

REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

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INCENTIVES FOR SETTLEMENT: OFFERS ISRAELIS CAN'T REFUSE

Generous tax breaks, low or no-interest mortgages, government-paid commercial and industrial infrastructure form key elements in Israel's settlement strategy. These state-financed subsidies and other incentives have encouraged approximately 90,000 Israelis to settle in the Golan Heights, Gaza Strip, and West Bank.

Settler subsidies:

Subsidized infrastructure. The government absorbs nearly two-thirds of the \$150,000 cost of establishing housing and associated infrastructure for a family of four in the occupied territories, although out-of-pocket expenses for individuals are considerably less.

Income tax rebates. Until 1978, settlers who lived and worked outside the boundaries of the state paid no Israeli income taxes. Today, all Israelis living in the territories receive a 7 percent reduction in such taxes.

Land discounts. Settlers who build their own homes are able to purchase a 49-year lease on lands distributed by the Israeli government for only 5 percent of assessed value.

Mortgage subsidies. Housing and mortgage subsidies are at the heart of the market-driven movement of Israelis across the Green Line. Government policies have created housing there that costs one-half to one-third as much as comparable accommodation in Israel.

Purchasers are offered no-interest mortgages unlinked to inflation, which in the hyper-inflationary 1980s turned these as well into grants; linked, no-interest mortgages; and low-interest mortgages.

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STATE DEPARTMENT REPORT INACCURATE AND MISLEADING

By Geoffrey Aronson

The U.S. State Department's March 19, 1991 report to Congress on Israeli settlements provides misleading and inconsistent counts, estimates, and assessments of activities in the occupied territories. It understates its own tally of Jewish population in the territories, undercounts the number of Soviet Jews settling in East Jerusalem, ignores other immigrants, and provides estimates for Israeli expenditures on settlement activity that fall far short of figures provided to the U.S. government. When it is accurate, the report simply reiterates information already in the public domain.

Where Report Falls Short

The report suggests that State is either not interested in providing detailed and accurate information to Congress or that State has been thwarted in its efforts to obtain information on settlement activity and Soviet housing plans promised by Israel last October.

The report grew out of last year's congressional debate on the provision of \$400 million in loan guarantees for housing construction for Soviet immigrants to Israel. Rep. David Obey (D-Wis) asked the State Department to provide a report to Congress on Israeli expenditures and housing policy in the occupied territories.

Shortcomings of State's report:

- The State Department's population figures are internally inconsistent. Although the report correctly states the total Jewish population in occupied territory at "over 200,000," the actual figure reached when its own figures for the West Bank, Golan Heights, Gaza Strip, and East Jerusalem are totaled is 225,000.
- The January 23, 1991 report by the Jerusalem municipality's Immigrant Absorption Project, *Immigrant*

State Department Report, continued on page 6

TO OUR READERS

For 23 years the nations of the world have repeatedly urged Israel to forego settling its people in the territories captured in the 1967 war. At times the appeal has taken the form of unanimous UN Security Council resolutions, at other times the judgment that settlements violate international law. The overriding belief has always been that settlements constitute an obstacle to the universal goal of peace between Israel and its Arab neighbors.

"We hold [the West Bank] as trustees only," Haim Cohen, President Emeritus of Israel's High Court of Justice, said a decade ago. "It is elementary that a trustee does not take for himself from the trust property."

The United States is generous in its aid to Israel. But because money is fungible, it has been difficult to insure that this aid is not spent in contravention of U.S. and international policy.

Israeli Foreign Minister David Levy advised U.S. Secretary of State James A. Baker III in October 1990 that Israel's policy is "not to direct or settle Soviet Jews" in the occupied territories and that "no special incentives exist to encourage

Soviet Jewish immigrants to settle" these territories.

It is a fact that no special incentives are offered to Soviet Jews to settle the territories, but that is beside the point. Myriad special incentives are offered to *any* Israeli to settle the territories. (See "Incentives for Settlement," p. 1.)

Last month's statement of Yossi Ahimeir, Prime Minister Yitzhak Shamir's top personal aide, illustrates the problem: "We build in the territories like we build in Tel Aviv. This has nothing to do with immigrants, and therefore it is not a violation of the Levy letter."

To critics' charges that Israel spent more than \$500,000,000 on settlements in the past 12 months, government spokesman Yossi Olmert responded, "What's the fuss?"

Without diminishing U.S. support for Israel, certainly a way can be found to impress on the Israeli leadership that U.S. assistance will not continue if Israel persists in pursuing a policy that the United States and other nations of the world so strongly oppose.



Merle Thorpe, Jr.

SHARON'S BLACK BOOK ON WEST BANK HOUSING

"The black book of Ariel Sharon" is how two members of the Knesset describe a Ministry of Housing plan to construct 24,300 housing units in seven settlements in the West Bank. Fifteen thousand of the units are already in the Housing Ministry budget currently under Knesset discussion, according to MKs Charlie Biton and Ali Ben Menachem.

The new housing will provide for the addition of 88,000 settlers in the territories, an increase of 100 percent in the number of Israelis living in the West Bank.

IDF Radio quotes the Ministry of Housing as saying "the figure of 24,000 . . . is totally groundless, and yet it did not

deny the fact that work is under way in Judea and Samaria. Ministry officials claim that the units are planned for veteran residents and follow the cabinet's policy."

Deputy Minister of Construction and Housing Abraham Ravitz told the Knesset that 2,000 units were built in the territories (excluding East Jerusalem) in 1990. The head of Efrat council says construction on more than 5,000 units in these areas will begin during 1991.

Doubling construction in the West Bank is similar to the pace planned for Jerusalem (see *Settlement Report* No. 1) and roughly approximates the plans outlined by MKs Dedi Zucker and Haim Oron in February 1991 and those described in a recent Housing Ministry internal report. ♦

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"Forced Residence"

Gershon Lokay grew up in a strong Labor Party household. As a university student in Jerusalem he was active in the Communist Party. During his years of study he refused to visit cousins living in the West Bank settlement of Ma'ale Adumim, a ten-minute drive from Jerusalem.

"I don't cross the Green Line," he said.

After marrying and fathering a child "Gershon Lokay, leftist, was faced with the facts of life: he wanted to keep his good job and guarantee a permanent home for his growing family. . . . In Ma'ale Adumim an apartment cost 15 percent less than a similar apartment in a new Jerusalem neighborhood; residents get a 7 percent income tax reduction, and the Broadcasting Authority provides its services and doesn't demand a fee

"The financial facts and his bank account swung the balance. Gershon Lokay bought a three room apartment for \$56,000 on easy terms

"All out of free choice of course. A democratic country wouldn't tell its citizens where to live; it only makes them offers they can't refuse. Thus, by offering benefits, whole groups of people are transformed into people without a choice.

"One has to be a fanatic or crazy to pass this up and go live in a border settlement [within Israel] or a protest tent."

Excerpted from
"Forced Residence,"
by Lili Galili,
Ha'aretz, July 13, 1990.

Incentives, from page 1

Housing grants. A single person purchasing an apartment in the territories receives a housing grant of almost \$10,000. A family of four receives a grant of \$19,000; a family of five, about \$20,000; a family of six about \$21,000. In the mid-1980s developers' advertisements touted that "you can get an apartment in the West Bank with no cash down."

Tax reductions. Purchase, capital gain, and land registry taxes, the latter amounting to 3 percent of an apartment's value, are not assessed on Israelis purchasing in the territories.

Subsidies to local government:

Grants for municipal services. State and local government services in the territories, from education to community centers, receive grants from the Ministry of Interior that are 30 to 50 percent higher than grants received by Israeli municipalities. Teacher-student ratios and local amenities are often better and more extensive than those found in much larger Israeli communities. Per capita government grants-in-aid are higher for regional councils in the territories than for those within Israel.

Government-funded development. Local councils form "development corporations," which receive capital investment from government and public authorities. These in turn bid, usually successfully, for contracts to provide local services—school busing, garbage collection, public construction.

World Zionist Organization. Grants for "community settlements" founded by the Gush Emunim settlement movement are made by the quasi-official WZO for infrastructure; temporary housing; personal budgets and establishment of "productive enterprises"—including beauty parlors, restaurants, and even the settler magazine *Nekuda*. In 1985, WZO per family expendi-

tures came to \$80,000 in the community settlements settled by Gush Emunim and \$165,000 in the agricultural settlements in the Jordan Valley.

Private sector subsidies:

Equipment grants. Israeli businesses locating to the territories are eligible for grants of up to 40 percent of the cost of the enterprise's equipment.

Tax reductions. A 7 percent employers' tax is not assessed; businesses are not required to insure Arab employees with the National Insurance Institute—a savings of up to 15 percent of total salary; Israeli-owned private companies incorporated in Arab towns in the occupied territories are taxed according to the less onerous Jordanian tax code.

Purchase guarantees. The government guarantees the purchase of units private contractors are unable to sell on the open market.

Land and construction grants. "[Government] Approved Investments" receive land and construction grants and below-market loans for capital equipment purchases. As a result of these measures, industrial space in the territories and specified areas in East Jerusalem costs only one-quarter to one-third as much as similar space within Israel. One square meter in the Atarot industrial park in East Jerusalem rents for \$2.50-\$3.00 while similar space in the city costs \$10. In October 1990 Minister of Housing and Construction Ariel Sharon exempted Israeli contractors from paying certain development costs for housing built in the territories, a subsidy amounting to approximately \$7,500 for a standard four-room unit. Sharon took the action to compensate for the fact that contractors working within Israel are eligible for cheaper, U.S.-guaranteed funding. "In this way," headlined the daily *Hadashot*, "we swindled the Americans." ♦

UN SECURITY COUNCIL RESOLUTIONS ON SETTLEMENTS

- *Resolution 242*, November 22, 1967, affirms that “the establishment of a just and lasting peace . . . should include . . . withdrawal of Israel armed forces from territories occupied in the recent conflict.” Vote: unanimous.
- *Resolution 252*, May 21, 1968, adopted in response to Knesset action extending Israeli law and jurisdiction over parts of the captured West Bank and Arab Jerusalem. The resolution calls on Israel “to rescind all measures to change the status of Jerusalem.” The resolution notes “that all legislative and administrative measures and actions taken by Israel, including expropriation of land . . . are invalid.” Vote: 13 to 0, 2 abstentions (Canada and the United States).
- *Resolution 267*, July 3, 1969, “censures in the strongest terms all measures taken to change the status of the City of Jerusalem.” It calls upon Israel “once more” to refrain from all measures “which may tend to change the status” of the city. Vote: unanimous.
- *Resolution 271*, September 15, 1969, reaffirms Resolutions 252 and 267 and “calls upon Israel scrupulously to observe the provisions of the Geneva Convention¹ and international law governing military occupation. . . .” Vote: 11 to 0, 4 abstentions (Colombia, Finland, Paraguay, and the United States).
- *Resolution 298*, September 25, 1971, “confirms in the clearest possible terms that all legislative and administrative actions taken by Israel to change the status of the City of Jerusalem, including expropriation of land and properties, transfer of population and legislation aimed at the incorporation of the occupied section, are totally invalid and cannot change that status. . . .” Vote: 14 to 0, 1 abstention (Syria).
- *Resolution 446*, March 22, 1979, “affirms once more” the applicability of the Geneva Convention “to the Arab territories occupied by Israel since 1967, including Jerusalem; determines that the policy and practices of Israel in establishing settlements . . . have no legal validity and constitute a serious obstacle to achieving a comprehensive, just, and lasting peace . . .”; and calls upon Israel “to rescind its previous measures and to desist from taking any action which would result in changing the legal status and geographical nature and materially affecting the demographic composition of the Arab territories occupied since 1967, including Jerusalem, and, in particular, not to transfer parts of its own population into the occupied Arab territories. . . .” Vote: 12 to 0, 3 abstentions (Norway, United Kingdom, and United States).
- *Resolution 452*, July 20, 1979, reaffirms that settlements “constitute a violation of the Geneva Convention relative to the Protection of Civilian Persons in Time of War” and “calls upon the Government and people of Israel to cease, on an urgent basis, the establishment, construction and planning of settlements. . . .” Vote: 14 to 0, 1 abstention (United States).
- *Resolution 465*, March 1, 1980, reaffirms the applicability of the Geneva Convention to the occupied territories, including Jerusalem; “deplore[s]” official Israeli support for settlement; “determines that all measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967 . . . have no legal validity and that Israel’s policy and practices of settling parts of its population and new immigrants in those territories constitute a flagrant violation of the Fourth Geneva Convention . . . and a serious obstruction to achieving a comprehensive, just, and lasting peace in the Middle East.” It “strongly deplores” pursuing these “policies and practices and calls upon the government and people of Israel to rescind those measures, to dismantle the existing settlements and in particular to cease, on an urgent basis, the establishment, construction, and planning of settlements . . . [and] calls upon all States not to provide Israel with any assistance to be used specifically in connexion with settlements in the occupied territories.” Vote: unanimous.
- *Resolution 476*, June 30, 1980, restates the unlawfulness of Israel’s annexation and transfer of its population to Jerusalem; reiterates that “such measures which have altered the geographic, demographic and historical character and status of the Holy City of Jerusalem are null and void and must be rescinded. . . .” Vote: 14 to 0, 1 abstention (United States).
- *Resolution 478*, August 20, 1980, “censures in the strongest terms the enactment by Israel of the ‘basic law’ on Jerusalem² and the refusal to comply with relevant Security Council resolutions; affirms that the basic law . . . constitutes a violation of international law and does not affect the continued application of the Geneva Convention . . . in the Palestinian and other Arab territories occupied since 1967, including Jerusalem”; and declares the recently enacted basic law “null and void.” Vote: 14 to 0, 1 abstention (United States).
- *Resolution 497*, December 17, 1981, declares Israel’s decision “to impose its laws, jurisdiction and administration in the occupied Syrian Golan Heights is null and void and without international legal effect”; demands that Israel annul the decision; and reaffirms the applicability of the Geneva Convention. Vote: unanimous. ♦

1. Article 49(6) of the Fourth Geneva Convention states that “the Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies.”

2. On July 30, 1980, the Knesset enacted the Jerusalem Law, formally reaffirming the “complete and united Jerusalem” to be the capital of Israel.

UPDATE: SOVIET JEWS CONTINUE TO SETTLE THE TERRITORIES

Of the 200,000 immigrants arriving in Israel in 1990, almost 93 percent were from the Soviet Union. More than 7,700 immigrants settled in annexed East Jerusalem last year. These new settlers comprise 6.5 percent of the total Jewish population of East Jerusalem.

The number of immigrants residing in East Jerusalem will increase as the lack of preferred housing on the coastal plain "pushes" newcomers to the capital city and as the construction of 15,000 housing units is completed. (See *Settlement Report* No. 1.)

The Jerusalem municipality has approved the establishment of 5,100 units of prefabricated housing for Soviet immigrants in the following East Jerusalem settlements:

Airplane Hill	2,000 units
Pisgat Ze'ev	2,000 units
Gilo	800 units
French Hill	300 units

Figures from a March 1, 1991 Ministry of Housing internal report reveal that approximately 17 percent of temporary and permanent housing units for Soviet immigrants are to be constructed in the West Bank, Gaza Strip, and Golan Heights. "The figures," notes a March 11, 1991 report in *Ha'aretz*, "clearly prove that a significant part of the [Housing] ministry's efforts are directed towards settling immigrants in the territories, a fact absolutely contradicting declarations of ministry officials."

Ministry of Housing and Construction Immigrant Building Administration Updated Report #21, March 1991

Type of Housing	Nationally ¹	Territories ²
Temporary Housing	11,368	974
Mobile Homes	5,009	1,248
Prefabricated Homes	23,872	3,680
Conventional Housing	7,553	2,296
Total	47,802	8,198

¹ Includes Israel *and* the occupied territories.
² Excludes East Jerusalem.

The Ministry of Housing has prepared a plan for the construction of 2,500 apartment units in the area between French Hill, in East Jerusalem, and in the West Bank settlement of Ma'ale Adumim, the first step in the creation of a territorial link between Ma'ale Adumim and Pisgat Ze'ev. Rather than ask the government to approve the establishment of a new settlement, "it seems that the municipal boundaries of Ma'ale Adumim will simply be expanded and the area [of new settlement] included in it,"

SHORT TAKES

"No country in the world is prepared to give up any part of its territory. I don't see why some people think Israel should act in a different way . . . We are not an exception."
—Yitzhak Shamir in *Le Figaro*, March 1, 1991, as translated by *Mid East Mirror*, March 1, 1991.

"War or no war—the Israeli government expands the settlements with unrelenting vigor."—Yehuda Litani, *Al Hamishmar*, February 21, 1991.

Prime Minister Shamir, reports *Ha'aretz*, assured U.S. Secretary of State Baker that Israel has no plans to construct 12,000 apartment units in the occupied territories as claimed by MKs Zucker and Oron. "But, in [parliamentary] heckling by Deputy Minister Geula Cohen and MKs Gerson Shefet and Yitzhak Levi, it was said that the building plan is even more massive."—*Ha'aretz*, March 5, 1991.

"We defeated the intifada by building and deeds."
—Ron Nachman, head of the Ariel local council, in Ma'ariv, January 1, 1991. ♦

writes *Kol Ha'ir* (December 28, 1990). Four thousand new units are already planned for the settlement, which currently has 3,000 apartments and private homes.

"It is clear enough," notes *Kol Ha'ir*, "that most of the buyers of these apartments will be new immigrants, but it's not so clear how this plan sits with the commitments given to the Americans not to send immigrants to the territories."

In 1990, 1,500 immigrants settled in Ariel, the most popular West Bank destination for Soviet immigrants. Soviet immigrants comprise 15 percent of Ariel's population of 10,000, the largest percentage of any Israeli community on either side of the Green Line. Current estimates put the total Soviet immigrant population in the West Bank at 2,500.

The Ministry of Housing and Construction has broken ground for the construction of 1,500 homes for immigrants in the Golan settlement of Katzrin and surrounding communal settlements. *Ha'aretz* reports that construction will be completed "within a very short time."

"To prove to the Syrians there is nothing to talk about," Minister of Housing and Construction Ariel Sharon announced plans for the construction of an additional 1,000 units at Katzrin on the eve of Secretary of State James Baker's early March arrival in Israel. ♦

Absorption—Statistical Report, notes that almost 7,000 Soviet immigrants settled in East Jerusalem during 1990, not 5,830 as reported by the State Department. (See this issue's update on Soviet immigration, p. 5.)

- The East Jerusalem count alone equals 4 percent of the total 1990 Soviet immigration of 185,000—the percentage the State Department cites for the territories as a whole. In fact, more than 5 percent of all Soviet immigrants settled across the Green Line in 1990 when the additional 3,000 Soviet settlers in the other occupied territories are factored in.
- The report acknowledges that “the published [Israeli] budget does not contain sufficient detail to identify all expenditures on settlements.” The State Department, after citing “identifiable” allocations of \$82.5 million for IFY 1990 and \$54.5 million for IFY 1991 (figures that exclude East Jerusalem and Golan Heights expenditures), fails both to make its own informed assessment of actual total expenditures and to note the estimates of Israeli experts and reports.

Members of Knesset Dedi Zucker and Haim Oron claimed in February 1991 that government expenditures for new housing and infrastructural construction alone would total \$500 million annually for the next three years. (See *Settlement Report #2*.) Former MK Mattityahu Peled has recently estimated the total annual settlement budget at \$500 million. The figure of \$500 million is, according to a March 27 *New York Times* report, “more than twice the amount of such spending the [Israeli] government estimated it had made in a report given to the United States early this year.” This information suggests that official estimates available to the State Department are in the range of \$250 million, more than four times the figure cited for IFY91. The report does not even mention budgetary estimates for expenditures made by private settler institutions, the kibbutz movements, and the quasi-official World Zionist Organization.

- Beyond simply noting categories of incentives available to settlers and Israeli enterprises, the report makes no attempt to estimate the cost of implementing this policy.
- The report incorrectly states that no incentives are available in East Jerusalem, where the industrial area of Atarot has been granted the status of an “A” development area. Israeli businesses locating there are eligible for the most generous benefits offered.
- The report ignores housing construction in East Jerusalem and the Golan Heights. A plan adopted by the Ministerial Immigration Committee in October 1990 outlines the construction of 15,000 housing units in East Jerusalem over a three-year period.
- The report underestimates the number of mobile

homes set up in the territories. An Israeli press report, citing U.S. consular sources, noted in December 1990 that 600 mobile homes were already in place. More recent Israeli press accounts give the current figure as 640. Subsequent plans outline the emplacement of hundreds more throughout the territories.

- The report dismisses as exaggerated recent housing plan estimates revealed by MKs Charlie Biton, Zucker, and others, without noting that the pace of construction—including that in the occupied territories—must be increased because of the anticipated influx of more than one million immigrants. Indeed, the decision to grant \$400 million in housing guarantees is premised on the assumption that a massive wave of new housing is required. In this context, it is not unreasonable to assume that there will be 7,000-10,000 housing starts in the occupied territories this year, not including the rapid installation of temporary housing such as mobile homes.

Report Excerpts

Here are highlights of the State Department's report, “Israeli Settlements in the Occupied Territories”:

Background. “The Bush Administration, like previous U.S. Administrations, opposes as an obstacle to peace Israeli settlements and settlement activities in the occupied territories (those territories captured by Israel in the June 1967 war).”

Current Status of Settlements. “. . . over 200,000” settlers live in 200 “settlement locales” in occupied territory—90,000 in the West Bank, 3,000 in the Gaza Strip, 12,000 in the Golan Heights, and 120,000 in East Jerusalem. Altogether they comprise approximately 13 percent of the territories' total population. Israel has exerted exclusive control over half of the land of the West Bank and a third of the Gaza Strip.

Soviet Immigrants. During 1990, 3,000 Soviet immigrants settled in the West Bank and Golan Heights—20 percent of the year's increase in settler population—while 5,830 settled in East Jerusalem. In sum, 4 percent of Soviet immigrants arriving in 1990 are residing in occupied territory.

Budget. “The budget is only a partial indicator of the Israeli government's investment in settlements. It does not include all expenditures for housing, roads, infrastructure, and various services in settlements which are paid out of accounts that are not specifically identified for settlement purposes. Since the published budget does not contain sufficient detail to identify all expenditures on settlements, the [report] represents only a partial estimate of budget support provided to and in support of settlements.

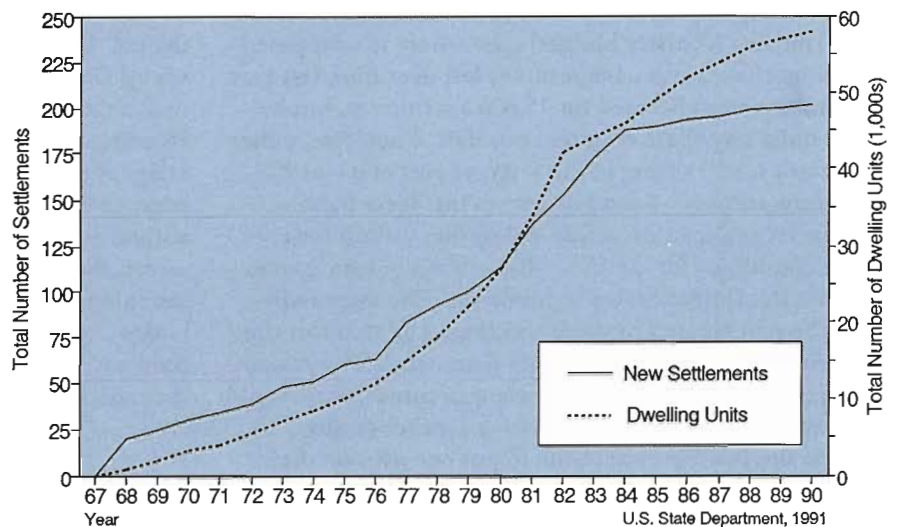
State Department Report, *continued on page 7*

In Israeli Fiscal Year (IFY) 1990, identifiable allocations for settlements equal \$82.5 million . . . Projected over twelve months, identifiable government expenditures on settlements would reach \$54.5 million in the coming year, but this assumes no subsequent budget supplementals or allocations to settlements from budget reserves as has happened in the past . . .

“The Ministries of Agriculture and Housing and the Water Commission cover the bulk of identifiable government funding for settlements in the occupied territories. Nevertheless, we believe there is additional funding which may be attributed to settlements both within these ministries and in others that cannot be identified from available Israeli budget documentation. Examples of such additional financial support are: housing expenditures in excess of those specifically identified for the occupied territories, land subsidies, schools and teacher salaries, support for religious training, police costs, mortgage subsidies, additional road construction costs, and infrastructure expenditures for paramilitary camps later converted to civilian settlements. Not all of these costs are additions to the budget because of settlements. For example, the government of Israel would fund education and religious training for its citizens regardless of their residence in Israel or in the territories.”

Incentives. “In addition to direct expenditures for settlements, the Israeli government offers a wide range of subsidies and financial incentives for Israelis residing in ‘development towns’ in Israel and settlements in the occupied territories. While such incentives are not limited to settlements, only some communities in Israel are eligible, whereas all settlements in the occupied territories are eligible, including those located within commuting distance of the major Israeli urban centers. These incentives include preferential mortgage treatment; loans, occupancy guarantees, and discounts on assessed land value for housing developers; funding of site preparation and links to municipal services; grants for equipment, subsidized infrastructure, and reduced taxes for industry; income tax reductions; and additional mortgage and grant benefits for ultra-orthodox communities. These benefits are not available, however, in annexed East Jerusalem (including those annexed portions that are located beyond the 1967 boundaries of the city). Hebrew language schools funded by the government of Israel have been established in eleven West Bank settlements; three such schools have also been established in East Jerusalem.”

Settlement Activity in the Israeli Occupied Territories



The occupied territories include East Jerusalem, West Bank, Gaza Strip, and Golan Heights. The sixteen Sinai settlements (1968–82) are excluded.

Housing Starts. With the exception of 1986, total housing starts in the territories (excluding East Jerusalem) have averaged 1,450 annually since 1985. (See chart below.) Estimates for IFY 1990 are “on the same order as recent years.” These figures exclude such temporary housing as mobile homes, which “because of the speed of their construction, could be a good indicator of population growth and of the rate of expansion of settlements.” From April through December 1990, 285 mobile homes were placed in the West Bank and Gaza Strip. The settlement of Ma’ale Adumim has more than 1,000 units under construction; in Ariel the figure is 1,400.

“There have been press announcements of plans for a significantly higher number of housing starts in the occupied territories. However, past experience shows that such plans are often not met and that housing starts tend to lag behind the goals of settlement supporters.”

Expansion vs. Establishment. “While the increase in the number of new settlements has fallen off substantially since 1984, the rate of construction of new housing units has remained fairly consistent. Focus has been on the expansion of existing settlements, particularly in expanded East Jerusalem and the West Bank . . . Population figures . . . appear to demonstrate that the expansion of Israeli presence in the occupied territories continues to grow at a faster rate than the number of new settlements would otherwise indicate.” ♦

FROM THE ISRAELI PRESS

“Screwing Up and Moving On”

“Assuming that all this money [\$4.5 billion in Israel’s FY91 Housing Ministry budget] goes where it’s supposed to, Sharon should still have reserves left over from last year. \$230 million was allocated for 45,000 apartments, but he didn’t build anywhere near that number. Therefore, either the money is still sitting in the kitty, or part of it—as the Americans suspect—found its way to the West Bank.

“Just recently, an American delegation visited Israel to fix the conditions for the U.S. \$400 million in loan guarantees that the United States is providing. The Israeli officials who participated in these meetings said that this time the Americans were much harsher than usual. The Americans said frankly that beyond these guarantees, they would try to make sure Israel didn’t receive another penny because the Israelis were trying to put one over on them.

“‘What do you think,’ they said to the Israelis, ‘that we’re stupid? That we don’t know about the thousand

mobile homes that are going to the [occupied] territories? That we don’t know you’re sending new immigrants there on the pretext of intensive Hebrew study courses, and that these courses have to be financed?’”

“Perhaps it’s just a coincidence that Sharon has taken on a new adviser. His name is Ya’acov Katz, none other than ol’ Katzy from Gush Emunim. It’s the same Katz that set up Channel 7 [the settler radio station], the same Katz that established the settlement of Bet El. He works in the Housing Ministry now, very close to the minister, for a salary of one shekel a year. And instructions have already been given to the ministry professionals that Katz has the authority to give orders. And everything is being done in secret, the ministry staffers say, as if it’s a conspiracy, and the things that are being done don’t always appear in the budget items. The Americans, as we’ve already learned time and again, aren’t stupid, they see and hear. One day, they too will present a bill.” ♦

Hadashot, December 28, 1990,
as translated in *Al-Fajr*, February 4, 1991.

BAKER: SETTLEMENT IS ANNEXATION

George Will: “Why shouldn’t [Israel] be allowed to settle [Soviet immigrants] there [the West Bank]?”

Secretary Baker: “. . . Why shouldn’t they settle in the Occupied Territories? Because that’s *de facto* annexation. That is changing the fact and circumstances on the ground in the absence of negotiation between the parties, which would be designed to solve this Arab-Israeli conflict in a peaceful way.”

Mr. Will: “But the absence of negotiation isn’t Israel’s fault.”

Secretary Baker: “Well, I’m not—I’m not placing the blame right now, George. Both sides have to agree to come together and negotiate this, but there really should not be *de facto* annexation by the building of settlements and the directing or diverting of immigrants to those areas.”

“This Week with David Brinkley”
ABC News, March 17, 1991.

Foundation for Middle East Peace
555 - 13th Street, N.W.
Suite 800
Washington, D.C. 20004-1109
Telephone: 202-637-6558
Fax: 202-637-5910