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SETTLEMENT MONITOR

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# SETTLEMENT MONITOR

EDITED BY GEOFFREY ARONSON

*This section covers items—reprinted articles, statistics, and maps—pertaining to Israeli settlement activities in the Gaza Strip and the West Bank, including East Jerusalem, and the Golan Heights. Unless otherwise stated, the items have been written by Geoffrey Aronson for this section or drawn from material written by him for Report on Israeli Settlement in the Occupied Territories (hereinafter Settlement Report), a Washington-based bimonthly newsletter published by the Foundation for Middle East Peace. JPS is grateful to the foundation for permission to draw on its material. Major documents relating to settlements appear in the Documents and Source Material section.*

## ***East Jerusalem Settlement Expansion Continues***

Fortress Jerusalem Endangers Palestinians . . . . . 150  
Population in East Jerusalem, 2000 . . . . . 152

***The Extra Civilian Price Tag, by Moti Bassok*** . . . . . 152

***State Department Defines a Settlement Freeze*** . . . . . 156

## **EAST JERUSALEM SETTLEMENT EXPANSION CONTINUES**

### **FORTRESS JERUSALEM ENDANGERS PALESTINIANS**

*From Settlement Report, November-December 2003.*

One decade after the beginning of the Oslo process raised the prospect of Palestinian sovereignty in East Jerusalem, the government of Israeli prime minister Ariel Sharon is implementing a program that aims at undermining not merely the option of a sovereign Palestinian political presence in the city, but also its historical role as the hub of Palestinian civic and economic existence. The creation of a “Fortress Jerusalem” is symbolized not only by burgeoning communities of Israeli settlements, but most starkly by the construction of physical barriers of walls, fences, barbed wire, and trenches that threaten to encircle the city in the north, east, and south (see map in Lagerquist article, in this issue).

This new policy marks a crossroads in the extraordinary conceptual transformation that underlies Israel’s contemporary approach to East Jerusalem. Israel once viewed

its presence in East Jerusalem with confidence and enthusiasm. Fortress Jerusalem, in contrast, envisages a battlefield vision of the future: a permanent confrontation with and subordination of Palestinian East Jerusalemites. Despite their vaunted security function, the barriers now being constructed will fail as a security measure and will cause endemic Palestinian poverty, bloodshed, and resistance.

Palestinians in East Jerusalem have always been viewed by Israel as a problem to be managed and a threat to be defused, if not eliminated. For more than two decades after 1967, a succession of Israeli leaders believed this objective could be achieved by promotion of Palestinian economic growth and integration.

While the original architects of Israel’s occupation of East Jerusalem shared Sharon’s objective—unchallenged Israeli rule over the city and its inhabitants—they had a far different vision of the way to manage Palestinian opposition. Immediately after Israel’s June 1967 conquest of the West Bank, Defense Minister Moshe Dayan fashioned a policy for East Jerusalem based upon Israeli annexation and expansion; extensive Jewish settlement; open borders with

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Israel as well as the city's West Bank hinterland, including unhindered trade and transport; and the creation of a preferred status for East Jerusalem's residents and institutions, symbolized by blue identity cards that distinguish them from West Bank residents. Israel advertised this benign approach to counter criticism of its permanent occupation.

The failure of Israel's massive settlement policy to increase its demographic domination in the city prompted a dramatic change in this conventional wisdom. Despite decades of intensive settlement that brought almost 200,000 Israelis into East Jerusalem, the percentage of Palestinians in the city rose from 25.8 percent in 1967 to 32.6 percent in 2000.

Security considerations reinforced the trend favoring division and separation. The policy decision to restrict movement from the West Bank to East Jerusalem, inaugurated in 1991 at the time of the first Gulf War, was not strictly implemented until the bus bombings in Israel that followed the Hebron massacre in early 1994.

Ironically, the dynamic of division and separation and the consequent East Jerusalem economic decline, was heightened by the Oslo process, notwithstanding wide support among both Palestinians and Israelis that Jerusalem's future was best served by its preservation as an open city. Diplomacy raised the option of the political separation of Palestinians in East Jerusalem, and the Jerusalem municipality withdrew services to Palestinian neighborhoods even as continuing settlement increased East Jerusalem's isolation from its West Bank hinterland.

The readiness of Prime Minister Ehud Barak to "divide" Jerusalem, physically and in terms of sovereign control, reversed a policy proclaiming exclusive Israeli rule over "united Jerusalem." Barak repudiated this central tenet of Israel's occupation policy because he wanted to lock in territorial gains in East Jerusalem settlements acknowledged by the Clinton parameters—"what is Palestinian is Palestinian and what is Jewish is Israeli"—and because he recognized that continuing settlement in East Jerusalem would not reverse Israel's losing demographic battle, an increasingly salient issue in domestic Israeli political opinion.

Today Sharon is attempting to establish a new paradigm to succeed Dayan's inte-

grationist policies and to foreclose Barak's concept of divided sovereignty. Sharon is determined to destroy the Oslo framework and its potential for Israeli withdrawal and Palestinian sovereignty as a basis for negotiation and the resolution of the Jerusalem issue. On a political level, the permanent closure of Orient House and the absence of a successor to the leadership provided by the late Faisal Husseini leave the city's Palestinians without a recognized political leadership or institutional base at anything beyond the local level. Fortress Jerusalem, in concert with settlement expansion in Ras al-Amud and Abu Dis, will close the option of a Palestinian corridor to the mosques on the Haram al-Sharif from the presumptive Palestinian capital in Abu Dis—part of the expanded East Jerusalem capital for Palestine mooted during the Oslo process. On the practical level, the policies now being implemented strike at the heart of the city's ability to function for Palestinians in its historical role as an economic and commercial crossroad and as a political, religious, and cultural center.

In territorial terms, Fortress Jerusalem is meant to complete the geostrategic isolation of Palestinian areas within the city from those on its West Bank periphery. East Jerusalem settlement communities, such as Gilo and Har Homa in the south and Neve Ya'aqov and Pisgat Ze'ev in the north and east, also serve this purpose. Settlements, however, are porous. Their existence does not preclude the transport, civic, and employment linkages with the Palestinian periphery that a continuous security barrier promises.

Fortress Jerusalem marks Israel's rejection of the notion that Palestinian economic prosperity is a vital element of coexistence. It also ignores the extraordinary cost of the new policy to both Israelis and Palestinians. The Palestinian city emerging from this vision will be a series of disjointed communities disrupted by expanding Israeli settlement and linked, if at all, by an aging road network interrupted by checkpoint bottlenecks. Palestinian East Jerusalem is largely sandwiched between Israeli West Jerusalem, to which access can be unreliable and complicated, and its Arab hinterland in the West Bank, which is blocked by a physical barrier.

It is impossible to construct a model for prosperity for a city divided from itself and under siege. Impoverishment and eventual

depopulation of the Palestinian sector and a continuing flight of capital and talent from West Jerusalem are far more likely consequences.

The unstated assumption driving Sharon's plan for Fortress Jerusalem is the shrinking of the Arab city in size and aspirations to enable its domination by Israel. East Jerusalem has languished as a consequence of closures during the last decade. Its West Bank market has been denied to it, a feature of the Oslo years that is now made permanent. Israelis long ago stopped patronizing or visiting the Arab sector, and tourists, once the entire city's lifeblood, have all but abandoned it. Despite its evident attractions, they will be slow to return to a city under permanent siege. Fortress Jerusalem will contain less than 250,000 Palestinians, a tiny market for a city Palestinians expect to embody their political as well as economic aspirations.

If there is a strategic rationale for Fortress Jerusalem, it would appear to be the expectation that Arab Jerusalem, no matter how grand its past or expectations for its future, will wither in the face of the terrible reality in concrete and barbed wire that is being constructed. The Sharon government intends to leave this legacy to the Arabs of Jerusalem. It may well discover to its dismay that it is bequeathing a similar testament to Israelis as well.

#### POPULATION IN EAST JERUSALEM, 2000

| Jewish Settlement             | Population     | Area (in dunams) |
|-------------------------------|----------------|------------------|
| Ramot Allon                   | 37,934         | 4,979            |
| Pisgat Ze'ev                  | 36,469         | 5,467            |
| Gilo                          | 27,637         | 2,859            |
| Neve Ya'aqov                  | 20,288         | 1,759            |
| East Talpiot                  | 12,845         | 1,195            |
| Ramat Shlomo                  | 11,348         | 1,126            |
| Har Ha-Hozvim                 |                | 653              |
| Givat Shapira                 | 8,193          | 2,018            |
| Sanhedriyya                   | 5,018          | 378              |
| Ha-Murhevet                   |                |                  |
| Ma'alot Dafna/<br>Kiryat Arye | 3,645          | 380              |
| Ramat Eshkol                  | 2,917          | 397              |
| Givat Ha-Mivtar               | 2,912          | 588              |
| Old City/Jewish<br>Quarter    | 2,279          | 122              |
| Givat Ha-Matos                | 763            | 310              |
| Har Homa                      |                | 2,523            |
| <b>Total</b>                  | <b>172,248</b> | <b>24,754</b>    |

| Palestinian Locale | Population (in dunams) | Area          |
|--------------------|------------------------|---------------|
| Shu'fat            | 28,977                 | 4,277         |
| Atarot             | 20,620                 | 3,327         |
| Bayt Hanina        |                        | 5,294         |
| Al-Tur             | 19,012                 | 1,745         |
| Al-Sawana          |                        | 851           |
| Abu Tur            | 12,987                 | 658           |
| Khirbat Bayt Sahur |                        | 1,078         |
| Jabal Mukabir      | 12,859                 | 2,949         |
| Arab al-Sawahira   |                        | 2,342         |
| Har Ha-Mashhit     | 11,922                 | 568           |
| Ras al-Amud        |                        | 694           |
| Sur al-Bahar       | 10,677                 | 5,333         |
| Kafr Aqab          | 10,451                 | 2,441         |
| Issawiyya          | 9,966                  | 2,394         |
| Silwan             | 9,187                  | 537           |
| Wadi al-Juz        | 6,740                  | 347           |
| Bayt Safafa        | 5,463                  | 1,577         |
| Bab al-Zahara      | 4,759                  | 427           |
| Ir David/Brekhat   | 4,067                  | 506           |
| Ha-Shiloah         |                        |               |
| Shaykh Jarrah      | 2,597                  | 711           |
| Eastern City       | 1,680                  | 396           |
| Sarafat/al-Suhur   | 936                    | 8,939         |
| <b>Total</b>       | <b>172,900</b>         | <b>47,391</b> |

#### THE EXTRA CIVILIAN PRICE TAG

*The article by Moti Bassok excerpted here appeared in Ha'Aretz on 30 September 2003. The figures cited exclude East Jerusalem settlements.*

One of the most closely guarded secrets in Israel is the amount of funding that is channeled to the settlements. Budget items were built to conceal this information, and no government report has ever been published on the subject. Now, for the first time, *Ha'Aretz* is presenting a nearly complete picture of the additional cost of the settlements, which totals more than NIS 45 billion since 1967.

In the month between mid-July 2003 and mid-August 2003, during the period of the *budna* (cease-fire), information was leaked to the media about nonmilitary investments in the territories of about NIS 800 million. Some of the reports were denied, but experience has shown that this type of denial should be treated with a fair measure of skepticism.

The investments include NIS 400 million for those willing to live in settlements in the Jordan Valley; the prime minister's

approval for paving three roads in the West Bank at a cost of over NIS 150 million (the Kedar-Ma'ale Adumim road, the Nili-Ofarim road, and the Yabed bypass road); a Housing Ministry decision to provide generous benefits (totaling some NIS 200 million) to those (mostly settlers) purchasing homes in areas designated as National Priority Areas A and B; and income tax breaks of 13 percent for 60 settlements (to be selected by the Defense Ministry).

The arrangement for the tax breaks, which the Finance Ministry negotiated with Minister Avigdor Lieberman, MK Zvi Hendel and others, will cost the state some NIS 100 million in lost tax revenues and provide the recipients of these tax breaks an additional NIS 1,333 in monthly take-home pay.

But aside from all these figures and the huge sums involved, there is still no clear answer to the question of how many extra billions the State of Israel spends in the territories each year. Is it NIS 1 billion? NIS 2 billion? NIS 5 billion? More? In other words, the question is how much less the state would spend if the 231,000 settlers resided within the Green Line. And how much money has Israel allocated for Jewish settlement in the territories since they were conquered over 36 years ago: NIS 20 billion? NIS 30 billion? NIS 50 billion—or more? The *Ha'Aretz* investigation, conducted during the past three months, attempts to answer these questions for the first time.

#### **Transparent Budgets**

No prime minister or finance minister, from either the Likud or Labor parties, has ever answered these questions. Most, or all, of them do not know the answers. There is a story at the Treasury about a new finance minister, a friend of the settlements, who received the portfolio not that many years ago and invited the head of the Budgets Division for a confidential talk. When the door was closed, the minister implored, "Now tell me, finally, how many billions is the government spending in the territories each year?" The head of the division responded by giving the minister a two-hour lecture on government spending in the territories. During the entire lecture, he did not mention even a single number. . . .

To put together this report, *Ha'Aretz* requested information from the Defense Ministry and Treasury, the Jewish Agency (which invests a lot of money in the territories, both directly and via the World Zionist

Organization), and other governmental and public organizations. All of these bodies are funded by taxpayers and are obliged to provide information to the public. But all of them refused to hand over all or part of the data. This refusal was sometimes explicit and sometimes accompanied by various and peculiar excuses.

Why is it so difficult to find in the Treasury's books an answer to the question of how much money is transferred to the territories? The difficulty derives from the fact that 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 coalition 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.

In researching this report, *Ha'Aretz* reporters spoke with dozens of senior Treasury officials and key political and economic leaders, and collected many relevant documents. . . . The *Ha'Aretz* project was able to draw on some earlier efforts to decipher the issue of government investments in the territories. Peace Now published a study in December 2002 by the economist Dror Tsaban on government budgets channeled to the settlements. In 2001, the Adva Center began to issue information on government investments in the territories (including the Golan Heights)—in local authorities, and on housing and road construction. *Ha'Aretz* also gleaned information from a pamphlet published by the Accountant General's Division of the Finance Ministry that summarizes the amount of funding by various government ministries to local authorities—including those in the territories—in 2001. Only a very small number of copies of this pamphlet were distributed, and not every senior Treasury official even knows that it exists.

#### **The Major Budget Items: Local Authorities, Housing, Roads**

Funding for the settlements includes fixed budgets and supplementary allocations, as well as benefits that settlers receive

as individuals. The fixed budgets include the sums each locality receives in Israel, plus the extra money the settlements receive. This report only focuses on this surplus funding. Thus, for example, if the average pupil at schools within the Green Line receives five hours of instruction a day and the average child in the territories has a longer school day, *Ha'Aretz* calculated the additional hours of instruction as an extra cost.

In the case of benefits available to home buyers, the personal benefits derived from family status were not factored into the calculations. Only the benefits that are not offered to families living in central Israel entered into the calculations.

Spending on infrastructure was considered an extra expenditure for three reasons. First, much of the money spent on the settlements—in construction, roads, and other infrastructure—is money down the drain because, according to agreements Israel is a party to, this infrastructure will sooner or later be handed over to the Palestinians. Second, there are extra benefits provided for financing infrastructure in the territories that are not offered within the Green Line. Third, the assumption is that most of this infrastructure would not be essential if the settlers were living within the Green Line, even in small communities in peripheral areas.

According to Tsaban's research, the state transferred NIS 2.23 billion to the settlements from nonmilitary budgets in 2001. (He did not calculate military spending related to the settlements.) Of this total, he defines NIS 1.85 billion as surplus costs. *Ha'Aretz* verified and updated Tsaban's calculations. The main budget items in this extra spending during the past years include transfers to local authorities (according to the accountant general's report)—about NIS 700 million; Housing Ministry—NIS 440 million (the estimate for 2003 is NIS 500 million); roads—about NIS 400 million. The cost of income tax benefits provided to settlers was about NIS 130 million, though this benefit was canceled this summer. (An arrangement was made, however, to extend and increase this benefit for 60 settlements.)

The *Ha'Aretz* study found that the state invests about NIS 80 million each year on electricity infrastructure, NIS 50 million on water infrastructure, NIS 40 million on industry, and NIS 30 million via the Mifal Hapayis national lottery. In the area of education, the extra funding totals at least NIS 100 million

annually, and another NIS 75 million in extra costs is incurred in the health system.

The Interior Ministry transferred to local authorities—in addition to the sums cited above—two types of special budgets for the settlements: an Oslo grant (about NIS 35 million per year) and an intifada grant (another NIS 35 million). These sums were significantly reduced this year. Another few million are provided by the Tourism Ministry, Religious Affairs Ministry, and Welfare Ministry. In recent years, this has all added up to about NIS 2.25 billion annually in extra costs.

Two significant budget items whose scope is unknown are land acquisition, which has been conducted on a very large scale in the territories, and allocations for many hundreds of nonprofit organizations. In 2002, there were no major budget revisions. The economic plan for 2003 brought cutbacks of more than NIS 150 million, but it is still not clear whether they will ultimately be implemented. Thus, a very conservative calculation of extra nonmilitary spending for the settlements in recent years would be NIS 2.5 billion. However, the real figure is apparently much higher.

*Ha'Aretz* calculated spending on the settlements over the years in two ways, based on existing data and approximate estimates. In both cases, *Ha'Aretz* based its calculations on current appropriations and the relatively abundant information on past spending. Both methods of calculation led to the conclusion that the amount of extra spending over the years totaled some NIS 50 billion. One of the methods of calculations is shown in the accompanying table. It is based on data showing that the state spent NIS 10.3 billion on housing and NIS 10 billion on roads. The other amounts were calculated according to the number of inhabitants (personal benefits and services) or number of settlements (infrastructure). All together, this works out to more than NIS 45 billion, not including the large, unknown sums spent on acquiring lands and allocations to nonprofit organizations.

The second method of calculation is based on the fact that budgets for the settlements during the last 14 years have remained quite constant. There were years when these budgets grew, like during the narrow right-wing government headed by Yitzhak Shamir (1990–92), and there were years in which they shrank, like during the term of the Rabin government. It can be assumed, therefore, that the extra spending in

the aforementioned budget areas averaged NIS 2.5 billion a year during 1990–2003 in current shekel values, or NIS 35 billion over these 14 years.

There are only estimates for the 1970s and 1980s, and the *Ha'Aretz* study was careful to calculate these in a conservative direction. There were fewer Jews living in the territories during the 1980s. According to the number of settlers and settlements, *Ha'Aretz* estimated that an extra NIS 1 billion was spent each year on the settlements in the 1980s, or NIS 10 billion over the decade. The estimate for the 1970s is NIS 500 million per year, or NIS 5 billion during this 10-year period. This all adds up to NIS 50 billion in extra nonmilitary spending in the territories. It is important to reiterate that *Ha'Aretz* regards this as a conservative estimate and that the real figure is probably considerably higher.

#### ***NIS 4 Billion for Defense***

The extra security expenses in investments and military operations (protecting settlements—including air defense, guarding performed by reserve and regular army units, evacuation of settlers, fortifying settlements, etc.) increased considerably during the past three years of the intifada. It is difficult to isolate the costs of protecting settlements from the rest of the intifada-related expenditures, especially because the defense establishment does its utmost to keep the two types of expenditures secret. One of the difficult problems is to assess which part of the defense array will still need to be deployed after a withdrawal from the territories.

The *Ha'Aretz* investigation found that the cost of maintaining about 10,000 troops in the territories prior to the intifada was NIS 2 billion per year. Senior officials in the Defense Ministry and other government ministries set the additional cost of the intifada at NIS 2.0 billion–2.5 billion a year. This makes a total of about NIS 4 billion. If peace is achieved, Israel could count on this amount of savings each year in the long run. During the initial years after a withdrawal, the savings would be lower, as much of the intifada-related spending would be transferred to fund security activities along the border.

One possible model for assessing the savings that would result from an IDF pullout from the territories is the IDF withdrawal from Lebanon in June 2000. After the IDF redeployed along the northern border, the

Northern Command was able to reduce by 50 percent the number of troops it deploys on this front. Assuming that about half of the defense spending in the territories would be saved after a withdrawal, the extra military-related spending for holding on to the settlements comes to about NIS 2 billion a year.

For example, based on the Lebanon model, it can be estimated that in the event of withdrawal only three or four regional brigades would need to be deployed, instead of the seven now deployed in the West Bank and Gaza Strip. This would enable an armored division to be dismantled. The cost of maintaining an IDF armored division is estimated to be about NIS 1 billion a year.

Practically speaking, however, it is doubtful whether the Lebanon model is applicable to central Israel, and it is only one possible assumption. The savings could be greater than 50 percent in a situation of true peace, or less than this amount in the event of a unilateral withdrawal. In any case, there is no way to unequivocally cite a specific number.

#### ***National Priority***

“Since the beginning of the settlements in the West Bank, Israel has carried out a vigorous and systematic policy aimed at encouraging Israeli citizens to move to the settlements,” writes the researcher Yehezkel Lein in a report for the B’Tselem organization. “One of the main tools serving this policy is the granting of benefits and significant financial incentives to settlers. There are two types of incentives—those provided directly to the citizen by defining the settlements as ‘national priority areas,’ and those provided to local authorities in the West Bank under preferred conditions in comparison with localities within Israel.”

Up until the beginning of the 1990s, the benefits were provided to the settlements by virtue of their definition as development areas. Yitzhak Shamir’s government changed the name to “national priority areas.” The revisions made over the years to the list of settlements and scope of the benefits did not significantly change the picture. The settlements, during all of the governments, maintained their status.

The aim of national priority areas (according to the pamphlet “National Priority Areas,” Prime Minister’s Office, 26 April 1998) is “to encourage the next generation to remain in these areas, to encourage new immigrants to settle there, and also to encourage Israelis to move to the priority areas.”

Here again, the same scheme was used that succeeded so well in the state budget: The settlements were bundled in a package of benefits together with border communities in northern Israel and struggling communities in the Negev in an effort to blunt opposition and make it harder to identify and quantify the benefits provided to the settlements.

The benefits and incentives awarded under the framework of national priority areas (according to the National Priority Areas pamphlet) are provided by six government ministries: Housing and Construction, National Infrastructure, Education, Industry and Trade, Labor and Welfare, and the Income Tax Division of the Finance Ministry.

Here are several examples of what it means to be designated National Priority Area A. Up until this year, settlers enjoyed a 7 percent deduction in income tax—which translates into an increase in net wages of up to NIS 720 per month—just by virtue of living on the other side of the Green Line. Teachers working in National Priority Area A receive an automatic bonus of four years seniority, an exemption from paying into training funds (*keren bisbtalmut*), an 80 percent housing subsidy, 100 percent reimbursement for travel expenses, and more. Very large grants and loans of about NIS 90,000 are offered to anyone who purchases a home in a settlement. Industrial plants located in National Priority Area A are entitled to larger grants for research and development, up to as much as 60 percent of the cost of each project.

#### STATE DEPARTMENT DEFINES A SETTLEMENT FREEZE

*From State Department spokesman Richard Boucher's daily press briefing, Washington, 31 July 2003, as reproduced in Settlement Report, September-October 2003.*

*Question: Has the State Department made an assessment about what more would be required in the first phase to be considered a sufficient settlement freeze?*

*Boucher:* There—some of the outposts were taken down, but there are more to be taken down. And I think the Israeli government has said it has a comprehensive plan to do that. There is the issue of settlements freeze as well, where I'd say it's not settled

at this point exactly all the details of how that can be implemented. So settlements is an ongoing issue that remains under discussion.

*Question: Do you consider that you have a commitment from the Israelis to freeze settlements or not?*

*Boucher:* We have a commitment from the Israelis on the road map. We have a commitment from the Israelis to take steps that move along the process described by the road map. They have made very clear in public their commitments on taking down outposts. And the issue of settlement activity remains one of discussion with the Israelis on how that can be implemented as well. . . .

*Question: Maybe I'm misunderstanding this. . . . The Israelis—either you stop—either you stop or you don't stop, you know. There isn't any other little discussion. There is nothing—there is no room for discussion.*

*Boucher:* I know that sounds great rhetorically in the briefing room. But you all know enough about this subject to know that this issue has been discussed for many years, that there are very involved aspects to this of funding, of so-called natural growth, of so-called, you know, questions of children, questions of cousins, questions of schools, questions of perimeters, questions of land. You know that's been the discussion in the past, and it shouldn't be any different now.

*Question: So your understanding, do you have a position on what freezing settlements means? What is it?*

*Boucher:* We have a position that this matter is still under discussion with the Israelis.

*Question: Well, does that mean that natural growth, which is what the Israelis have said, is it something that you're willing to accept under the terms of the road map, or the road map could encompass that?*

*Boucher:* Road map doesn't say that.

*Question: I know it doesn't.*

*Boucher:* Road map says "freeze on settlement activity."

*Question: Well, now you're the one who is making the rhetorical point. Either there is a freeze or it's not, right?*

*Boucher: I'll finish the sentence. Okay? The road map says "freeze on settlement activity." We're in discussions with the Israelis about how exactly that can be implemented. That's where these other questions arise.*

*Question: And is it possible that building 22 housing units at the settlement in Gaza would be compatible with a commitment to freeze settlement activity, as the road map says?*

*Boucher: We are in discussions with the Israelis about how to implement the question of settlement activity.*

*Question: But it could be—that could fall within the parameters?*

*Boucher: I am not saying it could or it couldn't.*

*Question: I think what's confusing to some of us is that previous U.S. policy had been that natural growth within settlements was not necessarily something that the U.S. supported.*

*Boucher: I didn't say it was necessarily something the U.S. supported today. I said these matters are under discussion.*

*Question: But it was not under discussion before.*

*Boucher: Whether you call it natural growth, whether you call it, you know, perimeters and children and subsidies and, you know, building new floors versus building out, there are discussions, there are subjects that need to be discussed. The road map calls for a freeze on settlement activity. That subject remains under discussion.*

*Question: It wasn't under discussion before, Richard. It was a stated U.S. policy that you did not agree.*

*Boucher: It remains a stated U.S. policy that a settlements freeze is part of the road map, and we expect the parties to abide by the commitments in the road map. We are talking with them about how they should do that.*

*Question: In previous statements you have said that the freeze on settlements includes a freeze on natural growth. Can you say that again today?*

*Boucher: I don't think I've said that, frankly, Jonathan. I'd have to look it up. But in any case, that, in itself, doesn't answer the question. We need to reach understandings on how exactly the settlements freeze would be implemented. The United States supports a freeze on settlements. I don't think we are saying anything new today.*

*Question: Well, but the problem is that it sounds as though you're willing to accept that a freeze doesn't necessarily mean a freeze.*

*Boucher: A freeze means a freeze. And we want it to be clear what that is, and that's why you have to discuss these things to make sure that we have a common understanding that a freeze is a freeze, and it's not a freeze that results in continued expansion or growth.*

*Question: Would you say that their commitment to the road map is not a commitment to implement it immediately, because how can they be committed to the road map and everything within it if they are blatantly disobeying it.*

*Boucher: As you know, the road map is a road map. It's not a pile of things in one place; it's movement down a set of steps, and different things happen at different phases and different times in the road map.*

*Question: But this is one of the first ones.*

*Boucher: It's one of the first ones. It's one of the things in Phase 1. And we're currently in discussions with the Israelis on how it can be implemented.*