insurmountable obstacles in the path of peace."

Husseini, at a press conference after the meeting with Baker, said that the Americans reiterated their opposition to Jewish settlement in the territories, but offered no promises that they would do anything concrete to put a stop to settlement activity.

At an April 17 meeting with Philip Wilcox, the US consul in Jerusalem, Palestinian leaders asked specifically if Jewish settlement would be halted with the beginning of anticipated negotiations.

According to minutes of the conversation published in a Lebanese daily, Wilcox responded,

"Although it's an important question, [Secretary of State Baker] can't promise you anything. He can't tell Israel the process would stop unless the settlement activities were halted.... If you make this a condition, there will be no process."

I AM FOR EFRAT

Efrat-A city of gardens developed in the Etzion Bloc, prepared for thousands of residents who want the good life. Hundreds of families are already living and enjoying the quiet, serenity and the views. The commercial center is open, public transportation is available, there is infrastructure for sophisticated industry, and the educational system is up and running. . . .

Soon the fast road to Jerusalem will open, shortening the trip to only 12 minutes. If you are looking for a place to live with a traditional atmosphere, a population of high standards, and homes that grow with the family, Efrat is exactly the place for you!

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For New Immigrants: From \$45,000 at 0% interest + \$8,700 at 4.5% interest

For Homeowners: From \$8,700 at 0% interest + \$19,000 at 4.5% interest

Or Avodot Inc. The company that built Efrat.



(This advertisement encouraging Israelis to settle in the occupied territories appeared in the Jerusalem weekly, Kol Ha'Ir, on March 29, 1991. Advertisements of this type appear regularly in the Israeli press.)

PLANNING, continued from page 1

Although the plan does not specify the increases in individual settlements, the Jerusalem Post reports that "a large percentage of Jewish West Bank residents would be living in the 'non-ideological' suburbs of Jerusalem like Ma'ale Adumim [current population 14,000], Pisgat Ze'ev [population 10,000], and Betar [population 1,800], where, the paper reports, the plan forecasts a population of 60,000 by the year 2000.

For Jerusalem—including areas annexed after the June 1967 war—the total population is expected to increase from 554,200 (1988) to 700,000 in 2010. During that time the city's Jewish population is forecast to expand from 400,000 (1988) to 510,000. The vast majority of these newcomers will reside in the annexed areas of the city.

Jerusalem's Arab population is projected to increase much more slowly—from 154,000 (1988) to 190,000 during the same period. As a consequence, the minority status of Jerusalem's Arab population will worsen-from 38 percent (1988) to 27 percent in 2010.

Minister of Construction and Housing Ariel Sharon believes that in order to preserve Jerusalem's Jewish majority, "Jerusalem's boundaries must be extended. It may not be possible to implement this immediately, but Jerusalem will have to be a city of 1 million for it to remain the eternal capital of the Jewish people."

Current plans provide only for Jerusalem's westward expansion. A report by the Jerusalem Institute for the Study of Israel, commissioned by the Jerusalem municipality and the city's development authority, suggests, however, the establishment of a greater metropolitan region, expanding eastward farther into the West Bank.

The report notes that "it is possible that instead of annexation providing the precondition for settlement, settlement will provide the precondition for annexation."

The expanded boundaries of the city, the report suggests, may someday extend as far north as the Arab village of Birzeit, as far south as the settlement of Efrat south of Bethlehem, and as far east as Ma'ale Adumim, where the planned addition of 8,000 units—1,000 of which are currently under construction—is already joining Ma'ale Adumim to Jerusalem.

The report projects that 33,000 to 54,000 housing units will be built in the city during the next decade, depending upon Jerusalem's popularity with Soviet immigrants. •

MORTGAGE, continued from page 6

- Mortgage size—Settlers are eligible for subsidized mortgages 50 percent larger than purchasers of (more expensive) housing in comparable areas in Israel, including Jerusalem. For example, settlers in Efrat, a fifteen-minute drive south of Jerusalem, receive \$20,000 more in subsidized housing loans than they would if they chose to live in Jerusalem. To gain the same subsidies that are available for Efrat in Israel, it would be necessary to purchase housing along the northern border with Lebanon or in a town like Yerucham in the Negev.
- Income exemption—In most West Bank settlements, unlike within Israel, all purchasers receive the same level of government assistance without reference to their income.
- New immigrants—"In publications of Efrat's local council," write Zucker and Oron, "it is stressed that new immigrants moving to Efrat benefit from special grants to new immigrants over and above regular assistance."
- Settlement classification—The Ministry of Housing rates all communities in Israeli and Jewish settlements in the occupied territories on a scale of A to C. A-rated communities receive the most generous government assistance and C-rated communities the

least. Of the 114 settlements in the West Bank, 81 are rated A, 25 are rated B, and 10 rated C. "In practice," Zucker and Oron note, citing evidence compiled by the state comptroller, "these distinctions don't exist in Judea and Samaria" because of various "specials" available to settlers such as interest free "local loans" provided by settlement councils.

In addition, in West Bank "community" settlements the Israeli government pays all infrastructure costs, which amount to \$15,000 per housing unit. Within Israel these costs are borne by purchasers.

"Arik Sharon and the government," concludes the report, "want to throw a curtain over a housing policy, particularly construction in Judea and Samaria, out of a desire to conceal it from the world at large and particularly from the Americans."

Results of Mortgage Survey

Settlement	Mortgage Amount	Interest-free Portion
Ali	\$62,000	\$47,000
Jerusalem	35,000	8,700
Efrat	54,000	37,000
Ariel	54,000	35,000
Yerucham (Israel)	54,000	37,000

MALEVOLENT SETTLEMENT

"Settlements intensify hostility, animosity, and hatred because they threaten the Arab residents, their land and their homes, their identity and their existence in this country.

"The settlements create suspicion and fears and aggravate the malevolence. If anything can be learned from the Gulf War and the way we became involved in it, it is that Israel's future security depends not only on our military strength, but also on the degree to which we succeed in softening [Arab] animosity and hostility."

Danny Rubinstein in Ha'aretz, February 20, 1991.

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