

Anger Rises Over U.S. Tax Dollars for Settlements

Mel Frykberg

RAMALLAH, Jul 24 (IPS) - Anger has arisen in Palestinian areas over reports that millions of tax-exempt dollars from the U.S. are being funneled towards Israel's illegal settlement building in the Palestinian West Bank -- in flagrant violation of international law.

This is happening under the nose of the U.S. administration despite its claims of support for a two-state solution and criticism of Israel's continued settlement building.

The Palestinian Authority (PA) based in Ramallah has expressed outrage. "Adhering to international law is a big step towards holding Israel accountable for its actions," PA spokesman Ghassan Khatib told IPS from the Muqata (government) headquarters in Ramallah.

"Settlements violate international law, and the United States is supposed to be sponsoring a two-state solution, yet it gives deductions for donation to the settlements," said Saeb Erekat the PA's chief negotiator.

According to a recent report in The New York Times 40 U.S. groups have raised more than 200 million dollars in tax-deductible donations for Jewish settlements in the West Bank and East Jerusalem during the last ten years. U.S. tax rules prohibit the use of charitable funds for political purposes at home or abroad.

But U.S. tax laws encourage citizens to support non-profit groups whose ideologies might diverge from official government policy as long as their missions are educational, religious or charitable. Religious groups have no obligation to divulge their finances, meaning settlements may be receiving sums that cannot be traced.

Direct donations to foreign charities are illegal but the Internal Revenue Service (IRS) allows donations to U.S. non-profit organisations which support charitable projects abroad. This is how many "clearing house companies" based in the U.S. are able to send the money to help finance and support the settlements.

The money has also financed items which might well be illegal under international law, such as guard dogs, bulletproof vests, rifle scopes and vehicles to secure outposts and settlements.

There are currently half a million Israeli settlers in occupied East Jerusalem and the West Bank. All of the settlements are illegal under international law and are in violation of various UN resolutions.

Although a lot of the tax-exempt money has gone towards supporting West Bank settlements, which although illegal under international law are legal under Israeli law, money has also gone towards the outposts which are illegal even under Israeli law.

"Friends of Itimar is an American organisation which provides tax-exempt funds for the Itimar settlement near Nablus in the northern West Bank. Friends of Bet El likewise support the Bet El settlement near Ramallah," Hagit Ofra from Israel's Peace Now movement which monitors Israeli settlements told IPS.

Both settlements have built outposts.

The settlements are supported by the Israeli government both militarily and economically. They are connected to water, electricity and other infrastructure. Residents number from several hundreds to cities with hundreds of thousands of residents.

The outposts generally comprise a small number of caravans, have limited populations, and are generally unconnected to road and other infrastructure. The Israeli government has vowed repeatedly to dismantle the outposts but to date only a few have been pulled down.

The funneling of the tax-exempt millions has been instrumental in helping Israel's continued Judaisation of East Jerusalem as the Jewish state establishes facts on the ground in an endeavour to keep the city united under its eternal sovereignty with a Jewish majority.

The Jerusalem Reclamation Project of Ateret Cohanim works to transfer ownership of Arab homes to Jewish families in East Jerusalem. Approximately 60 percent of Ateret Cohanim's funding comes from a U.S. affiliate.

Another non-profit group El'ad has been behind the financing and digging up of Palestinian homes in the Silwan suburb of East Jerusalem in

order to establish a Jewish theme park.

"Without the substantial support of millions of tax-exempt dollars from the U.S., and elsewhere in the world, Israeli NGOs such as Elad and Ateret Cohanim which finance the construction and expansion of settlement building in East Jerusalem would be restricted," Ofran told IPS.

"They rely on the substantial funds they have to buy Palestinian homes often under dubious circumstances and then to fight long and protracted battles against the owners should they take the cases to court." (END/2010)

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