

REPORT ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES

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NEWS

Negotiations for Palestinian interim self-rule have begun in Egypt. A principal issue is the geographical boundaries of Palestinian authority in the Jericho region. Palestinians demand jurisdiction over 345 sq.km., which includes two settlements and is larger than the Gaza Strip. Israel is offering a 25 sq.km. domain, limited to the town's municipal borders.

The map on pages 4-5 shows the location and population of all Israeli settlements and Palestinian communities in the West Bank and Gaza, including the controversial area around Jericho, and Ma'ale Adumim, a West Bank settlement between Jerusalem and Jericho, which Deputy Defense Minister Mordechai Gur has described as "part of Jerusalem."

Surprisingly, settlements were not on the agenda during talks between Israeli Minister of Housing Benjamin Ben Eliezer and State Department officials Edward Djerejian and Samuel Lewis.

"They didn't ask [about settlements] and I didn't tell them," noted Ben Eliezer. "They know there is no more construction in the territories, that there is no more building there."

The story on page 3, however, paints a more accurate picture of the continuing high level of settlement construction activity.

U.S. LOAN GUARANTEES CUT BY \$437 MILLION; 1993-94 PENALTY SHOCKS RABIN GOVERNMENT

The Clinton administration's decision to assess Israel a one-half billion dollar settlement penalty is turning out to be yet another example of Washington's inability to maintain a consistent course in its foreign policy decision-making.

Washington will deduct \$437 million from the \$2 billion in loan guarantees to be provided to Israel by Washington this year, but after effective protests from Israel and the American Jewish leadership, Clinton has all but promised not to assess additional penalties in next year's appropriation. By effectively spreading this penalty over two years, the annual reduction will be closer to what Israeli officials have long anticipated.

Israeli officials, however, were taken aback by the administration's initial decision. They were shocked, first, by the large sums to be deducted, amounting to almost 25 percent of the 1993 loan guarantees; Israeli officials believed that Clinton would cut only \$100 million from the guarantees. Second, they were shocked by the inclusion of East Jerusalem in U.S. calculations, and, third, by what they viewed as Clinton's "lack of gratitude" toward Rabin, who, by agreeing to deal with the PLO, had presented Clinton with a foreign policy success of the first order.

Minister of Health Haim Ramon

LOAN GUARANTEES, *continued on page 6*

RABIN AND THE POST-ZIONIST ERA

by Geoffrey Aronson

Israeli Prime Minister Yitzhak Rabin's handshake with Yasir Arafat marks the resolute beginning of a new phase in Israeli history—the post-Zionist era.

For a century, the fundamental premise underlying the vitality of Zionism was the territorial expansion of the Jewish community in Palestine, necessarily at the expense of the Arabs of Syria, Jordan, Egypt, and, most grievously, at the expense of the Arabs of Palestine.

Israeli leaders like Moshe Dayan and Golda Meir, whose lives were untouched by religious sentiment, support-

ed settlements and the retention of territories as authentic expressions of Zionism. "Where I settle I guard," one of many slogans created during Zionism's pre-state pioneering era, slipped effortlessly into a post-1967 rush to colonize the occupied West Bank and Gaza Strip.

Settlements along the Jordan Valley and the Syrian Golan, around Jerusalem, and even in southern Gaza were meant to mark the perimeters of Jewish sovereignty. The Likud took this policy one step further. The implantation of scores of Jewish communities near Nablus, Hebron, Ramallah, and Tulkarem

ZIONISM, *continued on page 2*

TO OUR READERS

The mutual recognition of Israel and the Palestine Liberation Organization (PLO) opens a new, more hopeful era in the century-old struggle for Palestine.

The framework for negotiations established by the Declaration of Principles postpones consideration of a number of matters central to the conflict—settlements and the status of East Jerusalem prominent among them—until final status talks begin in late 1995.

Yet it is already clear that questions relating to settlements, settlers, and East Jerusalem will continue to inform not only the political, but also the practical environment for Israeli-Palestinian reconciliation.

The recent decision of President Clinton to withhold a \$437 million “settlement penalty” from Israel’s 1994 installment of loan guarantees is evidence of this fact.

The president’s decision highlighted two important policy objectives. It serves notice that Washington intends to promote the

process begun at Madrid by imposing specific and substantial costs on Israel for its settlement program—a program which, as the article on the opposite page of this report demonstrates, remains at unprecedented levels. The Clinton policy also maintains the U.S. conviction that East Jerusalem is occupied territory and that Israel’s settlement efforts remain outside the broad Israel-U.S. consensus.

We hope that the resolution of Israeli-Palestinian differences proceeds according to the timetable established by the Declaration of Principles. The *Settlement Report* will continue to provide an interested public with reliable data and intelligence on settlements and their future. The issue is one of the most crucial matters confronted by the negotiators.



ZIONISM, *continued from page 1*

was aimed at physically destroying the territorial continuity of Palestinian habitation and thus make the creation of a viable Palestinian entity impossible.

Rabin’s *suha* (rapprochement) with Arafat marks a drastic change in this age-old equation lying at the heart of Zionism. Rabin, by recognizing the PLO, has begun the process of reconciling Israeli interests with those of Palestinians. As long as the PLO embodies the national identity of the Palestinian people, this recognition must entail the articulation, for the first time in modern history, of a defined, limited vision of Israeli sovereignty in Palestine.

Israel has now admitted that it is dealing with a people who have legitimate aspirations to self-determination in their homeland. This recognition will force Israel to limit its territorial objectives in the occupied territories in order to *increase* its security in partnership with Palestinians—a complete revision of the traditional Zionist credo.

Rabin has begun the process of educating Israelis that those truths they once held dear are as passé as the offending passages in the

Palestinian Covenant. Indeed, continuing fidelity to the slogans of the past—slogans still championed by the Likud—will endanger Israeli security by preventing the reconciliation with the Palestinians conveyed by the historic shaking of hands.

Settlements in the West Bank and Gaza will be the first to experience the effects of this transformation in Israeli ideology. The outposts can no longer be justified as instruments for defining the future borders of the state. Nor can they be said to increase Israeli security. Indeed, Rabin himself acknowledged when he was in Washington that “settlements in densely populated [Arab] areas add to the complexity of the problem.” Without the ideological authority that for so long legitimized their existence among Israelis, settlements in the West Bank and Gaza become anachronistic symbols of a bygone era.

Allegiance to their preservation will nevertheless remain a key Israeli demand, but it will be a challenge for Rabin to create a compelling post-Zionist rationale for their continuing existence as extraterritorial bits of Israel in a territory, perhaps even a state, governed by the PLO. ♦

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NEW HOUSING IN SETTLEMENTS CONTINUES AT RECORD LEVELS

Despite the slowdown in construction that is funded by Israel's government, a greater percentage of government-financed housing was under construction in the occupied territories, excluding East Jerusalem, in the first nine months after Prime Minister Yitzhak Rabin came to power than at the height of the government's building campaign under Prime Minister Yitzhak Shamir. Of the 8,290 housing units started under the Rabin government, 18.6 percent were located in the occupied territories; under Shamir, the figure was only 10.8 percent of 61,600 starts.

Rabin's government continues to build housing for settlers at a pace determined by Shamir's government and at a rate unequaled in Israel's 26-year occupation of the West Bank and Gaza.

At least 4,000 completed housing units in these areas are unsold and another 5,600 are under construction.

The new housing will increase the settler population in the occupied territories by 30,000—from 120,000 to 150,000 inhabitants. In East Jerusalem, annexed by Israel in June 1967 and where 160,000 Israelis now live, 13,000 more units are being readied. Rabin has boasted that more housing in the territories is being built during his tenure than at any time since 1967.

Much of the new housing was planned in anticipation of the imminent arrival of a million immigrants from the former Soviet Union. Less than half that number has arrived in Israel—a change that has turned Israel's housing shortage into a glut, even in some West Bank settlements.

Government officials contend that the market for settlement housing will "dry up," even if government support does not.

Yet housing prices in the critical, greater Jerusalem region remain strong, and Jordan Valley settlements are experiencing a surge of interest. (See article in the *Settlement Report's* September 1993 issue.)

A recent study by an Israeli real estate company has revealed a mixed picture in the settlement real estate market.

"In general," noted an official of Gemolab, the company conducting the study, "we are seeing a market influenced by three factors—proximity [of new housing in West Bank settlements] to the Green Line, type of settlement [suburban, rural, or ideologically affiliated with the extreme right wing], and proximity to Jerusalem."

In settlement areas favored by the Rabin government—principally the region of greater Jerusalem between Ramallah and Hebron—prices have remained stable or have increased since the change in government last year. For example, in Ma'ale Adumim, just east of Jerusalem, prices per square meter have increased during the last two years by 4 percent—from \$983 to \$1,021.

In contrast, home prices in Ariel, with a population of 11,500, have plunged about 20 percent in the last year despite its proximity to Tel Aviv. There has also been a 90 percent drop in the number of units sold in the first six months of 1993 compared with the same period in 1992. One reason Ariel has suffered in both the allocation of public funds and in popular perception is its close identification with the Likud Party. The mayor of Ariel, Ron Nachman, is also a Likud member of the Knesset.

The settlement of Ma'ale Ephriam, overlooking the Jordan Valley, is in an area preferred by

Rabin. It has continued to receive subsidies for industrial development, while Ariel, for example, has not. Nonetheless, the distance of Ma'ale Ephriam from Tel Aviv and Jerusalem continues to constrain its expansion. Housing sales have dropped more than 60 percent during the past year, and prices have fallen 20 percent.

These developments cannot be viewed in isolation from the general picture of Israel's national housing market. The decreasing demand for new housing, caused by the assimilation of Soviet immigration, has led to a cooling of the housing market in peripheral regions of the country. Generally, locales closer to Jerusalem or Tel Aviv have fared better than other locations in Israel as well as in the occupied territories. ♦

CONSTRUCTION STATISTICS FOR THE WEST BANK* AND GAZA July 1992–March 1993

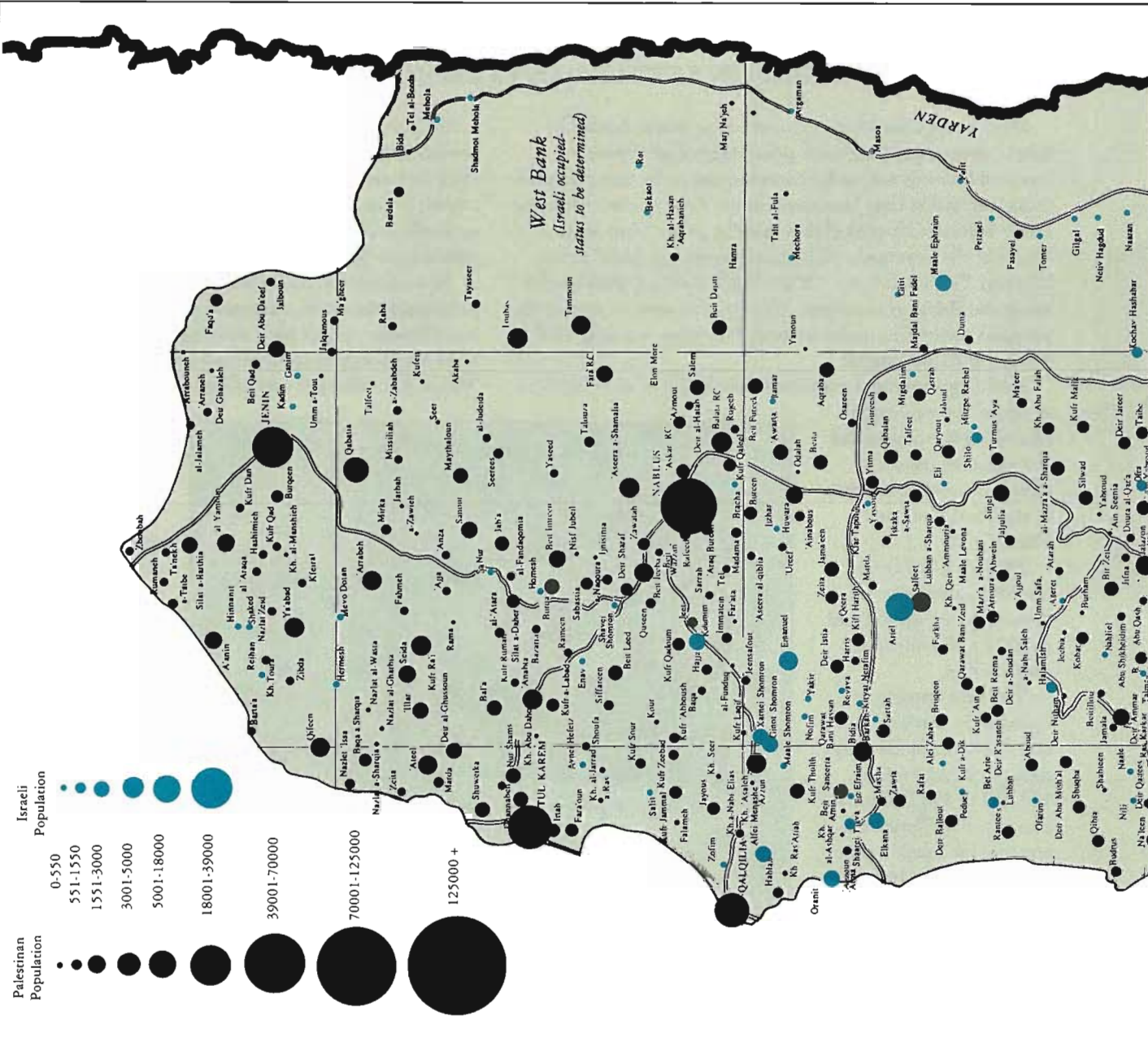
	1991	1992	July 1992– March 1993
Total dwellings completed	2,180	6,590	5,960
<i>Government</i>	1,100	5,570	4,920
<i>Private</i>	1,080	1,020	770
Percent of national total	5.1	9.4	12.6
Total construction starts	7,770	6,340	2,510
<i>Government</i>	6,670	5,000	1,540
<i>Private</i>	1,100	1,340	970
Percent of national total	9.3	14.6	9.6
Total active construction at end of period	8,680	6,950	5,640
Percent of national total	9.1	10.4	9.1

*[Not including East Jerusalem.]

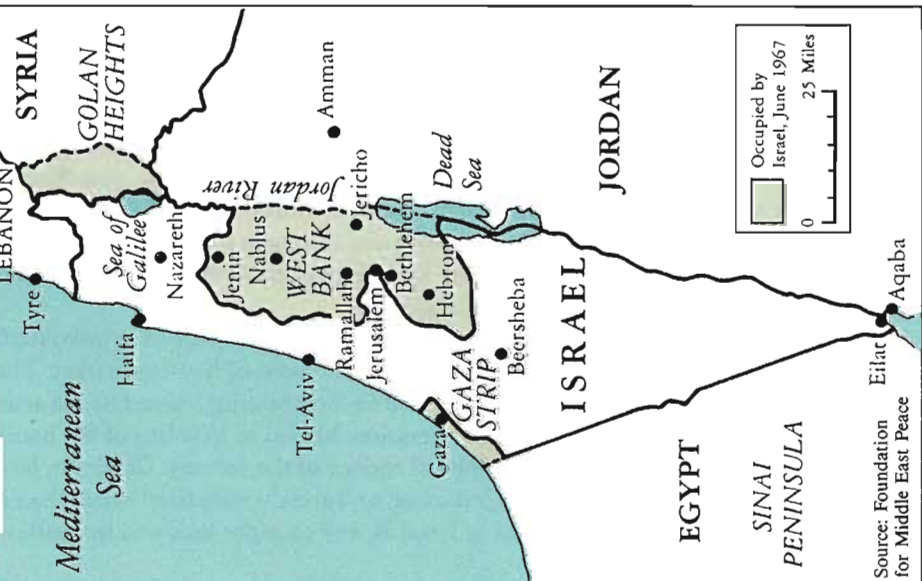
Source: Israel Central Bureau of Statistics, July 1993.

Population — Occupied Territories

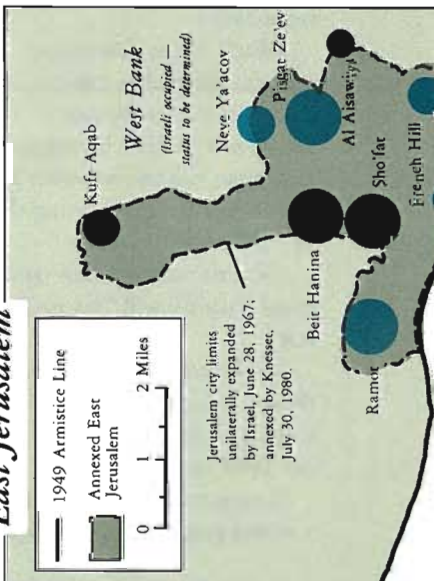
West Bank



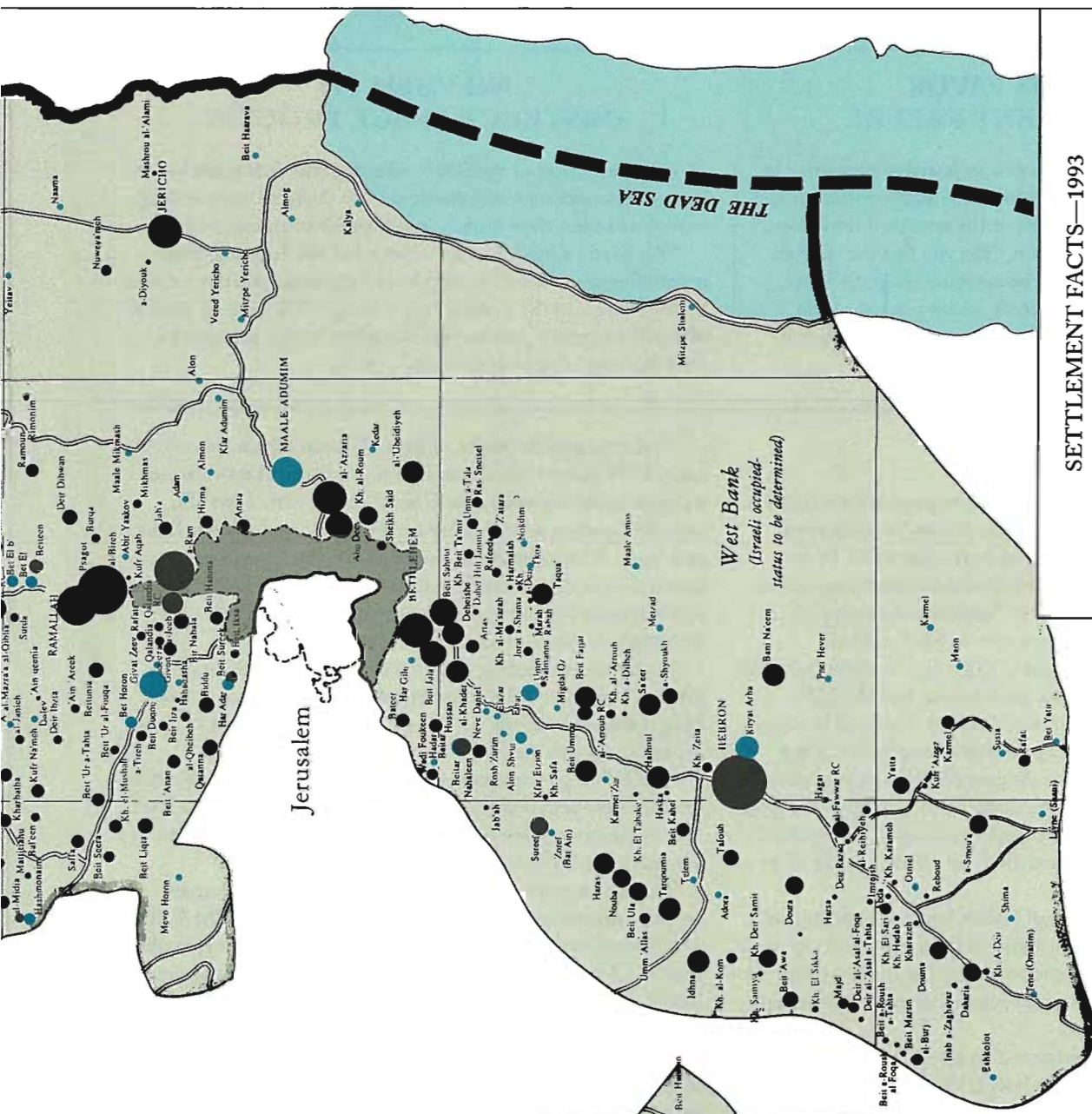
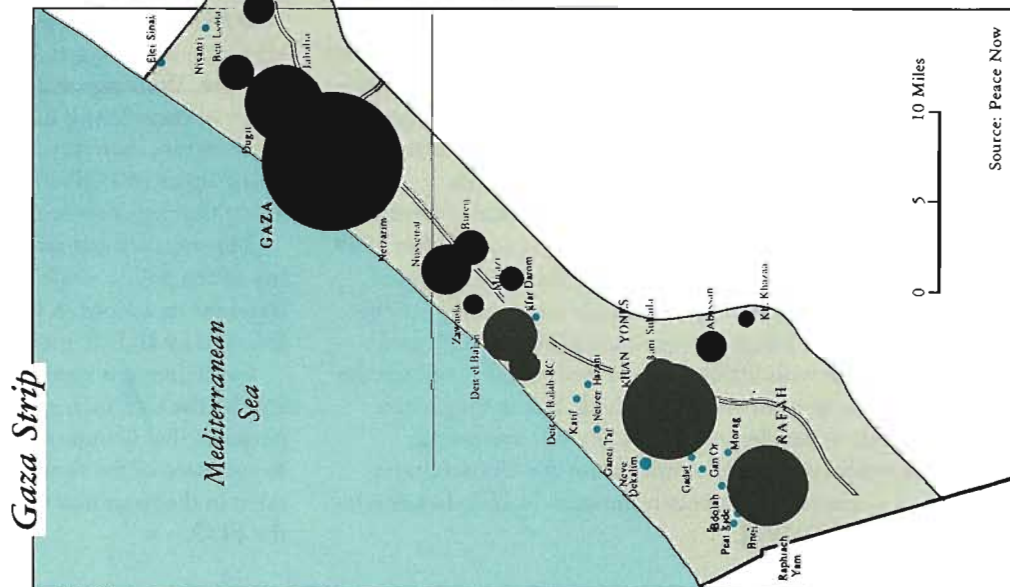
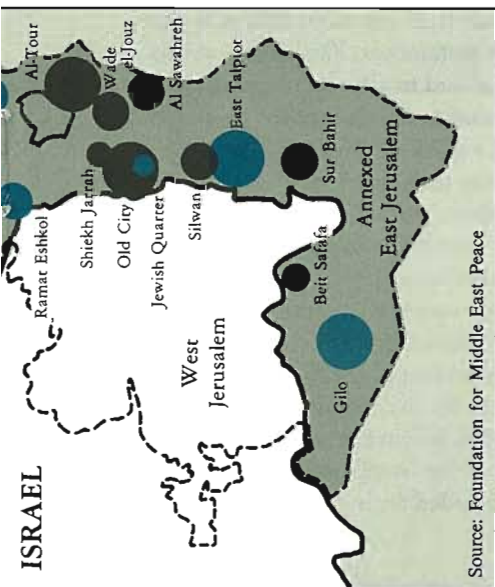
East Jerusalem



East Jerusalem



◆ Report on Israeli Settlement



SETTLEMENT FACTS—1993

West Bank	Gaza Strip
Israeli settlements: 150	Israeli settlements: 16
Israeli settlers: 120,000	Israeli settlers: 4,500
Palestinian population: 1 million	Palestinian population: 830,000
East Jerusalem	Golan Heights
Israeli settlements: 9	Israeli settlements: 36
Israeli settlers: 160,000	Israeli settlers: 12,000
Palestinian population: 180,000	Syrian population: 15,000

U.S. JEWS FAVOR A SETTLEMENT FREEZE

A poll conducted for the American Jewish Committee in September shows that more American Jews support a settlement freeze than new settlement in the occupied territories.

Asked to reply to the question, "Do you feel that Jewish settlements should continue to be established in the West Bank and Gaza at this time?", forty-seven percent of the respondents answered, "No," forty-three percent answered "Yes," ten percent were unsure. ♦

NO WISH TO OBSTRUCT PEACE PROCESS

Representatives of the 300 residents of the Adam settlement three miles northeast of Jerusalem have declared their willingness to abandon their homes in return for compensation.

"We lived in the Jerusalem slums and the Likud government offered us cheap housing here," explained a letter written by the settlers to the minister of housing. "We have no wish to obstruct the peace process. We would be happy to move to affordable housing in Jerusalem." ♦

LOAN GUARANTEES, *continued from page 1*

gave notice that Israel would continue to press for a reduction in the penalty according to a formula worked out between President George Bush and Rabin in August 1992. Press reports suggested that Rabin and Bush had quietly agreed to diffuse the issue. Estimates of the "settlement penalty" that Rabin would suffer ranged from zero to \$250 million.

"I am convinced," Ramon said, "that high-level contacts will yet be held between the Israeli government and the U.S. administration and president, and that the issue will be examined in accordance with the agreement between the prime minister and the president [in August 1992]. The president is entitled—he is not obliged—to deduct this sum from the guarantees. This being the case, we hope that he will reconsider the decision and that if we are punished, we will be punished by a lower sum."

In a meeting with American Jewish leaders, Secretary of State Warren Christopher was said to be contrite, almost apologetic, about the action. Participants left the meeting with the impression that Christopher had acknowledged that the settlement penalty was a mistake.

Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, noted after the meeting that the Clinton administration wants to "avoid deducting the \$437 million."

Under legislation adopted last year, Clinton has wide discretion to reduce the \$2 billion annual loan subsidy "for activities which the president determines are inconsistent with the objectives" of assisting Israel's new immigrants and other understandings reached between the two countries.

The United States was forced to pay attention to Israel's settlement drive because of the high profile it achieved after 1989. Washington's repeated attempts to gain the cooperation of former Prime Minister Yitzhak Shamir in providing specific information about his government's support for settlement activity had met with little success. Israel refused to detail the extent of its settlement activity to the U.S. at a time when Washington's opposition to the activity was increasing. Shamir's deliberate efforts to misinform the United States became a prime cause of the deterioration in U.S.-Israeli relations during 1990-1992.

At the time of Secretary of State Warren Christopher's February 1993 visit to Israel, the Rabin government reconfirmed its agreement to provide the United States with a specific accounting of its non-security expenditures in the West Bank and Gaza. Throughout the summer, U.S. and Israeli representatives met to determine Israel's settlement budget for housing and infrastructure, including roads, and subsidies to investors in settlement-sited factories.

In contrast to dealing with the Shamir government, U.S. officials trusted the Rabin government to give them accurate budget data. Therefore, no independent U.S. estimate of Israeli expenditures was made.

The Rabin government gave U.S. officials an estimate of its annual settlement budget of \$430.5 million—a figure far lower than estimates of Israeli expenditures in recent years, when annual budgets climbed to more than \$2 billion.

The figure given to the Americans does not present an accurate picture of Israeli settlement expenditures. The Rabin government excludes the settlement budgets for East Jerusalem and the Golan Heights, which, if included, would easily double Israel's settlement budget to more than one billion dollars.

Washington never expected Israel to include East Jerusalem in its estimates. "In principle," a U.S. official said, "anything considered occupied territory is part of the agreement—certainly the Golan Heights. Regarding East Jerusalem, we'll see."

But Clinton could not permit Rabin to mold U.S. policy on Jerusalem according to Israel's preferences. Particularly at this moment, Washington cannot afford to alter its long-standing policy of considering East Jerusalem to be occupied territory. Washington, therefore, added a symbolic \$6.5 million to the Israeli figure of \$430.5 million as the price Israel would pay for its continuing effort to create facts in East Jerusalem.

The measure was aimed at formally maintaining the integrity of the policy, while not exacting any real penalty from Israel for its actions in the city—essentially the same policy followed by all U.S. presidents since 1967.

Israel does not need a large portion of the funds made available by the U.S. loan guarantees for the immigration-related purposes that Congress intended. Rabin has said that he wants to use some of the funds instead for Israel's military redeployment in the territories which is called for in the agreement with the PLO. ♦

KNESSET DEBATES HISTORIC AGREEMENT WITH PLO

The following excerpts are from the special debate on the Israeli-PLO agreements held on September 21, 1993, in the Knesset:

Benjamin Netanyahu, opposition Likud leader:

Sir, the most cynical, despicable, and even most contemptible thing this agreement does is to knowingly abandon the 130,000 inhabitants of Judea, Samaria, and the Gaza Strip, who are Israeli citizens. In the agreement, you promise to defend them. How will you do that? You say that the IDF can enter the settlements. Good. The IDF can move along the roads. Good. An attack on [the West Bank settlement of] Bet El will not come from the local community center, but from Ramallah. What will the IDF do? Travel there like traffic police along the roads and arrive at Bet El's community center, look around, and confirm there was an attack? But when we will have to chase after the gang we will not be able to do so. Will we turn to Arafat? Is that a defense arrangement? Do you think you are deceiving anybody? Do you think you are deceiving them, these are people who serve in the IDF? They are top commanders in our elite units. They know the truth. If you cannot enter the territory, you cannot defend Jews, neither on this side of the Green Line you want to set up nor on the other. Furthermore, you say: Unlike Menachem Begin, we have not uprooted settlements. That is true. At Camp David, he had the courage to do something very difficult. He told them that 3,000 or 4,000 people will leave. But you do not have the courage, because 130,000 people are involved, which is something else altogether. What do you want? You want them to leave, to dry up, to be chained, to run away? That is the worst thing. You are cynically abandoning their security and then you say they are not sufficiently Zionist, that they do not hold onto the land.

Mr. Prime Minister, there are thousands of children there, thousands of babies. You talk as though you care about the nation, that the nation is one. But you made an accord with the PLO to abandon that sector of the nation, and whoever abandons a part of the people ends up abandoning the whole nation. You shake your head. The settlement of Efrat can be let go; 130,000 people is a minor detail. Abandoning our best commanders there is a minor detail. Their tears are a minor detail. There has been an ongoing process since the establishment of this government to delegitimize, even dehumanize, that patriotic public, which is part of us.

Prime Minister Yitzhak Rabin:

The day we presented our government we also said: Holding such negotiations on the issue worry those among us who chose to settle in Judea, Samaria, and the Gaza District. I hereby inform you that this government, by means of the IDF [Israel Defence Forces] and the other security forces, will be responsible for the security and welfare of the inhabitants of those areas.

On the question of Jerusalem, we said that this government, just like all its predecessors, believes there are no differences of opinion in this House over the eternalness of Jerusalem as Israel's capital. Unified and unified Jerusalem is not negotiable and will be the capital of the Israeli people under Israel's sovereignty and the subject of every Jew's yearnings and dreams for ever and ever.

In Washington, Foreign Minister Shimon Peres signed on Israel's behalf the declaration of principles agreement for the interim period only. This agreement, which permits the Palestinians to run their affairs, safeguards the following issues for Israel: Unified Jerusalem remains under Israel's rule, and the body that will run the lives of the Palestinians in the territories will have no authority over it. The Israeli settlements in Judea, Samaria, and Gaza will remain under Israel's rule without any change whatsoever in their status. The authority of the Palestinian council will not apply to any Israeli in the areas of Judea, Samaria, and Gaza. The IDF will continue to bear overall responsibility for the security of the Israeli settlements in the territories, the security of every Israeli staying in the territories, and for external security—namely, for the defense of the current confrontation lines along the Jordan River and for the Egyptian border. The IDF will deploy in all areas of Judea, Samaria, and the Gaza District on the basis of these missions.

All the issues pertaining to the permanent arrangement will be put off for the negotiations that will begin two years after the date stipulated in the agreement, while preserving the Israeli Government's freedom to determine its positions regarding the permanent solution. This means that the declaration of principles leaves all the options open on this issue.

BAKER HALTED LAND SEIZURE

The following letter from Secretary of State James Baker was sent to Prime Minister Yitzhak Shamir soon after Baker left the region, following one of his shuttle missions preceding the Madrid conference in October 1991. The letter was written at a time when Baker was routinely confronted with evidence of heightened Israeli settlement construction. In response to a request made under the Freedom of Information Act, the document was recently released to the Settlement Report.

The Settlement Report has determined that the status of lands, which the letter noted were due to be declared as state land, lie within the expanded municipal boundaries of Jerusalem, and no construction or development has occurred on them.

According to Bethlehem Mayor Elias Freij, the houses scheduled for demolition remain untouched. "Their inhabitants are living in them," Freij reports, "and the Israeli soldiers do not bother them."

THE SECRETARY OF STATE

July 21, 1991

Dear Mr. Prime Minister:

During the course of my visits to Israel, Palestinians have complained that the pace of Israeli land seizures in the territories has increased significantly. Among these complaints, I have heard directly from Mayor Freij of Bethlehem and

Mayor Atrash of Beit Sahour about land seizures near their towns that are particularly disturbing.

Mayor Freij has asked that the land seized at Artas not be declared state land, and that it be returned to the Palestinians who had been using it. Mayor Freij also expressed the hope that the planned demolition of housing outside Bethlehem will not take place.

Mayor Atrash said that about 1,850 dunams [about 460 acres] of land near Beit Sahour have recently been declared state land. He asked that this land not be taken away from the Palestinians who have been using it and who have been trying to secure permission from Israeli authorities to develop the land.

Mr. Prime Minister, as you and I weigh the important issues of peacemaking that I know have occupied much of your attention, I ask that you instruct the relevant authorities to reverse the decisions in Artas and Beit Sahour, as well as to refrain from the demolition of houses outside Bethlehem.

Thank you for your attention to these matters.

Sincerely yours,
James A. Baker, III

His Excellency
Yitzhak Shamir
Prime Minister of Israel

The Israelis think they will keep some of their troops in Gaza to protect the settlers, their Israeli visitors and so on. As we see it, the withdrawal from Gaza and Jericho must be virtually total, with no Israeli military presence left in the Gaza Strip or Jericho.

If they want to keep the settlements in Gaza as a pretext to keep Israeli troops there for their protection, let the settlers put their staff on their shoulder and leave. Withdrawal means withdrawal.

Nabil Shaath
al-Hayat, October 24, 1993

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