

REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

A Bimonthly Publication of the Foundation for Middle East Peace

Volume 20 Number 4

July-August 2010

MOVING BEYOND A SETTLEMENT FREEZE — THE OBAMA ADMINISTRATION LOOKS FOR A NEW COURSE

By *Geoffrey Aronson*

In their meeting on July 6, President Barack Obama and Israeli prime minister Benjamin Netanyahu presented a well-choreographed bit of political theatre aimed at highlighting the “excellent” personal and political relations between the two leaders and the countries they represent. Obama explained after their meeting that, “As Prime Minister Netanyahu indicated in his speech, the bond between the United States and Israel is unbreakable. It encompasses our national security interests, our strategic interests, but most importantly, the bond of two democracies who share a common set of values and whose people have grown closer and closer as time goes on.”

Both leaders were intent upon resetting a rocky relationship, characterized by their ongoing public disputes about settlement expansion. Instead they stressed close bilateral military, intelligence, and security cooperation.

In his June meeting with Palestinian Liberation Organization chairman Mahmoud Abbas, Obama also reaffirmed Washington’s commitment to “a two-state solution in the Middle East in which we have an Israel that is secure and fully accepted by its neighbors, and a Palestinian people that have their own state, self-determination, and the ability to chart their own destiny.” Yet the president, in contrast to the optimism he exuded at the recent meeting with Netanyahu, did not conceal his continu-

The wave of building in Judea and Samaria has never been higher. Thousands of units are being built in every location. I was never a fan of the freeze. No one in the cabinet was. [The freeze] was a mistake. It is impossible to take people and freeze them. This is not a solution. The government remains committed to renew a wave of construction this coming September. In any event, I know that as far as I am concerned, there is no freeze.

Minister of Construction Yisrael Katz, *Ma’ariv*, May 7, 2010

ing frustration with the pace of diplomacy, describing the state of affairs as a “dead end.”

The call for an end to settlement expansion has been at the heart of this policy. But the qualified 10 month settlement moratorium, declared in late November 2009 after months of U.S. effort, has had no effect on the ground or in convincing Palestinians and the rest of the international community of Netanyahu’s good intentions. Indeed Israel’s government has invoked the moratorium as a reason *not* to comply with both domestic legal and international obligations in the Road Map to dismantle unauthorized settlements.

In a recent reply to petitioners demanding enforcement of prior court decisions calling for the dismantling of

the settlement of Amona, for example, the state prosecutor’s office offered an explanation for its inaction that was described by *Ha’aretz* correspondent Akiva Eldar as “the line that will go down in the ‘chutzpah’ record books: The prosecution asks to reject the demand to evacuate the illegal settlement since diverting the limited means of enforcement to old illegal construction ‘is not high on the respondents’ agenda.’ And why not? ‘Means of enforcement’ are needed to implement the temporary building freeze in the settlements. In other words, the government’s decision in the matter of the temporary moratorium on construction in the settlements has become the illegal settlements’ insurance policy.”

Administration officials, notwithstanding Obama’s own public dissatisfaction, have adopted a more optimistic view. In briefings before the Netanyahu visit, they explained that the moratorium has accomplished its objective—now defined as readying the parties for direct talks that Israel has long demanded.

“The settlement freeze or moratorium that the Prime Minister announced last fall was really quite significant and we think has contributed to the progress we have made so far”, explained National Security Council official Dan Shapiro, senior director for the Middle East and North Africa.

The moratorium has “facilitate[d] productive proximity talks to lead into

NEW COURSE, continued on page 7

TO OUR READERS

President Obama appeared to turn a new page in U.S. policy with his effusive welcome of Prime Minister Netanyahu, his efforts to play down the quarrel over settlements, and his expansive security commitments to Israel. Was this based on the slogan that peace requires a tight alignment of U.S. and Israeli policies, and that Israel's security claims are unquestionable? Or was this love fest only a sign that the White House wants to suspend tough Middle East diplomacy during the coming election season?

Thus far, the Administration has little to show for its year long effort to freeze settlements as the way to launch peace talks, given the loopholes in Israel's temporary moratorium and Netanyahu's vow not to renew it. Perhaps the administration now realizes that addressing borders directly is the best way to deal with settlements and Jerusalem. We still have no clue, however, about U.S. policy on these core issues.

As for the view that a seamless—"no

daylight between us"—U.S.-Israeli relationship is essential, we must ask what are the incentives for Netanyahu to work for a two state peace if the U.S. does not seriously challenge his commitment to settlement and occupation policies, and make clear that Israel will pay a price if it cannot accommodate U.S. interests?

On the need for new security assurances, of course Israel's security is a U.S. priority. But extraordinary U.S. support for Israel's security, rather than "giving it the confidence it needs to make peace" has often encouraged Israel to resist compromise and to believe it can do what it wishes in the name of security. Obama's implied promise to exempt Israel from the Non-Proliferation Treaty regime is especially unfortunate, since it elevates Israel's policy—and not necessarily its interests—above U.S. worldwide NPT goals.

SETTLER POPULATION IN EAST JERUSALEM, 2000–2008

	2008	2007	2006	2005	2004	2003	2002	2000
East Talpilot	12,186	12,241	12,078	12,158	12,238	12,439	12,591	12,845
Gilo	26,929	27,087	27,173	27,258	27,309	27,425	27,569	27,637
Giv'at Ha-Mivtar Ramat Eshkol (east)	2,831	2,860	2,901	2,912	2,959	2,958	2,948	2,912
Neve Ya'akov	20,383	20,230	20,149	20,156	20,218	20,306	20,250	20,288
Pisgat Ze'ev	42,115	41,882	41,653	41,208	40,665	39,747	38,684	36,469
Ramat Eshkol (west)	3,388	3,316	3,299	3,252	3,180	3,123	3,046	2,917
Sanhedriyya Ha-Murhevet Har Ha-Hozvim (industrial zone)	4,959	5,001	5,034	5,084	5,021	4,999	4,994	5,018
Total	193,091	189,708	186,857	184,057	181,587	178,601	175,617	172,248

Source: Jerusalem Institute for Israel Studies, *Statistical Yearbook of Jerusalem, 2000–2010*.

FOUNDATION FOR MIDDLE EAST PEACE

Merle Thorpe, Jr.
Founder
(1917–1994)

Philip C. Wilcox, Jr.
President

Geoffrey Aronson
Director, Research and
Publications, Editor, *Report on
Israeli Settlement in the Occupied
Territories*

Nitzan Goldberger
Waseem Mardini
Editorial Assistants

Alexander Bain
Interns

TRUSTEES

Landrum R. Bolling
Calvin H. Cobb, Jr.
James J. Cromwell
Peter Gubser
Stephen Hartwell
Richard S.T. Marsh
Richard W. Murphy
Jean C. Newsom
Gail Pressberg
William B. Quandt
Nicholas A. Veliotis

The Foundation, a non-profit I.R.C. 501(c)(3) organization, supports peace and security for Israelis and Palestinians through mutual recognition and a negotiated division of historic Palestine. It publishes the bi-monthly *Report on Israeli Settlement in the Occupied Territories*.

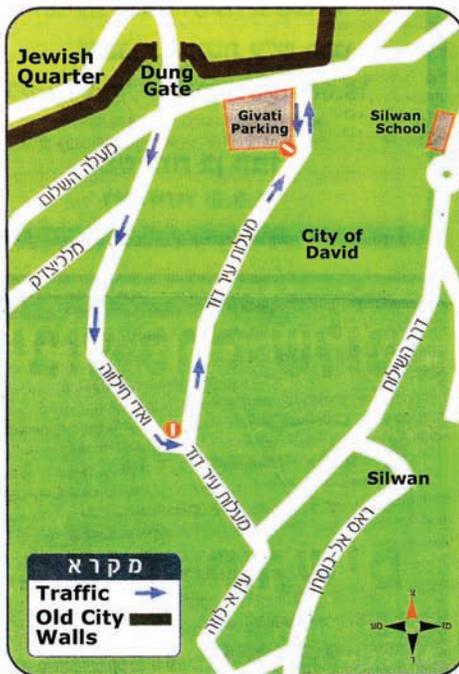
Copyright © 2010

Sign up to receive the *Report* by e-mail, to be notified of events in Washington, D.C., and more. Visit us at www.fmep.org.

East Jerusalem Development

Continuation of Development Work in Silwan – City of David

The Jerusalem Municipality and the Ministry of Transportation and Road Safety are continuing in their efforts to upgrade and design the area of Silwan -- City of David. The company Moria will operate under this planning framework to lay down the necessary infrastructure on Ma'alot Ir David street in the area of the Givati parking garage -- Wadi Hilwa street.



Please Note:

Changes to Traffic Arrangements!

- New traffic guidelines will be effective from May 23, 2010.
- Construction work will be in effect from 7:00AM until 7:00PM.
- Work will continue for approximately 12 months.
- Ma'alot Ir David street will become a one-way street in the area between Wadi Hilwa Street until the Givati parking garage in the direction of Ma'ale HaShalom street. The road from Givati parking garage to Ma'ale HaShalom street will be a two-way street.
- Wadi Hilwa street will become a one way street for its entire length leading down to Ma'alot Ir David.

Please Note:

Changes to Transportation Routes in East Jerusalem, Silwan and Abu Tor

- Bus line 76A to Silwan will be rerouted through Ras al-Amud, Wadi Kadum, Ein Aluza intersection. The return route will remain unchanged.
- Bus line 76 to Abu Tur will run through Jaffa Gate and will enter the Abu Tur neighborhood from Hebron. The return route will remain unchanged.
- School bus rides for students from Silwan to schools in Abu Tur (Line 76) in the morning hours will drive in the opposite direction through Mount Zion.

It is recommended that you find alternative routes.

בבעיות בטיחות אנא פנו
למנהל הפרויקט בטל': 02-6517603
ניתן לפנות למוקד העירוני, 24 שעות ביממה,
בטלפונים: 106 או 02-5314600



עיריית ירושלים



משרד התחבורה
והבטיחות בדרכים



מוריה
חברה לפיתוח ירושלים

Thank you
for your
patience and
our apologies
for the
disturbance

May 21, 2010, Yediot Yerushalaim.

SETTLEMENT TIME LINE

February 7 MK Moshe Matlon (Yisrael Beiteinu) proposes a bill to make Route 443 accessible to Israelis only. The bill, which has the support of 17 other MKs, follows a December ruling by the High Court of Justice ordering that Palestinians be allowed access to it. (Israel Radio)

February 8 Israeli interior minister Eli Yishai pushes to legalize settler occupancy of the Beit Yehonatan building in the Silwan area of East Jerusalem. (Israel Radio)

February 10 The Knesset votes in favor of a bill to grant tax breaks to settlers living in the Golan Heights. (*Ha'aretz*)

February 11 The Israel Defense Forces (IDF) begin altering the route of the separation barrier near the village of Bil'in in accordance with a 2007 High Court of Justice ruling. The rerouting will return about half of the 2,000 dunams appropriated for the barrier's original route. (*Yediot Aharonot*)

February 17 Israeli authorities demolish four concrete foundations in the Revava settlement in accordance with the construction moratorium order. (Israel Radio)

The High Court of Justice orders the government to submit a timetable for the demolition of twenty homes in the Eli and Talmon settlements despite efforts by the Defense Ministry to reclassify the structures as legal. (Israel Radio)

Thirty youths from the Yitzhar settlement attack IDF soldiers during a training exercise. The confrontation results in the hospitalization of three soldiers and damage to military vehicles and an ambulance. (Israel Radio)

February 18 *Ha'aretz* reports on plans by the Jerusalem municipality to build a parking structure in the East Jerusalem neighborhood of Sheikh Jarrah. Palestinian residents claim there is no need for the project.

February 19 Demonstrators dismantle a section of the separation barrier near the Palestinian village of Bil'in to mark the five-year anniversary of weekly protests. (*Ha'aretz*)

Ha'aretz reports on remarks by IDF brigade commander Itzik Bar claiming that the settler leadership has lost control over settler youth.

February 21 Israeli prime minister Benjamin Netanyahu adds the Tomb of the Patri-

archs in Hebron and Rachel's Tomb in Bethlehem to a list of national heritage sites. In response, Fatah officials call for a general strike. (Arutz 7, *al-Ayyam*)

Dozens of right-wing Israeli activists break through an IDF checkpoint in an attempt to reach an ancient synagogue in the heart of Jericho. The site, burned to the ground nearly a decade ago, was renovated by the Palestinian Authority. Visitors must receive permission from Israeli and Palestinian security officials to access it. (Israel Radio)

February 22 Palestinian security forces deliver to Israel a Qassam rocket constructed in a West Bank village and ready for launch at the time it was seized. (Army Radio)

Settlers ring with barbed wire 10 dunams of land belonging to a resident of Sinjel village in the Ramallah governorate. (*al-Ayyam*)

In Hebron, approximately 100 Palestinian demonstrators throw rocks and burn tires while protesting the inclusion of the Tomb of the Patriarchs and Rachel's Tomb on the Israeli national heritage list. IDF soldiers fire tear gas and rubber bullets to disperse the protestors. Palestinian president Mahmoud Abbas warns that the Israeli decision to claim the sites "is a grave provocation that could lead to a holy war." (Arutz 7, *al-Quds, al-Ayyam*)

Two dwellings are set for demolition in the Beit Hanina neighborhood, and Jerusalem municipality workers inform eight families in Silwan that their homes will be demolished. (Ma'an News)

February 25 Neot Hapisga, a construction company, files a lawsuit against Israel for 44 million USD in damages for profits lost because of the settlement construction moratorium. It claims that the moratorium "has doomed the company to destruction." (*Makor Rishon-Hatzofe*) See also the timeline entry for January 6, 2010 and "What Freeze?" in the *Report on Israeli Settlement in the Occupied Territories*, May–June 2010 (vol. 20, no. 3).

The European Union High Court rules that the West Bank is not Israeli territory, and as such, Israeli goods produced there are subject to EU import duties. The ruling potentially makes settler-produced goods less competitive in EU markets. (*Ha'aretz*)

More than 300 Palestinians clash with Israeli security forces in Hebron on the

anniversary of the 1994 massacre of 29 Muslims by Baruch Goldstein at the Ibrahim Mosque. (*Ha'aretz*)

February 26 Dozens of Palestinian youths throw stones at Israeli soldiers in Hebron in protest of the Israeli national heritage list. (*Yediot Aharonot*)

Settler activists travel to the northern West Bank settlement of Sa-Nur, one of the settlements evacuated and demolished as part of the 2005 disengagement. (Arutz 7)

February 27 Several hundred settlers from Kiryat Arba and Hebron take part in the traditional Purim parade along the Zion route, towards the Tomb of Patriarchs. (Israel Radio)

March 1 Unknown assailants shoot and injure a security guard near the Beit Yehonatan building in Silwan. (Israel Radio)

U.S. officials criticize Israel's plan, announced on February 26, to build 600 new apartments in the East Jerusalem settlement of Pisgat Ze'ev. (*Yediot Aharonot*)

March 2 The Binyamin settlers council protests the demolition of a makeshift structure used as a synagogue in the Nahliel settlement. The structure violated construction moratorium orders. During the demolition, settlers throw stones at soldiers and damage IDF vehicles. (Army Radio)

Jerusalem mayor Nir Barkat says he will delay discussion about plans to destroy Palestinian homes in Silwan to make way for a national park. (Israel Radio)

Palestinians fire on an IDF position overlooking Route 443. It is the first such incident on that road in many years. (*Yediot Aharonot*)

March 3 The Israeli Finance Ministry finalizes a compensation plan to disburse millions of dollars to the more than 1,500 settler families who received permits for construction in the West Bank during or before the construction moratorium announcement and were unable to complete the projects. The plan also compensates contractors who have suffered financial loss associated with the halt in construction. (*Yediot Aharonot*)

March 5 Following Friday prayers at al-Aqsa Mosque, Palestinians throw stones at policemen on the Western Wall plaza, hospitalizing 5 and injuring 15 others. Dozens of Palestinians are injured in subsequent

SETTLEMENT TIME LINE

clashes with Israeli police. (*Ma'ariv*)

About 3,000 Palestinians and Israeli activists hold a march in Sheikh Jarrah to protest the ongoing encroachment of settlers in Arab neighborhoods in Jerusalem. (*Ma'ariv*)

March 7 *The Marker* reports on the recent government decision to compensate settlers and construction companies for the 25–38 million USD lost as a result of the West Bank construction freeze. Settlers unable to move into their apartments will be compensated for rental costs.

March 8 Israel authorizes the construction of 112 apartments in the West Bank settlement of Beitar Ilit despite the 10-month moratorium. Environment Minister Gilad Erdan says, “[The freeze] decision provided for exceptions in cases of safety problems for infrastructure projects started before the freeze. Such is the case in Beitar Ilit.” The United States made clear that it does not believe that the approval of new apartments in Beitar Ilit violates the freeze. (Israel Radio)

March 9 During a visit to Israel by U.S. vice president Joseph Biden, the Jerusalem District Planning and Construction Committee announces its approval for the construction of 1,600 housing units in the Ramat Shlomo settlement in East Jerusalem. (*Yediot Aharonot*)

Ha'aretz reports that Israeli settlers living in the East Jerusalem neighborhood of Silwan have complained to the Ministry of Construction (which provides them with security) that Palestinians have been increasingly throwing rocks at passing vehicles there.

March 11 *Ha'aretz* reports on efforts to complete plans under way for 50,000 settler housing units in East Jerusalem. Ir Amim data show the following construction plans in advanced stages of approval: Givat Hamatos (3,500 units), Gilo (3,000), Har Homa (1,500), Pisgat Ze'ev (1,500), Ramot (1,200), Armon Hanetziv (600), and Neve Ya'akov (450).

Ha'aretz reports on a recent survey of Israeli youth by the University of Tel Aviv that discovered that 48 percent of respondents would not follow orders to evacuate settlements and 31 percent would refuse to serve east of the Green Line.

March 13 Palestinians throw a firebomb at

an Israeli vehicle on Route 443. The occupants, a father and son, sustain light injuries. (Israel Radio)

March 14 Israeli High Court justice Neal Hendel rejects a petition for a temporary injunction to stop construction of an outpost expanding the Talmon settlement, near Ramallah. The construction is proceeding without building permits and in defiance of work-stoppage and demolition orders. (*Ha'aretz*)

The IDF declares areas between the Palestinian towns of Bil'in and Na'alim and the separation barrier closed military zones. Locals will not be permitted to enter the areas from 8 a.m. to 8 p.m. on Fridays, and Israelis and foreign nationals will not be allowed to stay in either town during those hours. (Arutz 7, *Yediot Aharonot*)

March 18 The Jerusalem municipality gives final approval for construction of 20 apartments in the compound of the Shepherd Hotel in the Sheikh Jarrah neighborhood. Florida-based financier Irving Moscowitz is funding the project. (*Ha'aretz*)

March 19 *Yediot Yerushalaim* reports on the purchase of 58 dunams of land by a construction company in the settlement of Givat Ze'ev. The company bought the land for 31 million USD and plans to build 400 units.

March 21 Yossi Avrahami, head of the Givat Ze'ev local council, says he intends to petition the high court over the planned opening of Route 443 to Palestinians. (*Ha'aretz*)

March 23 The Israeli Interior Ministry approves plans for 200 houses in a new settlement, Simon the Just Neighborhood, in Sheikh Jarrah. The plan includes an area of 45,000 square meters and borders the Shepherd Hotel site. (nana10.co.il)

March 25 The Israeli High Court summarily rejects a petition submitted by several right-wing organizations to allow the Passover sacrifice to be held on the Temple Mount. (*Makor Rishon-Hatzofe*)

Palestinian chief negotiator Saeb Erekat says that President Abbas is determined to continue demanding the cancellation of Israeli approvals for new settlement construction in East Jerusalem. Erekat calls on the United States to force the Israeli government to cease settlement activities. (*al-Ayyam*)

Jerusalem mayor Nir Barkat says, “[I want to] make clear to our important ally, the United States, that construction in Jerusalem will continue. There is no freeze in Jerusalem. Jerusalem is a developing city, it has needs and we will continue to build in its eastern and western sides, for all its inhabitants, Jews and Arabs.” (Arutz 7)

March 26 Israeli MK Benny Elon describes the development of Jewish settlement in the Shepherd Hotel area in Sheikh Jarrah as “critical for Israeli interests.” According to him, “the new construction will form a Jewish contiguity very close to the city’s Highway 1, which otherwise would divide the city into Jewish and Arab sections.” (Arutz 7)

Yediot Yerushalim reports on the presentation of the latest component of a master plan by the Jerusalem municipality to develop Palestinian East Jerusalem. The plan calls for a business center outside Damascus Gate.

March 28 Two Palestinians, ages 16 and 19, die of wounds sustained when IDF soldiers fire rubber bullets at demonstrators in an effort to prevent clashes between Palestinians and settlers on March 27. Residents of Iraq Burin village, south of Nablus, were protesting encroachment on their land by the nearby Bracha settlement. (*Ha'aretz*)

March 31 IDF soldiers shoot and kill two Palestinian youths from Awarta village for allegedly attempting to stab the soldiers with pitchforks. The troops were stationed south of Itamar settlement to protect residents of Awarta from settlers while they plow their fields. (*Ha'aretz*)

Fateh says it will push for a large-scale protest over the trial of party officials arrested while protesting at Rachel’s Tomb. In accordance with the Sixth General Conference, Fateh officials plan to escalate popular struggle with a focus on protesting settlements, the separation barrier, and settlement in East Jerusalem. (Ma’an News)

Sixty activists from the Youth for the Land of Israel movement announce their intention to establish a new settlement, Beer Zayit, in the vicinity of Birzeit, near Ramallah. The teens say they want to establish a presence there in response to a Palestinian plan to build a new city called Rawabi, which they feel will weaken Jewish control of the Binyamin region. (YNet)

SHORT TAKES

No Freeze in Road Construction

Despite the construction freeze in place in the territories, Israel has continued to pave roads. According to data from the Transport Ministry, in the course of the past year, ever since Yisrael Katz was appointed transport minister, \$23 million has been invested in roads to settlements in Judea and Samaria. Out of that sum, \$6.7 million was dedicated to paving small roads, one of which, the road to the Tapuah settlement in Samaria, is to be officially opened today. Minister Katz also allotted \$2.7 million for the road connecting Kiryat Arba with Hebron, commonly referred to as the “Sons’ Route.” A spokesman for the Transport Ministry said that roads were not included in the settlement construction freeze.

Israel Hayom, May 4, 2010

Moratorium Compensation

A recent survey undertaken in the context of determining compensation to settlements for actions taken during the moratorium on new settlement construction has revealed the following: the average rental cost of dwellings in West Bank settlements is \$6 per square meter—a single family home of approximately 1500 square feet rents for \$890 per month. The most expensive region is the Benjamin area, which runs through the central West Bank from the outskirts of Jericho to the Green Line, where the per meter cost is \$7. Towns like Ma’ale Adumim are the most expensive at an average of \$7.80 a square meter, increasing to \$9.40 at Shaarei Tikva and Har Adar, both near the Green Line. Prices rise to \$11 per square meter in Oranim, located on the Green Line close to Tel Aviv. The least expensive rentals can be found in the Jordan Valley, isolated settlements of Mevo Dotan and Hermesh in the north, and in the socially unstable settlement of Emmanuel, where costs are less than \$3 per square meter. *Ha’aretz* reports that holders of valid building permits affected by the moratorium can claim compensation of 175 percent of rental housing costs.

Ha’aretz, May 21, 2010

Government Ignores Court Order

High Court justices heaped scorn on the government’s failure to enforce a court order prohibiting the paving of a road on private Palestinian land from the settlement of Eli to the settlement outpost of HaYovel.

“If the outpost is not legal, and we know that it is not legal, and if the land is privately owned, on what authority is it possible to pave a road there?” asked Justice Dorit Benish. The government’s attorney replied that the issue was “complicated,” and explained that the government did not know who

was responsible for the paving of the road and the violation of the court’s order. This response was met with incredulity by the judges hearing the case.

The case against the action was originally filed in March 2009 by Palestinian villagers from Kryot whose access to 400 acres of agricultural land was made impossible as a result of the road’s construction. The court issued an order in April 2009 prohibiting the road’s construction, which settlers ignored.

Ha’aretz, May 27, 2010

Interview with YESHA Director-General Naftali Bent

Q: How are you preparing for . . . the settlement freeze?

A: September 26 is a test for the leadership of Benjamin Netanyahu and his government. Will Israel become an American satellite, or will it remain free and independent? . . . Strengthening settlement is a supreme interest of the state of Israel, not simply the personal problem of settlers. . . . Netanyahu, Ya’alon, Begin, Lieberman, and Eli Yishai—five out of the seven [inner cabinet], recently noted that construction will continue from 26 September.

Q: And if the freeze should continue as a result of American pressure?

A: If God forbid the freeze is not ended we will see this as crossing a red line. We will work in every way in order to prevent such a disaster. This would be a historic disaster. A second error—after recognition of a Palestinian state, which I know most of the ministers oppose.

Q: The government could undertake to permit settlement but in practice, Minister of Defense Barak, who is responsible for issuing permits, could stop construction?

A: We will build immediately upon expiration of the freeze. No bureaucratic sleight of hand will help Barak.

Q: Explain what exactly the Right wants.

A: The alternative is peace in the land. Ninety-five percent of Palestinians live today under full Palestinian authority. There is an economic rebound that began long before Fayyad. Ten percent of Palestinians earn their living from co-existence and this frightens Salam Fayyad. Where does the boycott [of settlement products] originate? From Fayyad’s fear of the co-existence that succeeds on the ground today. Because this co-existence cuts the ground out from a Palestinian state.

Q: You are actually returning to the autonomy idea?

A: Yes, this is what exists today de facto. They administer their lives, vote and exercise political rights. This is what they want. They pay taxes to the Palestinian Authority, build a new city [Rawabi], receive tickets from Palestinian policemen. There are 630,000 Jews in Judea and Samaria and in Jerusalem post-’67. We are not going to commit suicide, nor are the Arabs.

Ma’ariv, May 28, 2010

those direct talks and to help facilitate an atmosphere of confidence and trust to address what are, of course, some very complicated issues.” added Ben Rhodes, deputy national security advisor for strategic communications. “Capitalizing on the momentum that’s been built through the proximity talks [it is time] to move—to continue to move forward and to reach direct negotiations in pursuit of a comprehensive peace.” Palestinian chief negotiator Saeb Erekat took public issue with this upbeat characterization, and asked Washington for “clarifications.”

The settlement moratorium is set to expire on September 27, 2010. While existing restrictions on settlement construction have had no lasting impact, their extension beyond 2010 would affect the pace of expansion as building now underway is completed without being replenished by new construction starts. The wheels of the government and settlement bureaucracy have continued to turn during the moratorium and are ready to issue tenders and begin new construction on hundreds of units immediately after the moratorium expires.

Netanyahu once described the moratorium “as a one time measure for a limited time to protect the larger interests of the State of Israel”—that is, a policy aimed first and foremost at preserving relations with Washington rather than as an olive branch to Palestinians. In keeping with the effort to create more amicable U.S.-Israel relations, the leaders chose not to mention the settlement moratorium until asked by a reporter. In the president’s response there was no evidence of the former insistence on the need for a complete freeze. Instead, Obama remarked that Israeli “restraint” on settlement expansion “has been conducive to the prospects of us getting into direct talks before moving on to the new policy. And my hope is, is that once direct talks have begun, well before the moratorium has expired, that that will create a climate in which everybody feels a greater investment in success. Not every action by one party or the other is taken as a reason for not engaging in talks. So there ends up being more room created by more trust. And so I want to just make sure that we sustain that over the next—over the next several weeks.” Netanyahu struck a discordant note in a speech to the Council on Foreign Relations on July 8, hinting at his intention not to renew the moratorium after it expires at the end of September.

After a year long effort to persuade Israeli to freeze settlements, Washington has muted its concerns about settlements, and expects that the Palestinians will do the same. Washington appears to be returning to the days of urging Israel to merely “curb” settlements—as the president indeed did after his meeting with Abbas in early June, while searching for a new diplomatic approach. Netanyahu too has an interest in coming to an understanding with Washington on this issue that will allow him to continue settling. U.S. officials pointedly declined, however, to comment on a question about Obama’s support for the letter George W. Bush sent to Ariel

Sharon in April 2004, in contrast to their previous refusal to endorse the letter, which noted that:

In light of new realities on the ground, including already existing major Israeli populations centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949, and all previous efforts to negotiate a two-state solution have reached the same conclusion. It is realistic to expect that any final status agreement will only be achieved on the basis of mutually agreed changes that reflect these realities.

“In Netanyahu’s circles,” wrote Yossi Verter in *Ha’aretz*, “they are discussing two options for the period after the moratorium expires in September: the first is the “differential arrangement” according to which Netanyahu will announce that Israel will build only in those areas that are certain to be under Israeli sovereignty in any future agreement; that is, in settlement blocs and not in isolated settlements. The second option is more complicated and dangerous: to announce officially that construction will resume but to indicate to the Americans that this is a bluff, that on the ground the freeze will continue. There will be tractors working here and there but nothing more.”

Deputy Prime Minister and Minister of Intelligence and Atomic Energy Dan Meridor, one of Netanyahu’s ministers most sensitive to the need for coordination with Washington, has offered public support of the “differential arrangement,” suggesting that Israel continue construction after the end of the moratorium only in those areas it intends to remain permanently. Adoption of such a policy would signal Netanyahu’s effort to restore the old “rules of the game” that permitted the West Bank settler population to triple since 1992, and finesse U.S. opposition to settlement expansion.

Whatever the choice Israel makes in September, Washington’s laborious effort to achieve an effective end to settlement expansion appears to have run out of steam, even if, as Israel Harel, a prominent settler explained, “there has been no strategic change in Obama’s policy of two states for two peoples, and Israel must still make most of the concessions.”

The armistice on display during the U.S.-Israel summit resolved none of the issues at the heart of the continuing stalemate. Now, Palestinians who bet upon U.S. success in stopping the settlement machine will have to recalculate.

On July 8, the Palestinian-owned *al-Quds al-Arabi* daily carried the following report by Ashraf al-Hawr: “A prominent Palestinian source told *al-Quds al-Arabi* yesterday that all the signs pointed to the fact that the American administration will start exerting pressures on the Palestinian Authority during the next few days to get it to accept direct negotiations with Israel.” This view was seconded by someone familiar with the Obama administration’s deliberations. “I expect a full court press on Abu Mazen to go to direct talks.” ♦

PALESTINIAN SETTLEMENT BOYCOTT HIGHLIGHTS

2009

December 8 The Palestinian Authority (PA) announces a boycott of Israeli goods produced in West Bank settlements. Economics Minister Hassan Abu Libdeh says the government has already confiscated \$1 million worth of products, including foods, cosmetics, and hardware. The objective is to eliminate all settlement-made goods from Palestinian stores in 2010. The settlements sell \$200 million worth of products yearly in the West Bank and Gaza, according to the Palestinian Government Media Center.

Reacting to the announcement, Israeli Foreign Ministry spokesperson Yigal Palmor says, "I don't think by concentrating their efforts on boycotts they will achieve any of the political goals, if these still include reaching a peace agreement with Israel."

2010

January 5 Palestinian prime minister Salam Fayyad affirms the PA's dedication to removing Israeli settlement-produced goods from Palestinian markets in the West Bank. He urges the international community to intervene in order to "force Israel to stop ignoring international law and the Palestinians' rights."

January 12 Prime Minister Fayyad launches the National Honor Fund, which will promote the availability of Palestinian produce in local markets as well as strengthen the position of Palestinian goods in global markets as an alternative to products manufactured in Israeli settlements in the West Bank. The PA Economics Ministry says it will deposit \$150,000 in the fund each month in an effort to remove settlement-produced goods from the Palestinian market and encourage the sale of local Palestinian products.

March 7 The PA moves to prevent Palestinian workers from taking jobs in settlements. Economics Minister Abu Libdeh says he is drafting a law that will ban Palestinians from taking such jobs.

April 22 Labor Minister Ahmad Majdalani says that by the end of the calendar year there will be no Palestinians working in Israeli settlements. He notes that there are 7,000 fewer Palestinians working in the settlements because of a decline in the production of settlement goods. Majdalani says that Palestinian products are quickly replacing the settlement goods in shops and that the former settlement laborers are being absorbed into the Palestinian workforce as demand for local products increases.

April 27 Silvan Shalom, the Israeli minister for regional development and development of the Negev and the Galilee, condemns the Palestinian boycott: "Those who take this step are not interested in peace but rather in continuing the conflict. This order harms not only the chances for dialogue—it also hurts the 25,000 Palestinians who work in the factories that Abu Mazen [President Mahmoud Abbas] is calling to

boycott. While Israel is making great efforts to advance and improve the Palestinian economy, this order hurts the chances for both economic and political peace."

May 2 Israeli deputy foreign minister Danny Ayalon says the Palestinian boycott is "part of a continuous planned and budgeted campaign of incitement." The YESHA Council, an organization representing Israeli West Bank settlers, calls it "economic terrorism."

May 16 As Prime Minister Fayyad attends a bonfire of Israeli products, he declares that Palestinians are "committed to a path of nonviolent resistance and defiance in the face of the settlement enterprise, and we are defiantly expressing our right to boycott those products and I believe it is working."

May 18 The PA launches the House to House campaign. In the first phase, Palestinians are advised against buying settlement goods, and house inspections begin across the West Bank. A guide used by inspectors lists fifty settlement companies whose products are forbidden and includes some producing construction material, baked goods, and wine.

May 19 University student councils at Palestinian universities offer their full support for the PA boycott of settlement goods, vowing to ensure that students adhere to the embargo.

May 21 Israeli officials hold talks with their Palestinian counterparts, asking them to halt the boycott. Industry, Trade and Labor Minister Benjamin Ben-Eliezer says that "the boycott must be lifted immediately because of the fact that many [settlement] businesses in Judea and Samaria employ a large number of Palestinians. . . . [A]n economic boycott is a base political tool that does not contribute at all to the atmosphere we are trying to create in our region." The Israeli government characterizes the boycott as a violation of the Paris Protocol, the economic agreement that accompanied the Oslo accords and was agreed to in 1994.

May 22 Palestinian president Mahmoud Abbas endorses the boycott publicly for the first time. "We are very happy that our young people . . . went voluntarily to empty Palestinian homes of products from the settlements," he says. "We are not inciting against Israel. We do not want to boycott goods coming from Israel."

May 24 Israeli prime minister Benjamin Netanyahu calls on the PA to stop opposing economic peace with Israel. He describes the Palestinian boycott as "a measure that will only hurt the Palestinians in the end and is another example of counter-productive Palestinian action."

May 27 Prime Minister Fayyad tells reporters "the boycott . . . shall continue . . . until our homes are empty of settlement goods." The Palestinian list of settlement products contains 500 items. The campaign involves volunteers visiting more than 255,000 Palestinian homes on the West Bank to help families differentiate between settlement products and goods made in Israel that the campaign does not target.

BOYCOTT, *continued on page 9*

IS THERE ANOTHER OPTION?

Unlike the dire predictions heard so often, Israeli sovereignty over Judea and Samaria would not be the end of the State of Israel, nor would it mean the end of democratic governance in Israel, argues former defense and foreign minister Moshe Arens.

All those who morning, noon and night insist that the current situation, in which the Israel Defense Forces are responsible for policing Palestinian areas of Judea and Samaria, is unsustainable should be desperately searching for other arrangements that might improve on the present situation. If they are hoping that an agreement will be reached between the Israeli government and Palestinian president Mahmoud Abbas that would open the way for such an improvement, they are likely to be sorely disappointed.

Hamas, which rules the Gaza Strip, does not recognize Abbas as its spokesman, and as for the Palestinian population in Judea and Samaria, their support for Abbas is questionable. In any case, he hardly seems to be in a position to make any commitments in his negotiations with Israel or to implement any commitments he might undertake. His reticence to enter direct negotiations with Israel is a fairly good indication of his tenuous position. So if that is leading to a dead end, what then?

The Jordanian option has often been raised. Most of Jordan's population is Palestinian. For 19 years, Judea and Samaria were part of Jordan, its population were [*sic*] Jordanian citizens. In the context of an agreement, the geographic juxtaposition between Israel and Jordan should make delineating the border between the two countries easier than reaching a deal on a border between Israel and a Palestinian state that might be established in the area.

There is only one problem—the Jordanians do not agree [to such a solution]. They don't want to overload their security apparatus by including another 1.5 million Palestinians within their borders.

The conventional wisdom, pronounced by many Israelis and Palestinians alike, is that in the absence of an agreement with the Palestinians, Israel will either eventually cease to be a democracy or cease to exist.

What would happen if Israeli sovereignty were to be applied to Judea and Samaria and the Palestinian population there was offered Israeli citizenship? Those who, in Israel and abroad, consider the Israeli "occupation" of Judea and Samaria an unbearable evil should be greatly relieved by such a change that would free Israel of the burden of "occupation." The Palestinians in Judea and Samaria will be granted the right to vote in Israeli elections, and Israel will not cease to be a democracy. Nor will it cease to exist, although its demography would change significantly. Israel would face a not so simple challenge: absorbing the Palestinian population in Judea and Samaria into the fabric of Israeli society. Can Israel meet such a challenge?

Israel already has minority populations—Muslims, Chris-

tians, Druze, and Circassians. The Druze and the Circassians can serve as an example of the successful integration of a minority group into Israeli society, particularly the right of their service in the IDF. With little assistance from the Israeli government, many of Israel's Christian citizens are gradually finding their way into Israeli society. But Israel's Muslim minority, 17 percent of the country's population, still does not feel at home in the State of Israel and [are] far from enjoying equality of opportunity.

A large part of the blame for this situation rests on successive Israeli governments that have not taken effective action to integrate Israel's Muslim citizens. Vocal Israeli Arab politicians attack Israel at every opportunity, drowning out the voice of the silent majority of Israel's Muslim citizens. They also share responsibility for this unhappy state of affairs that requires urgent rectification.

The addition of 1.5 million Muslim residents of Judea and Samaria to Israel would of course make the situation more difficult. Would a 30 percent Muslim minority in Israel create a challenge that would be impossible for Israeli society to meet? That is a question that Israeli politicians, and all Israelis—Jews and Arabs alike—need to ponder.

Unlike the dire predictions heard so often, the application of Israeli sovereignty over Judea and Samaria would not be the end of the State of Israel, nor would it mean the end of its democracy. It would pose a serious challenge to Israeli society. This option merits serious consideration.

Ha'aretz, June 2, 2010

BOYCOTT, *continued from page 8*

The PA announces that it is planning a \$50 million fund to help workers quit jobs in Israeli settlements by the end of the year.

June 8 Finance Minister Abu Libdeh stresses that the boycott only affects settlement products, not goods produced in Israel, and affirms the PA's desire to maintain ties with the Israeli market. He declares that the PA is "interested in peace and cooperation with [Israel], therefore we will not participate in any boycott against the Israeli economy as a whole."

June 11 The Land of Israel right-wing parliamentary bloc submits a bill to outlaw homegrown and international boycotts against Israel. The bill has the support of 25 politicians from the right wing and centrist parties. It could theoretically force the PA to pay thousands of dollars in compensation to businesses affected by the boycott.

June 28 Prime Minister Fayyad launches the Shop to Shop campaign aimed at removing all settlement products from Palestinian market shelves by the end of the year. 650 volunteers will participate in the campaign under the supervision of the Ministry of Economy's district offices. Over 66,000 shops across the West Bank will be inspected for compliance with the blacklist of settlement-produced goods. ◆

SETTLER “PRICE TAG” POLICY

Furious after their own government demolished two houses in the occupied West Bank on Wednesday, Israeli settlers attacked Palestinian property in the latest incident of the “price tag” phenomenon.

Dozens of residents of the illegal Israeli settlement of Bat Ayin, in the Bethlehem governorate, were seen throwing stones and empty bottles at Palestinian homes in Safa, an adjacent village next to the Beit Ummar town north of Hebron.

Israeli soldiers began firing tear-gas canisters and stun grenades at the crowd around dawn, lightly injuring a number of Palestinians. . . . Settlers were prevented from setting fire to fields.

Maan News, June 23, 2010

Settlers opposed to government efforts to curb settlement expansion have adopted what they call the “price tag” policy, according to which settlers exact a price for government efforts by attacking Palestinians and their property.

The action at Bat Ayin followed the demolition by Israeli forces of two dwellings installed to protest a deadly attack last year in which a Palestinian man allegedly killed the child of a settler with an ax. Attacks by settlers in Hebron last year were described by Prime Minister Ehud Olmert as a “pogrom.”

This continuing and widespread phenomenon has caught the attention of the Obama administration. In a May 5 meeting with deputy foreign minister Danny Ayalon, General Paul Selva, who follows implementation of the road map commitments, “demanded that Israel work aggressively against what he described as rowdiness of Jewish radicals in the West Bank,” according to a May 13 report in *Yediot Aharonot*. Selva was reported to have told Ayalon that “[t]here is a group among settlers that burns olive trees and orchards and tries to physically harm Palestinians. Residents of [the settlement of] Yitzhar attempted to torch a mosque and Palestinian property. I understand that this is an isolated group and that this is not Israeli policy, but you must stop this.” ♦

As the President said, we discussed a great deal about activating, moving forward the quest for peace between Israel and the Palestinians. We’re committed to that peace. I’m committed to that peace. And this peace I think will better the lives of Israelis, of Palestinians, and it certainly would change our region.

. . . But in order to proceed to the solutions, we need to begin negotiations in order to end them. We’ve begun proximity talks. I think it’s high time to begin direct talks. I think with the help of President Obama, President Abbas and myself should engage in direct talks to reach a political settlement of peace, coupled with security and prosperity.

Prime Minister Benjamin Netanyahu at the White House, July 6, 2010

Foundation for Middle East Peace
1761 N Street, N.W.
Washington, DC 20036
Telephone: 202-835-3650
Fax: 202-835-3651
E-mail: info@fmep.org
Internet: <http://www.fmep.org>

FIRST CLASS
US POSTAGE
PAID
MERRIFIELD, VA
PERMIT #2333



RECYCLED PAPER