



May, 2007



Dear Friend,

After years of deadlock in the Middle East peace process, it is as if a sudden breeze is blowing through the region, reviving all the players. The news is filled with Secretary of State Condoleezza Rice's diplomacy and the Saudi-sponsored Arab peace initiative. Tom Friedman, in a recent New York Times column, "advised" Saudi King Abdullah to go to Jerusalem to create an "emotional breakthrough"—in other words, to pull a Sadat—and demonstrate that the Arabs really mean Israel no harm.

There's no question that movement on the diplomatic front with strong U.S. involvement is good news. But with attention once again on the nuances and vagaries and endless details that constitute diplomacy, it's easy to forget that Israel is a country made of people, 6.3 million of them. And if you take your eye off the war-and-peace lens and look at the Israelis themselves, some disturbing images emerge:

Every third Israeli child is living in poverty.

This picture was provided by Israel's National Insurance Institute. As are these:

- >> The Jewish state is home to some 738,000 poor children and teenagers.
- >> One in five Israelis lives below the poverty line—that's 1.63 million poor Israelis.
- >> A majority of Israel's Arabs—52 percent—live below the poverty line.

Israel has long ceased to be the egalitarian country it was at its founding 59 years ago. In fact, the gap between rich and poor is wider in Israel than in any developed country, except the United States.

And the numbers are growing.

- >> According to a poll by the Israel Medical Association, more than a quarter of Israelis cannot afford comprehensive health care.
- >> Since 2001, the social budget for children has been cut by some \$800 million. The National Insurance Institute has warned that further cuts could increase the number of poor children.

Most of us don't think about Israel in these terms—we're so concerned about the threats to Israel's security and about its place in the world.

Yet these poverty figures are entwined with the issues of war and peace. The nearly 4,000 rockets Hezbollah fired at northern Israel last summer killed 43 Israeli civilians, wounded more than 4,400 and drove a million people into shelters. The rocket barrages destroyed or damaged at least 6,000 Israeli homes and businesses—causing \$1.1 billion worth of damage. And the total cost of the war, including military spending and lost GDP has been estimated at \$4.8 billion.

With reconstruction making a large demand on its treasury and putting pressure on its economy, and with a \$9 billion military budget that is 8.9 percent of its GDP—the United States, by contrast, spends only 3.2 percent of its GDP on the military. It may come as a shock to learn that **Israel has spent more than \$14 billion on West Bank settlements.**

That staggering figure covers only construction and infrastructure costs over the past four decades, according to a report by the Israeli Research Institute for Economic and Social Affairs, an independent body. The report also determined that the Israeli government contributes twice as much proportionally to the municipal budgets of settlements as it does to municipal budgets inside Israel.

These figures do not even include extra spending on settlers for education, social services, tax benefits and military protection. Additionally, many of these settlements are illegal outposts that Israel's government said it will dismantle.

This burden on the Israeli taxpayer and the country's poor will be the lasting legacy of Israel's settlement movement—a folly that *Shalom Achshav*, Israel's Peace Now movement, has opposed since it was founded in 1978.

Issues of war and peace are often reduced to zero-sum questions of guns or butter. In the case of Israel's settlements, Israel today would have a stronger military, a stronger social safety net, and stronger communities in the Galilee and Negev if those billions had not been diverted to settlement-building.

In the first claim of its kind by settlers facing eviction, the residents of the unsanctioned illegal West Bank outpost Hersha have asked Israel's High Court of Justice to order the state to compensate them if they are evicted from their homes. Despite being in violation of Israeli law, construction there has received state aid for the past 10 years, according to Haaretz. The outpost has received some \$425,000 for infrastructure, for day-care and community centers, and to begin construction of some 25 housing units, the newspaper reported.

It was *Shalom Achshav* that stopped the madness that is Hersha, by petitioning the High Court, asking that the outpost be demolished.

And how much will Israelis pay to compensate the residents of illegal outposts? The 2005 disengagement from sanctioned settlements in Gaza (and four remote West Bank settlements) in 2005 cost Israel around \$2 billion dollars. That's more than \$200,000 per settler, based upon 9,000 people being affected.

Peace Now supports settler compensation as fair treatment, just as it opposes illegal outposts like Hersha and settlements like Modi'in Illit, where a Peace Now petition to the High Court of Justice froze the illegal construction of 3,000 settler housing units.

If the Israeli government needs to be forced to dismantle more illegal outposts, Peace Now will continue to use the legal tools available. We now know that those settlements and outposts were not all constructed on state-owned land, as their proponents have long argued. Following a Freedom of Information Act lawsuit, Peace Now research based on Israel government records revealed that one third (32.4 percent) of the Jewish settlements' land in the West Bank is private Palestinian property. And the data confirm assertions Peace Now made earlier that the vast majority of the settlements and outposts (131 out of 162) are either partially or completely on privately owned land.

Peace Now's legal victories are due in no small way to the support of Americans for Peace Now (APN) and its members. Americans for Peace Now, the U.S. sister organization of *Shalom Achshav*, works to see that government leaders in Washington and individuals and communities around the country are aware of the strategic and economic benefits to Israel of security through peace.

Americans for Peace Now provides 50 to 70 percent of the funds that Peace Now in Israel uses for its activities. As a member of APN:

- >> You will support *Shalom Achshav's* most vital activity, Settlement Watch, which provides vital information on the growth of settlements to the media, to Israeli officials, to diplomats and to the general public.
- >> You will help underwrite *Shalom Achshav's* research, legal fees, and court costs associated with future cases to enforce the law against illegal settlement activity.
- >> You will make possible *Shalom Achshav's* ongoing efforts to educate and mobilize Israel's public in support of peace. *Shalom Achshav* is Israel's largest non-partisan grassroots organization.
- >> You will support the tough, rational approach that APN brings in its Israel advocacy to Congress...to college campuses...in newspaper ads...and in the weekly updates that our members receive.
- >> And you will be part of the constituency calling for the Bush administration to become more engaged in bringing Arabs and Israelis back to the negotiating table.

The folly of settlements must end. Peace Now's work is crucial to weaning Israel from its expensive, divisive and disastrous addiction to settlement-building.

For far too long the governments of Israel have focused their attention on building settlements and too little on the picture that shows that one third of Israeli children live in poverty.

Join APN if you want to paint a new picture for Israel's poor.

You will be part of an organization that Charity Navigator, America's premier independent charity evaluator, recently gave a top 4-star rating for sound fiscal management—for the second year in a row. Only 12 percent of American charities have achieved this distinction. Charity Navigator determined that 82 cents out of every dollar donated to APN is used directly for programming, while only 10 cents are required for administration expenses.

The settlement movement is a folly and a failure. It has helped to impoverish ordinary Israelis. And it is time for it to end.

Please make your tax-deductible contribution today to Americans for Peace Now.

Sincerely,



Stanley K. Sheinbaum

Stanley K. Sheinbaum is the publisher of New Perspectives Quarterly. He was a Senior Fellow at the Center for the Study of Democratic Institutions, Chairman of the American Civil Liberties Foundation of Southern California, and a Regent of the University of California from 1977-89. He helped found the People for the American Way, and in 1971, he organized the Pentagon Papers-Daniel Ellsberg Defense Team. He has also been active in the Middle East peace process serving since 1982 as a board member of the International Center for Peace in the Middle East in Tel Aviv, and on the board of Americans for Peace Now since 1988.



Danny Goldberg

Danny Goldberg is a long-time music business executive and political activist. He is currently President of Gold Village Entertainment which manages the careers of Steve Earle and the Hives among others. Prior to the formation of GoldVillage, Goldberg was the CEO of Air America Radio. He is the former President of Atlantic Records and of Mercury Records and in the past managed the careers of Bonnie Raitt and Nirvana among others. Goldberg is the author of the book "How The Left Lost Teen Spirit". He is the former co-publisher of Tikkun for which he still sometimes writes. Goldberg has been a long time Board member of the ACLU of Southern California, the NYCLU, The Nation Institute, The American Prospect and Americans For Peace Now.

Contact Americans for Peace Now (APN) at 1101 14th Street NW, 6th Floor, Washington, D.C. 20005 for financial information and a full description of its programs.

