

# U.S. Taxpayers Finance Sharon's Settlements

by Dean Andromidas

The best kept secret in Israel is not how many warheads it has in its nuclear arsenal, nor the number and range of its intercontinental ballistic missiles; but how much it spends on the settlements in the Israeli-occupied territories. A study just published by the daily *Ha'aretz* and available on its website suggests two very good reasons.

First, if the Israeli public knew just how expensive is the project that has prevented Israel from coming to a peace agreement with its Arab neighbors, they might make the rational decision to throw out the likes of Israeli Prime Minister Ariel Sharon and elect officials who will negotiate peace. This is especially sensitive given the fact the Israeli economy is now in a free fall collapse. Second, the amount spent on the settlements corresponds almost exactly to the amount of military and economic aid the United States extends to Israel every year. Thus, for decades, American taxpayers have been responsible for funding an enterprise that violates U.S. policy and international law.

Israel receives annually roughly \$2 billion in military aid and another \$1 billion in economic aid from the United States. The aid allows Israel to divert billions of shekels (4.5 shekels equal a dollar) to the settlement project. In addition the Bush Administration has extended another \$9 billion in loan guarantees to Israel this year, \$1.5 billion of which loans has already been secured and disbursed. Despite the fact that Sharon's government has announced the release of tenders for another 500 housing units—U.S. law forbids this money to be spent on anything outside Israel's 1967 borders—the Bush Administration has said that these guarantees will not be reduced.

## Most Israelis Would Give Up Most Settlements

Three weeks after the *Ha'aretz* study was published, the "Geneva Accord" was announced. This is a proposal for a peace treaty, drafted by an Israeli team led by Yossi Beilin and a Palestinian team led by Yasser Abed Rabbo. The draft calls for removal of several settlements lying outside the several large settlement blocks which the Palestinians have agreed to allow to continue to exist. The study shows that the majority of the Israeli public would support this.

According to a poll conducted by Dialogue, Israel's leading polling agency, 57% of the Israeli public is prepared to remove most or all of the settlements in exchange for a peace treaty, and 40% are prepared to unilaterally dismantle some

of them even without a peace treaty. Even among those who consider themselves "right-wing," 31% are prepared to remove most of the settlements. Furthermore, 55% of the Israeli public see the settlements as an economic burden, given the state-sponsored economic benefits the settlers enjoy.

The Israeli right and other supporters of the settlements claim that such a withdrawal would lead to a Jewish civil war. The poll showed this to be nonsense and a scare tactic; 78% of those polled said they would not take part in any protest activity against any "evacuation for peace" agreement. Only 12% would conduct demonstrations; 6% said they would be willing to fight it by non-violent civil disobedience; and 2% would fight "by any means." This latter grouping is a small fraction (only one-twenty-fifth) of the portion of the Israeli public which described themselves as "right-wing."

While there is very strong solidarity between the settlers and the rest of the Israeli population when it comes to Palestinian attacks, three-quarters of those polled feel that the Israeli army should not be guarding all the so-called outposts. The Israeli military must not only post guards at every settlement—which number over 100—but at every one of more than 100 outposts. This involves thousands of troops, mostly reservists, and costs many millions of dollars, at a time when the Israeli economy is in a state of collapse.

There are 225,000 settlers, but according to all the peace proposals, no more than 62,000 live in settlements likely to have to be removed as part of a peace settlement. Since the vast majority of settlers live in the territories because of the economic benefits, including very low housing prices and low-cost government-subsidized loans, an average of 70% of them would leave the settlements in return for compensation. *Ha'aretz* estimated only 40,000 settlers—the vast majority living in the "ideological" settlements deep in the West Bank, such as Hebron and Shiloh—would consider active resistance to withdrawal. The extremist settlers are not supported by the vast majority of Israelis; but these "fringe" elements are heavily represented in Sharon's cabinet, by the National Union ("transfer") party, the National Religious Party, and Sharon's own faction within the Likud.

## Sharon's Settlement Project

The Israeli settlements project began hours after the end of the Six Day War of 1967, when a group led by Rabbi Moshe Levinger checked into a hotel in the middle of Hebron in the West Bank. Levinger has not left since, and is one of the most extremist settlement leaders in the West Bank. His son was recently arrested as part of a suspected Jewish terror/bombing cell.

Sharon was involved from the inception. When the Likud came to power in 1977, bringing him into the government, Israel had no more than 22 settlements. Under Sharon's personal direction, 15 new settlements were built in 1977 alone. By 1984 there were no fewer than 121 settlements, and the total now stands at 143.

While only one new settlement was *officially* established after the signing of the 1994 Oslo accords, Sharon in the last two years has established no fewer than 100 outposts, almost all of which he intends to make the nuclei of new settlements. *Ha'aretz* quotes a senior officer who completed a long period of service in the territories: "There were practically no outposts during the past two years that the system did not help to establish. Prime Minister Sharon would regularly go over the maps with Zambish [Ze'ev Haver, the secretary-general of Amana, the settlement arm of Gush Emunim, the radical settlers movement] and together they would decide where to place outposts." The officer said that when Israel came under pressure to remove outposts, "the general staff would sit with Zambish and agree on evacuation of a dummy outpost, so that the real outpost would remain intact.

The "system" which the officer refers to is the cooperation between the political echelon, the military establishment, and the settlers and their contractors. The political leadership has been represented primarily by Sharon in his capacities as housing, defense, or infrastructure minister in the various Likud governments. The military establishment, the highest authority in what Israel calls the "administrated territories," routinely takes control of what it unilaterally defines as "state land" to establish infrastructure such as roads and military bases, some of which actually became settlements. Then Sharon's stormtrooper settlers from Gush Emunim and other radical organizations establish a settlement. This is ultimately followed by the announcement of housing tenders given to an army of contractors, many of whom eventually support the Likud's party coffers. All benefit at the taxpayers' expense.

## How To Hide Billions

The *Ha'aretz* investigative team estimated that Israel spent at least \$500 million for the settlements in 2003, alone, not including military expenses of \$1-2 billion more defending the settlements in the current Intifada. Per capita, the Israeli government allocates 10,000 shekels (\$2,300) more per year on each settler than on Israeli citizens living within the 1967 borders. This includes capital expenses of expanding the settlements and related infrastructure including roads, the electricity and water network, schools, etc. Every one of the 100 outposts created in the last two years alone, eventually is hooked up to this infrastructure grid through new roads, power lines, and water pipes. Unknown millions derived from the *military* budget are used for construction of infrastructure and other expenses. It is conservative to say that the entire \$3 billion Israel gets in American military and economic aid, is equalled by the amount it spends on the territories.

For the 35-year-old settlement enterprise, the *Ha'aretz* study accounts for \$10 billion spent, but says the figure could be many times higher because of the lack of transparency of both civilian and military budgets. It should be noted that

*Ha'aretz*'s figures are "net amounts," over and above the costs entailed if the 225,000 settlers lived, instead, within the Green Line. Since 1967 Israel has received close to \$90 billion in U.S. aid, \$60 billion of which subsidized one-fourth to one-third of the Israeli military budget. It is not at all unfair to say that the remaining \$30 billion, according to *Ha'aretz*'s estimates, was spent on the settlements.

The investigators noted, "The treasury's books do not stipulate which portion of the funds is channeled to the territories. On the contrary, every effort is made to conceal or camouflage these funds. For example, money earmarked for constructing fences in the territories will appear under the 'fences' category and the Defense ministry will explain that this pertains to fencing for all of the border and periphery communities. The Labor governments of the 1970s initiated this policy of hiding the settlement budgets from the scrutiny of critical Israeli and foreign observers, and the subsequent Likud governments adopted the same policy."

Would-be settlers get tremendous benefits for moving into the settlements; the majority would live within the 1967 borders if they were given the same benefits. The "quality of life" in the settlements is much better. Generous income tax breaks give settlers up to 10% more in take-home income. Housing purchases are subsidized directly by the government, enabling families to purchase private homes and apartments that are much larger and cheaper. Since the settlements are small, they have much lower student-to-teacher ratios. The teachers are paid higher salaries and given more benefits. Although there are no hospitals in the territories, the local medical care is more extensive.

The ultimate authority in the territories is the Israeli military, which spends a large, but unpublicized percentage of its budget there. Because Israel has designated most of the West Bank as "state lands," it is the army which takes control of it and builds the initial roads and other infrastructure. This could amount to hundreds of millions of dollars annually. Prior to the current Intifada, security for the settlements cost the military close to \$500 million. During the last three years, the military admits to the costs more than doubling, to at least \$1 billion, and possibly much higher. This is estimated to account for 20-25% or more of the entire military budget, approximately the U.S. military aid Israel receives.

*Ha'aretz* noted that if Israel had peace treaties with its neighbors instead of occupied territories, its military establishment could be significantly downsized, conceivably dismantling two of its three regional commands, and saving that \$2 billion U.S. military aid.

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