



## Historical Background

In 1947, the United Nations recommended what it construed to be a ‘more or less even’ partition of Palestine into a Jewish state on 56.47% and an Arab state on 43.53% of the country. This was despite the fact that only 7% of the country was owned by Jewish inhabitants, who made up only one third of the country’s population. Palestinian rejection of the Partition Plan precipitated the Arab-Israeli War of 1948-49, causing the flight of two thirds of the Palestinian population in the face of the Israeli forces and atrocities, that went on to conquer 78% of the country.

In 1967, Israel occupied the remainder of Palestine (the West Bank and Gaza Strip). The adoption, that year of UNSC Resolution 242, calling on Israel to withdraw from all captured territory as a basis for peace, required Palestinians to accept the 22% of their homeland for an independent state. When the Palestinian leadership, in November 1988, formally accepted this Resolution, they did so at the cost of 78% of historical Palestine, accepting less than half the allotment of the Partition Plan.

However, Israel failed to consider this historical territorial compromise as a fundamental step in ending the Palestinian-Israeli conflict, as can be concluded from its demand to annex at least 6% from the West Bank (mainly near Nablus and in and around Jerusalem), holding out the prospect of territorial compensation in the form of the Halutza dunes (see map) conquered in 1949. The loss of this 6% would deprive the Palestinian state of its only metropolitan assets, precious urban development space and infrastructure, located not in the Halutza dunes but rather in those central areas that are urgently needed to restore and regenerate an economy wrecked by more than three decades of occupation.

Map 1  
A Palestinian State - Historical Comparison



## Settlements and the Peace Process

In June 1992, the Israeli elections brought the Labor Party back to power, partly due to promises to deliver an agreement with the PLO/Palestinians as well as to secure the \$10 billion in US loan guarantees by pledging, for the time being, a ‘settlement freeze.’ Little more than a year later, on 13 September 1993, the PLO and Israel signed the Declaration of Principles, providing for a five-year interim period, postponement of core issues, and Israel’s maintaining ‘overriding security responsibility’ over the entire area. With the signing of the interim accords, the Palestinian side agreed to defer the issue of settlements to a later stage in exchange for an Israeli commitment to disengage from the West Bank and Gaza and to preserve their territorial integrity. However, Israeli settlement policy continued unabated (see Boxes 2 and 3) and, in the face of international condemnation, set about strengthening Israeli presence and control in the Palestinian territories before any final arrangement with the PLO would be reached.