PEACE MONITOR

The Peace Monitor is a quarterly summary of bilateral, multilateral, regional, and international events affecting the peace process.

BILATERALS

PALESTINIAN-ISRAELI TRACK

Following the failed Oslo II implementation talks in Washington (11/3–6) and U.S. Secretary of State Madeleine Albright’s inconclusive follow-up meetings with Palestinian Authority (PA) head Yasser Arafat and Israeli PM Benjamin Netanyahu (11/14–15; see Peace Monitor in JPS 106), a “frustrated and impatient” Pres. Bill Clinton urged Israel (11/23) to come up with a “serious and credible” redeployment from 10–15% of the West Bank (the bulk of which should come from Israeli-controlled area C and not from jointly controlled area B) in advance of his meetings in Washington 12/97 with Arafat and Netanyahu. The next day, the Israeli government leaked a further redeployment (FRD) offer under which it would withdraw from 6–8% of the West Bank around Hebron, Jinin, Nablus, and Ramallah—without any specification of whether the pullback would be to area A or area B. The Israeli Right immediately said that the plan went too far, while for the PA it was unacceptably small, and the U.S. declared it inadequate.

On 11/27, PM Netanyahu publicly reiterated his proposal (first made in early 10/97) that the three stages of FRD outlined in Oslo II be combined into one, elaborating that this should occur after a five-month probation period to ensure full PA compliance with Israeli security demands, provided the PA also agree to immediate accelerated negotiations on final status. Regarding the extent of the single FRD, Netanyahu stated only that Israel would require “extensive and continuous security zones,” including a buffer zone in the Jordan Valley, a buffer separating the West Bank from Israel, and several east-west roads connecting the two buffer zones.

On 11/30, the Israeli cabinet agreed in principle to carry out a single FRD but ordered Netanyahu to specify which areas would be retained by Israel in a final settlement before it would discuss any concrete proposals. A special ministerial team comprising PM Netanyahu, DM David Levy, DM Yitzhak Mordechai, Trade M Natan Sharan-

sky, and Infrastructures M Ariel Sharon was charged with drawing up the FRD plans. At the same time, the cabinet pledged to “strengthen” settlements despite a U.S. call for a “time-out” (see Peace Monitor in JPS 106). The first two meetings (12/2, 12/4) of the special ministerial team on FRD discussed strategy rather than details. The two points of focus reportedly were (1) whether a third FRD was avoidable; and (2) whether the team should recommend retaining wide security zones, which might be opposed by the U.S., or narrow security strips.

Secretary Albright met with PM Netanyahu in Paris (12/5, 12/6) and with Arafat in Geneva (12/6) to prepare for their upcoming meetings in Washington with Pres. Clinton. Albright reportedly supported Netanyahu’s conditions regarding security but thought his 6–8% FRD proposal amounted to too little too late, while Arafat’s expectations of 70–80% were exaggerated. She also warned both sides that if they could not resolve the FRD issue themselves, the U.S. would offer its own proposal.

By 12/10, Israeli ministerial team focused on areas to be retained in a final settlement. On 12/14, 12/16, and 12/17, the cabinet debated two main proposals emerging from the ministerial team sessions: DM Mordechai’s plan would retain 52% of the West Bank, leaving 42 of 144 settlements as “extraterritorial islands,” with PA areas grouped in three blocks around Hebron, Jinin, and Nablus. Infrastructures M Sharon’s plan (supported by Sharansky and right-wing MKs) would retain 64% of the West Bank. The cabinet was unable to reach consensus before Netanyahu left for Paris 12/17 to meet with Secretary Albright. Pres. Levy refused to accompany the PM without a concrete proposal for Albright; Netanyahu took with him only a list of conditions required of the PA and a request for the U.S. not to expect an FRD plan until Israel finalized its 1998 budget in late 12/97—early 1/98. After separate meetings with Netanyahu and Arafat 12/17, Albright announced that both leaders would meet with President Clinton in Washington in late 1/98, instead of 12/97 as planned.
Israeli FM Levy’s resignation (1/4) over the budget, which removed a comparatively moderate voice from the FRD team and left Netanyahu’s ruling coalition with a 61-59 majority, quashed rumors that Netanyahu under pressure from Albright was considering an FRD of 10-13% and narrowed the possibility that any FRD plan would pass a vote. Indeed, twelve coalition members responded (1/4) to the Levy resignation with a letter to the PM threatening to vote against any proposal that would give more than 10% to the PA. The Israeli cabinet also ruled (1/4) that Netanyahu could not leave for a 1/20 meeting with Clinton without an FRD plan approved by the entire government.

U.S. special envoy Dennis Ross traveled to Israel and the PA areas 1/6-9 to try to bridge gaps before Clinton’s talks in Washington with Netanyahu (1/20) and Arafat (1/22). Netanyahu had asked the U.S. to postpone Ross’s visit in light of the budget debates, but Washington agreed only to a one-day delay. In Israel, Ross was met by two major Israeli decisions on settlement expansion (1/7, 1/9), one involving plans for doubling the West Bank settler population by 2020, which he criticized as “not helpful.” During talks 1/6-7, Netanyahu reportedly expressed willingness to make a larger second FRD (8-10%)—again not specifying whether the transfer would be made to area A or B—in exchange for full security cooperation by the PA and U.S. guarantees of no third FRD. The U.S. and the PA considered the offer a nonstarter.

In keeping with its 1/4 decision, the Israeli cabinet delimited Netanyahu’s mandate for talks with Clinton in two rulings. First, on 1/13, the cabinet agreed not to carry out any FRD until the PA meets all requirements (including extradition) contained in a 12-page list of conditions prepared by the PM’s Office (see Doc. C). To monitor PA compliance, an interministerial committee headed by Cabinet Secretary Dani Nave was set up. Second, on 1/14, the cabinet approved eight loosely defined zones in the West Bank as areas of “vital national interest” not to be returned under any deal. Though no map was provided, “security zones” were described as lining the eastern and western borders of the West Bank, with additional areas around Jerusalem; settlements; “historic sites sacred to the Jewish people”; “military-security sites with strategic significance or importance to Israel’s early warning capability”; and “interests including water, infrastructure, electric-

ity, and transportation.” The PA denounced both decisions (1/15), while the State Department remarked that the 12-page list was “not helpful” and that it did not consider the demands binding (1/16).

In his meetings with Netanyahu 1/20 and Arafat 1/22, President Clinton offered his own FRD proposal: a three-staged second FRD carried out over several months from at least 10% of the West Bank as part of a package deal that would give Israel and the PA enough “common ground” to begin accelerated final status talks—an attempt to give each side “exactly half of what it wants.” No mention was made of whether the first FRD, rejected by the PA in 3/97 (see Peace Monitor in JPS 104), would be implemented or incorporated in this second FRD; whether there would be a third FRD; or if the three stages of this proposed FRD were meant to meet Oslo requirements for three separate FRDs. Though the details of Clinton’s plan were not made public, reports suggested that the first stage would last six weeks and involve new security measures by the PA, transfer of some land from area C to area B, creation of a bilateral committee with U.S. oversight to monitor commitments, and commencement of final status talks. The second stage, lasting six weeks, would require additional security measures from the PA and more transfers from area C to B and perhaps to area A. The third stage would last 12 weeks, require still more security measures from the PA, and focus on transfer of land to area A. In total, the proposal reportedly recommends that Israel move 11-14% from area C to B and 10-13% from area B to A—ensuring not only that upwards of 10% of new West Bank land would transfer from full Israeli control, but that upwards of 10% would transfer to full PA control. At best this would leave the PA in full control of 12-16% of the West Bank and in partial control of 30-33%. Neither Netanyahu nor Arafat agreed to the plan. However, on 1/26, Netanyahu said he supported the plan’s idea of “reciprocity.”

The Israeli ministerial team on FRD resumed meetings 1/29 to prepare a response to Clinton’s FRD proposal for a follow-up meeting between Netanyahu and Albright 1/31. Some members reportedly suggested a 12% second FRD, preceded by an agreement that the third FRD be dropped and that negotiations over any additional pullback be held in the context of the final status talks. Sharon thought that an FRD of more than 9% before the final agreement was impossible.
In meetings with Netanyahu (1/31) and Arafat (2/1), Secretary Albright asked both parties to consider the Clinton FRD plan carefully. The leaders agreed to send representatives to Washington 2/10 for further discussions. Albright expressed frustration with both Israel and the PA’s “failure to make tough decisions.”

Neither the PA nor Israel altered its position in the 2/10 meetings. Reports suggest that the State Department offered a revised version of the Clinton FRD plan, increasing the total percentage transferred to the PA to 20% but reducing the amount moved to area A to 6%. (As a point of reference, the first FRD, rejected by the PA in 3/97 as inadequate, planned to transfer 7% from area B to area A and 2% from area C to area B.)

By mid-2/98 regional focus was on the strong possibility of a U.S.-British strike on Iraq to force Iraq’s compliance with UN inspections requirements. Though there were rumors that the U.S. was pushing Israel and the PA to come to some FRD agreement in order to make it easier for Arab states to back a U.S.-led Iraqi strike, no agreement was forthcoming by the end of the quarter.

Whatever optimism was raised by the Likud government’s willingness to discuss the FRD issue was offset by its statements: PM Netanyahu asserted that Israel had a “basic right” to the West Bank up to the Jordan River (12/21), declared the West Bank part of “Israel proper” (12/19), vowed to “continue . . . to enforce our sovereignty over all parts of Jerusalem and to facilitate the settlement of Jews everywhere” (11/23), and threatened to take “territorial measures” should the PA unilaterally declare a state in 5/99 (11/27). The cabinet pledged (11/30) to “take all the necessary measures for [the settlements’] existence and strengthening.”

The quarter also saw an increase in Israeli settlement activity and other “facts on the ground”: Settlers began construction of housing units in Ariel (12/2), Hebron’s Jewish quarter (11/17), and Ras al-Amud (1/97) and broke ground for new settlements near Beit El (12/31, 1/19), Modi’in (11/25), and Shilo (1/18) settlements; the Israeli cabinet and Interior Min. approved construction of housing units in Alfe Menashe (12/1), Efrat (1/7), Elkana (1/7), and Ras al-Amud (1/22) and a general two-year settlement expansion plan (1/27); and the IDF demolished Palestinian homes in Assira (12/15), Hebron (2/11), and al-Ram (11/18) and confiscated 80 acres of Palestinian land in Gaza (12/97). In the midst of the FRD debate, Israeli television reported (12/14) that PM Netanyahu had secretly approved construction of “highway 80,” which would give Israel control of a 120-mile-long, six-mile-wide zone running north-south through the Jordan Valley.

Oslo II Implementation

Only a handful of joint subcommittee meetings were held this quarter, including sessions on the Gaza port (12/7), safe passage (12/16), and economic affairs (12/18), during which Israel and the PA signed an agreement increasing the volume of exports to the PA self-rule areas from countries without diplomatic relations with Israel. While neither side officially broke off subcommittee talks, from mid-12/97 none were reported, possibly a consequence of the limited progress in earlier meetings, the stalemate on the FRDs, and concerns regarding a possible attack on Iraq.

During their meeting 1/22, Arafat gave Clinton a letter formalizing Palestinian recognition of Israel’s right to exist and spelling out for the first time which of the 35 articles of the 1968 PLO charter were annulled in 4/96 (see Peace Monitor in JPS 100). The PLO Executive Committee approved the list of clauses by voice vote 1/31. Albright said (1/22) that the letter should remove any question of substance on the charter, but Israel disagreed, saying the letter and voice vote were not sufficient and that the Palestine National Council must take a full vote to annul the entire charter.

Under pressure from Hebron settlers, Israel informed (late 11/97) the PA that Palestinians would have to apply for special Israeli permits to use al-Shuhada street. The PA urged Palestinians to refuse to comply with the new order, which it considered a violation of the Hebron protocol designed permanently to divide the city. In early 1/98, the IDF also closed Hosh Shaheen Street in Hebron’s central market. In late 1/98, the IDF measured the ancient gates of the vegetable market in Hebron’s old city to be fitted with steel doors that could be closed as the IDF deems necessary.

Security

To counter pressure on Israel to produce a substantive FRD proposal, the U.S. focused the efforts of the U.S.-PA-Israeli security panel (see Peace Monitor in JPS 106) on drawing up a memorandum of understanding (MOU) on security cooperation. On 12/17, the Shin Bet and PA security service representatives, under CIA auspices, initialed
a 16-point MOU setting out PA obligations to safeguard Israeli security, including detaining any Palestinian suspected of “terrorist” activity (whether based on Israeli or PA information), halting anti-Israeli “incitement,” confiscating illegal weapons, and acting against Hamas and Islamic Jihad institutions (see Doc. A2). Extradition of prisoners to Israel was not included, and Israel agreed to confiscate weapons of Israeli civilians who support “terrorist” activity against Palestinians. Despite Shin Bet’s participation in drafting the MOU, Netanyahu unilaterally canceled it 12/22, saying that the absence of an extradition pledge and the equation of Palestinian “terrorism” with Israeli violence were unacceptable. During his visit to Washington 1/22, Arafat agreed to renegotiate the MOU, but no new agreement was reached by the end of the quarter.

Although Israeli and PA police cooperated on a raid (1/12) of an alleged Hamas bomb-making factory, confiscating 300 kg. of explosives, tensions between PA and Israeli security forces reached their highest point since the 9/96 tunnel incident (see Peace Monitor in JPS 102). In Gaza 1/1, IDF soldiers opened fire on a PA police patrol that came “too close” to their position. In retaliation, PA police opened fire on three Israeli checkpoints in the area. No one was injured in either incident. IDF soldiers scuffled with PA police trying to tear down a fence erected by settlers on disputed land (2/12), leaving one soldier injured. On 1/15, IDF troops and PA police trained rifles on each other in a two-hour standoff during an antisettlement protest in Gaza. A similar incident occurred 2/1 outside Bethlehem.

By mid-1/98, the IDF had prepared three military plans for potential conflicts with the Palestinians: “Molten Steel” to respond to a specific, limited instance; “Indian Summer” to confront an uprising that did not require entering PA areas; and “Field of Thorns” for an all-out strike into PA-controlled towns.

As the possibility of a U.S.-British attack on Iraq grew in early 2/98, Palestinians began holding marches of 100-2,000 people to protest military action and show support for the Iraqi people (e.g., Bethlehem 2/7, Jenin 2/9). After PM Netanyahu called for a halt to “pro-Iraq” demonstrations (2/10), the PA police issued an order banning all marches, protests, and flag burnings in area A. (Jordan did the same 2/10.) However, demonstrations continued (2/12, 2/13), and on 2/14 the PA Information Min. ordered all television and radio stations to halt broadcasts of commentary and analysis on the Iraq crisis.

During the quarter, two Palestinian prisoners died, one in Israeli custody (1/30), the other in PA custody (2/2). To mark the end of Ramadan, the PA granted (2/3) pardons or early releases to 31 Palestinian prisoners, including two convicted of involvement in the 1/22/95 Beit Lid bombing that killed 21 Israelis. Israel similarly released 23 Palestinian prisoners (2/3).

Citing lack of evidence, Israel’s State Attorney’s Office and the IDF decided (11/20) not to prosecute three PA policemen arrested 7/14, electing to keep them as administrative detainees. The three men, charged with plotting to attack a settlement, were the first members of a PA security force to be arrested by Israel (see Peace Monitor in JPS 105). Israel also placed (11/19) Gaza resident Ashraf Atta Ahmad Kandil under six-month administrative detention. He is the only Gazan under detention, along with some 600 West Bank Palestinians.

Shin Bet extended (1/12) for three months the special permission given to interrogators to use “moderate physical pressure” (e.g., shacking, sleep deprivation, hooding) while questioning Hamas suspects.

**Jerusalem**

In late 12/97, Israel ratified a plan to install 200 hidden cameras throughout East Jerusalem and connect them to an IDF monitoring center, with the aim of tightening control over the city and protecting settlers there.

The Israeli budget for 1998 (passed 1/5) included a 20% increase relative to FY 1997 in the allotment for purchases of land and real estate in East Jerusalem.

The Israeli Jerusalem Institute of Israel Studies published (11/20) a legal opinion confirming that the Western Wall belongs to the Islamic Waqf.

Israeli police raided and shut down (2/15) two Palestinian offices in Jerusalem that provide private investigative and security services on charges of being affiliated with the PA.

On 11/20 and 11/22 unidentified attackers killed one rabbinical student and wounded two others in East Jerusalem. The students were affiliated with Ateret Cohanim, the radical right-wing group that organized Irving Moskowitz’s acquisition of property in the Palestinian neighborhood of Ras al-Amud in Jerusalem (see Peace Monitor in JPS 106).

Regarding Ras al-Amud, the Israeli Interior
Min. approved (1/22) two building plans for the neighborhood: an "Arab sector" plan for construction of "additional public space" and 1,020 housing units; and a "Jewish sector" plan for 132 housing units. Building permits would not be issued automatically; Jewish and Palestinian landowners must apply to the local authority. The Prime Minister's Office vowed (2/4) to override the Interior Min.'s approval. By 1/25, Ateret Cohanim had begun renovations on 18 "abandoned" East Jerusalem homes to create new housing for Jews.

Miscellaneous Matters

For the first time in three years, Israel announced (12/97) that it would issue permits allowing 4,650 Palestinian workers from Gaza and 350 from the West Bank to stay overnight in Israel, thereby reducing the daily flow of workers through Erez checkpoint and allowing more thorough security checks. The permits were requested by Israeli employers, who signed agreements promising to provide the workers with "suitable accommodation and transportation." By 2/13, half of the permits had been issued.

Israel also announced plans (12/2) to increase the number of Palestinian laborers allowed into Israel from 52,000 to 140,000 within five years to replace foreign workers, who Israel believes represent a "social time bomb" for the Jewish state. According to the Israeli FMin. 2/4, 20,000-40,000 Palestinians enter Israel illegally to work.

In the first such deal under Likud, Israel agreed (11/19) to allow 250 civilian PLO employees to take up permanent residence in the West Bank and Gaza. Meanwhile, a joint Israeli-PA job fair was held at Erez 1/6-7. Some 570 Palestinians attended.

An Israeli ministerial committee issued a ban (2/12) prohibiting Palestinian businessmen from entering Israel on the pretext that, as a group, they have not paid their debts to Israeli businessmen, incurred largely as a result of Israeli closures. The PA Justice Min. denounced the decision, saying such matters should be addressed in the Palestinian-Israeli Steering and Monitoring Committee.

Israel implemented (late 1/98) agricultural agreements with the PA on the import of Palestinian produce into Israel from Gaza. Some Israeli MKs complained that the agreements would hurt Israeli farmers.

The PA accused (12/4) Israel of blocking shipments of gravel from the West Bank to Gaza and of sand from Gaza to the West Bank with the aim of obstructing construction projects and protecting the sale of sand and gravel by Israeli firms.

Israel accused (1/11) the PA of illegally paving roads in area C linking West Bank Palestinian villages in order to create "Arab settlement blocs" and "secure control of strategic terrain and nonagricultural lands."

An informal meeting of 13 Palestinian Council (PC) members and 9 MKs (3 Likud, 2 Shas, 2 Labor, 1 Tsomet, 1 Third Way) was held in Athens 12/20-23. The meeting, sponsored by Greece, aimed to promote personal ties between PA and Israeli legislators. At a similar meeting sponsored by the Israel-Palestine Center for Research and Information (1/16-18), MKs and PC members created a permanent committee to build mutual confidence and improve political and economic conditions. The committee held its first meeting 2/3.

Palestinian Authority

Frustrated with the Executive Authority's (EA) failure to act on its five-month-old report alleging misuse of funds (see Peace Monitor in JPS 105), the PC suspended its session 12/23 for one week to give Arafat the chance to carry out reforms and a cabinet reshuffle and offered to hold off on resignations and no-confidence votes for three months if Arafat dealt with corruption charges and ratified some 37 laws and resolutions already passed by the PC. Fatah also called on the EA (12/22) to implement the reforms. On 12/29, Arafat accepted the EA's five-month-old resignation and reportedly agreed to sign at least 18 PC resolutions but set no date for appointing a new cabinet. On 1/26, Labor M Samir Gawshah resigned to protest Arafat's failure to ratify the civil service law or take steps against corruption. As of 2/15, nothing had been done.

On 12/10, the PA Central Bureau of Statistics began its first census of Gaza and the West Bank, including East Jerusalem. After determining that existing legislation did not prevent PA census taking in Jerusalem, Israel quickly pushed legislation through the Knesset (12/10) banning any Palestinian "activity in East Jerusalem bearing a governmental and political character and which is inconsistent with the sovereignty of the State of Israel." The PA attempted to continue the polling in Jerusalem surreptitiously, but at least one census taker was arrested. Final results of the census will not be published for several months.

The PA Civil Service informed (1/17) Palestinian chief justice and president of the
High Court Qusay al-Abadla that he must retire. Atty. Gen. Fayiz Abu Rahma condemned the de facto firing, claiming the decision was made based on Abadla’s 1/17 interview with al-Risala newspaper in which he stated that PA Justice M Frayh Abu-Madayn had interfered with the judiciary’s work.

Draft laws under discussion by the PC this quarter included the Investment Encouragement Law, the Commercial Agents Law, the Nongovernmental Organizations (NGOs) and Private Volunteer Organizations (PVOs) Law, and the 1998 Budget Law. The draft NGO law, which outlines licensing and regulating of NGOs and PVOs, would give the EA the right to formally object to the licensing of any NGO or PVO and to disband any NGO or PVO.

**PALESTINIAN OPINION**

The following data are excerpted from a poll conducted by the Nablus-based Center for Palestine Research and Studies (CPRS) on 27–29 November. Results are based on a survey of 1,320 men and women from the West Bank and Gaza. The poll, thirtieth in a series, was made available by CPRS’s office in Nablus.

1. When the peace process started, what was your attitude toward it?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Supportive</td>
<td>81.8%</td>
<td>79.9%</td>
</tr>
<tr>
<td>b. Opposed</td>
<td>15.8%</td>
<td>17.0%</td>
</tr>
<tr>
<td>c. No opinion</td>
<td>2.4%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

2. What is your attitude toward it now?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Supportive</td>
<td>68.3%</td>
<td>67.0%</td>
</tr>
<tr>
<td>b. Opposed</td>
<td>28.2%</td>
<td>28.9%</td>
</tr>
<tr>
<td>c. No opinion</td>
<td>3.5%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

3. What is the main reason for your opposition to the peace?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Because you are against peace with Israel for religious reasons.</td>
<td>20.0%</td>
<td>22.0%</td>
</tr>
</tbody>
</table>

   b. Because . . . you see too many unacceptable Palestinian concessions in the current peace process. 32.8% 29.2% 39.3%

   c. Because . . . you are disappointed with the results of the peace process. 40.0% 41.6% 37.9%

   d. Other 5.4% 5.6% 5.0%

   e. No opinion 1.5% 1.6% 1.4%

4. Since you are opposed to the peace process, what is the alternative?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Intifada</td>
<td>15.5%</td>
<td>14.5%</td>
</tr>
<tr>
<td>b. Armed struggle</td>
<td>26.8%</td>
<td>26.5%</td>
</tr>
<tr>
<td>c. Waiting</td>
<td>37.6%</td>
<td>39.4%</td>
</tr>
<tr>
<td>d. Other</td>
<td>13.7%</td>
<td>13.3%</td>
</tr>
<tr>
<td>e. No opinion</td>
<td>6.4%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

5. The realistic solution which I accept as an end to Palestinian-Israeli conflict must be based on the establishment of:

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. A Palestinian state within the 1967 boundaries</td>
<td>40.9%</td>
<td>44.4%</td>
</tr>
<tr>
<td>b. A Palestinian state within the 1948 boundaries</td>
<td>28.3%</td>
<td>25.2%</td>
</tr>
<tr>
<td>c. A joint Palestinian-Israeli state within the 1948 boundaries</td>
<td>17.9%</td>
<td>17.5%</td>
</tr>
<tr>
<td>d. Other (specify)</td>
<td>5.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>e. No opinion</td>
<td>7.8%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

**JORDANIAN-ISRAELI TRACK**

Jordanian-Israeli relations continued to be tense following Israel’s attempted assassination of Hamas political leader Khalid Mishal in Amman 9/25. Jordan’s King Hussein and Israel’s PM Netanyahu met for the first time since the incident in London 11/17 to discuss ways of improving bilateral relations. This
meeting was followed by a number of semi-secret visits to Amman by Israeli officials attempting to repair relations (late 11/97–early 12/97, 1/3, 1/7, 1/8, 1/14, 1/26, 1/27, 2/12). By the end of the quarter, most security and trade coordination had resumed but diplomatic relations were termed by PM ‘Abd al-Salam Majali “at the lowest point since the [1991] Madrid summit.”

Increasing the rift was a statement by PM Netanyahu (early 2/97) that Israel has no intention of withdrawing from areas of the Jordan Valley since the threat to Israel is from its eastern border region, Jordan sent an official letter to Netanyahu, declaring the statement an insult to the kingdom and a direct attempt to avoid commitments of the peace process and requesting an explanation.

Almost a year after the 3/13/97 shooting of 14 Israeli school girls by a Jordanian soldier, King Hussein sent Israel's Pres. Ezer Weizman a personal check for $1 m. to compensate the girls' families.

**Economic Matters**

Jordan and Israel held talks (12/23) on Jordanian-Israeli-PA economic relations. On 1/5, Israel approved a list of commodities drawn up by Jordan and the PA 12/25 (see below) to be added to the list of goods that the PA may import from Jordan.

At the Doha economic summit (11/16) Jordan and Israel signed a joint factories deal, creating a free trade zone in Irbid, Jordan. Products produced in the zone will have the same free access to the U.S. domestic market that Israeli goods now have. On 12/1, residents of Irbid stated (12/1) that they would boycott products made in the zone.

On 11/25, Israel offered, and Japan accepted, an invitation to participate in an Israeli-Jordanian desalination project.

**Tourism**

On 12/30, Jordan announced that the experimental stage during which Israeli planes use the Aqaba airport (see Peace Monitor in JPS 106) was proceeding well and both sides were satisfied. Jordan and Israel began talks 1/25 on renewing and expanding the trial agreement, scheduled to expire in 3/98. During the 1/25–26 talks the sides also discussed increasing flights between Amman and Tel Aviv from six/week to ten/week, removing restrictions limiting flights between Amman and Haifa, and increasing the total number of passengers to 450/week.

**Security**

Jordanian and Israeli naval search and rescue teams held joint exercises in the Gulf of Aqaba 11/25. Jordan also sent a naval officer to observe the Israeli-Turkish-U.S. naval maneuvers (1/5–9), a move which was condemned by Jordan's 12 opposition parties.

On 12/20, a group of Israelis accosted two Jordanian embassy employees outside their Tel Aviv apartment. On 12/25, Israelis attacked a Jordanian embassy car belonging to the same two employees. Jordan filed official complaints over both incidents.

Families of 17 Jordanian prisoners still held in Israeli custody (see Peace Monitor in JPS 106) staged a sit-in (11/22) outside Jordanian PM Majali's office, calling for government action.

Jordan’s State Security Court sentenced (12/29) four Jordanians linked with the Islamic group Bay'at al-Imam to terms ranging from 10 to 15 years of hard labor for plotting attacks on Israel. A fifth suspect was being tried in a separate court.

**Diplomatic Contacts**

Two Jordanian parliamentary members, Muhammad Rafat and Hamada al-Far'a'ina, made a private visit to Israel (12/19–22) to meet with Israeli MKs. Some 5,000 Palestinian refugees from Baqa' camp in Jordan held a protest against the visit and submitted a petition calling for Rafat's removal as their representative (12/26). Many Jordanian parliamentarians called for both men's resignation (12/19).

The Jordan Press Association (JPA) condemned (1/5) a trip to Israel by five Jordanian journalists (12/97) as an unacceptable step toward normalization. JPA could not take measures against them since four were not JPA members and the fifth worked for the official news agency Petra.

**SYRIAN-ISRAELI TRACK**

There was no movement on the Syrian-Israeli track this quarter and no formal or informal meetings were held. The only news shedding light on the course of negotiations was the revelation (12/5) by Yehuda Gil, a Mossad officer who handled a Syrian agent for two decades, that for at least six years he fed Israel false information about Syria in order to further his career. During 8/96 alone, he made up reports about Syrian preparations for an attack on the Golan that contributed to Israeli-Syrian tensions and raised the potential for military conflict (see Peace Monitor in JPS 102).

**MULTILATERAL TALKS**

The Multilateral Refugee Working Group met in Aqaba (12/3–4) to discuss conditions
of refugees in Jordan. A study on the conditions of Palestinian refugees in Jordan conducted by the Fafo Institute for Applied Social Science, the Jordanian Department of Statistics, UNICEF, and the International Development Research Centre in Ottawa, was presented at the meeting. The last refugee meeting was an intersessional meeting on family reunification held 5/27 in Paris.

REGIONAL AFFAIRS

Relations with Israel

The main focus of the Organization of the Islamic Conference (OIC) meeting in Tehran 12/9–11 was the drafting (beginning 12/7) of a resolution calling for a halt to normalization with Israel (including closing interest offices and halting military cooperation) because of its “reinstating an atmosphere of war.” (The call for ceasing military cooperation was targeted at Turkey, which planned and later carried out joint naval maneuvers with Israel and the U.S. in 1/98. The Turkish delegation left the OIC meeting on 2/10 in protest.) Though planned far in advance, the OIC conference was staged to counterbalance the Doha economic summit (11/16–18), largely boycotted by the Arabs against Israel’s participation and overall handling of the peace process (see Peace Monitor in JPS 106). In contrast, Arab states sent high-level delegations to the OIC meeting: Egypt’s team was led by Pres. Husni Mubarak, Jordan’s by Crown Prince Hassan, the PA’s by Arafat, Saudi Arabia’s by Crown Prince ‘Abdullah, and Syria’s by Pres. Hafiz al-Asad. Under pressure from the U.S., Jordan’s King Hussein and Morocco’s King Hassan did not attend but, in support of the OIC, did send high-level teams.

The Arab League, Egypt, Jordan, Lebanon, the OIC, the PA, and Syria held a meeting (12/24–30) on Palestinian refugees, Israeli policies in the occupied territories, the Judaization of Jerusalem, and settlements. Participants agreed to convene an international symposium on Israeli measures against Palestinians in the occupied territories, but no date was set.

Israel’s Manufacturers’ Association reported (12/31) that direct exports to Arab countries grew 23% in 1997 to total $58.5 m. Most of the increase was in exports to Jordan (up 177%) and to Qatar (up 200%). Imports from Arab countries grew 62% to $35.6 m. Despite these indicators, the Israeli treasury closed (2/8) the unit responsible for coordinating among government agencies to facilitate joint economic projects with Arab states. Various PMin. departments in charge of Arab states will assume this role. Joint projects with Jordan will be handled by Infrastructures M Sharon.

In mid-11/97, Israel reportedly renewed contacts with Egypt, Qatar, and Saudi Arabia regarding purchase of natural gas. Israel also discussed with Qatar and Yemen (11/17) possible investment schemes in tourism, energy, pharmaceuticals, and electronics. In late-11/30, Israel reportedly opened talks with Oman on natural gas. However, on 12/18, Oman said that it had frozen relations with Israel and would hold no talks as long as the peace process remains stagnant.

In Cairo 12/15, President Mubarak and al-Azhar Grand Imam Shaykh Muhammad Sayyid Tantawi received Israel’s Chief Rabbi Yisrael Lau, who advocates building personal relations among Middle Eastern religious leaders as a path to peace. Lau also was invited to attend a government-sponsored interreligious gathering in Morocco 2/8.

Inter-Arab Highlights

Semicsecret meetings between Israel and Jordan during the height of the FRD debate (see above) raised tensions between Jordan and the PA, which feared that Israel and Jordan were discussing Israeli final status proposals. King Hussein’s reference in a speech 11/29 to Jordan’s support for a Palestinian capital “in Jerusalem,” instead of the more usual reference to a Palestinian state “with Jerusalem as its capital,” also raised PA concerns that Jordan was testing the waters for possible support of the city’s partition. Arafat raised these concerns in talks with PM Majali (12/2), and Crown Prince Hassan held two days of talks (1/2–3) with Arafat adviser Mahmud Abbas to clear up misunderstandings. Jordan and the PA held several other meetings to coordinate their positions on the peace process (12/2, 12/22, 1/15, 2/2).

The PA and Egypt met to coordinate their positions on the peace process and brief each other on their meetings with Israeli, U.S., and European officials (11/16, 11/22, 11/26, 12/1, 12/6, 12/19–20, 12/30, 1/19–20, 1/27, 2/12). During his meeting with Mubarak 1/27, Arafat suggested convening an Arab summit on the peace process. Mubarak reportedly discussed the idea with Morocco, Saudi Arabia, and Syria, but nothing had been planned by the end of the quarter. Egypt and the PA discussed (12/7) expanding coordination between their police forces.
Mubarak made an unscheduled trip to Damascus (1/14) for talks on the peace process with President Asad. Both called for U.S. intervention to save the process and urged the U.S. to threaten to withhold Israel's $3 b. in aid as a lever. Mubarak also urged Syria to set aside its displeasure at Jordan's participation in Israeli-Turkish-U.S. naval maneuvers (see below). Asad recommended that the Arab states, Iran, and Russia perform their own annual naval maneuvers, and Mubarak promised to consider it. Egypt and Saudi Arabia held a week of maneuvers in the Red Sea (12/6–12).

Tensions arising from the Doha economic summit (see Peace Monitor in JPS 106) prompted Qatar (late 11/97) to postpone indefinitely a meeting of the Damascus Declaration states set for 12/1–2 to protest the boycott by most Damascus Declaration states of the Doha summit and calls from Egypt and Syria to relocate the meeting.

Iraq executed four Jordanian students (12/8) for allegedly smuggling auto parts. The students were among the 523 Jordanians in Iraq recently detained for “economic crimes”—possibly an attempt to pressure Jordan to keep it from siding with the U.S. in the escalating dispute with Iraq. Jordan responded by recalling its charge d'affaires from Iraq and ordering seven Iraqi diplomats to leave the kingdom within a week. Jordan also threatened (12/10) to close its border if Iraq went through with plans to hang a fifth student. Iraq backed down (12/13), saying it would free 160 Jordanian prisoners, including the one sentenced to death. (The first 92 prisoners were released 1/18. On 2/5, Iraq ordered the release of all 1,200–1,300 Arab prisoners in an apparent move to win sympathy in its dispute with the U.S.)

On 12/29, Jordan and Iraq signed an accord under which Iraq would repay its debt to the kingdom by providing half of Jordan's oil import needs. The accord also called for joint construction of a pipeline linking the two countries and establishment of a joint company for “oil services.”

Iraqi Dep. PM Tariq 'Aziz make an unexpected visit to Syria 11/20–22, marking the first trip by a top Iraqi official since Baghdad and Damascus severed ties 17 years ago. 'Aziz proposed reopening Iraqi's oil pipeline to Syria.

**Regional Economic Affairs**

On 12/31, the Arab League announced that an Arab free trade zone would go into effect 1/1/98, in keeping with a 1981 trade facilitation accord. Customs fees, restrictions, and taxes on all Arab commodities exchanged among 18 countries will be reduced by 10%/year until they are eliminated. Algeria, the Comoros, and Djibouti have not signed on to the agreement; Mauritania is in the process of signing on.

The Damascus Declaration states met in Cairo 12/27–28 to discuss the formation of an Arab common market and creation of free trade zones among member states.

Jordan and the PA held talks (12/24–25) on trade exchange and border-related issues, including transportation, bridge rehabilitation, and improving the flow of people and goods. Jordan agreed to use a Japanese grant to rebuild the Allenby Bridge and to discuss with Israel ways of implementing the renovation in keeping with the clause of the 10/94 Jordan-Israel peace treaty barring infringement on the status of Palestinian territories (see Peace Monitor in JPS 106). The PA agreed to increase by 250% imports of commodities on lists A1 and A2 of the Jordanian-Palestinian trade agreement. Accords on tourism and product specification and standards were also concluded. In a follow-up meeting 1/14, Jordan and the PA agreed on procedures for loading and unloading goods at the border and clearing goods through customs and decided to construct storage and customs centers at the Jordan River bridges. The two sides also held talks (2/10–12) on expanding cooperation in health-related fields.

Lebanon and Syria agreed (2/7) to reduce customs by 25%/year beginning 1/1/99, abolishing customs tariffs in 2002.

Egypt and the PA signed (2/4) a customs exemption agreement aimed at increasing bilateral trade, especially in the direction of Egypt, to $500 m./year. Egypt also agreed (1/5) to export cement to the PA for construction projects in Gaza.

Iran held talks with Syria (2/5–5) and Lebanon (2/5–6) on expanding economic and commercial ties. Jordan also called on Syria (11/17) to boost bilateral trade.

PM Netanyahu halted (2/1) preliminary negotiations (initiated by Infrastructures M Sharon) with Iran regarding repayment of Israel's $1.2 b. to Iran.

**International**

**United States**

The U.S. took a more interventionist approach in the region this quarter. In addition to efforts to broker an FRD agreement be-
tween Israel and the PA, which included Clinton's own FRD proposal (see above), the U.S. also attempted to pressure Arab states to attend the 11/16–18 Doha economic summit (see Peace Monitor in JPS 106) and to support a U.S.-led attack on Iraq if it failed to comply with UN inspections requirements. It also gave a trilateral cover to Israeli-Turkish naval maneuvers (1/5–9). These efforts strained relations with the Arab states, even while failing to achieve their goals. Only six Arab states attended the Doha summit, and of those, only Jordan sent a high-level delegation. The strong attendance and unified positions at the OIC summit (12/9–11; see above) in part were a counterreaction to U.S. pressure on Doha. Despite tours to the Middle East and Europe by Secretary Albright (1/28–2/3), Defense Secretary William Cohen (2/8–12), and U.S. Ambassador to the UN Bill Richardson (early 2/97), all Arab states, including Kuwait (2/1) and Saudi Arabia (2/8), said they would accept military intervention only as a last resort, at most agreeing (e.g., 2/2, 2/3, 2/11) to U.S. phrasing that a U.S. attack on Iraq would be Saddam Hussein's fault; only Britain offered offensive backing. The Arab League, Egypt, Iran, Iraq, Qatar, and Syria strongly criticized (1/5) the naval maneuvers, claiming they were intended to pressure Syria.

Tensions between the U.S. and Israel also were relatively high this quarter, most visibly over the administration's claim while Netanyah saw in the U.S. on 11/16 that a scheduling conflict precluded a Clinton-Netanyahu meeting, whereas on 11/21 Clinton hosted a four-hour Washington luncheon for former Israeli PM Shimon Peres and Leah Rabin, the widow of assassinated Labor PM Yitzhak Rabin. On 11/26, Netanyahu declared that “the Americans are treating me like [Iraqi president] Saddam Hussein” and “the entire Jewish state feels humiliated.”

On his return to the U.S. 1/19, Netanyahu met with Morat Majority leader Jerry Falwell, Christian Coalition founder Pat Robertson, and House Speaker Newt Gingrich (R-GA)—all staunch opponents of President Clinton—before meeting with anyone in the administration. Netanyahu's call for Christian leaders to mobilize support for Israel drew criticism (e.g., 1/21) from some American Jewish leaders. Although Clinton did not invite Netanyahu to stay in Blair House or host a luncheon or dinner for him, as is standard protocol with Israeli PMs, the U.S. marked the visit by delivering to Israel (1/19) the first two of 25 F-15I aircraft, which have a 2,400-mile range—enough to hit Iran, Iraq, or Libya without refuelling—and the capacity to carry 11 tons of weapons.

Israeli Finance M Yaakov Neeman held talks (1/28) with House Appropriation Committee members to propose phasing out over the next 10–12 years the $1.2 b. in U.S. economic aid to Israel in exchange for a $600-m. increase in military aid. Congress was receptive but said that a cut in Israeli aid would likely require a reduction in aid to Egypt as well. The U.S. reportedly is also considering ways of cutting aid that would institutionalize Israel's $50 m./year contribution to Jordan for the next three years (see Peace Monitor in JPS 106), after which Israel's economic aid would be diverted to the General Fund for Aid to the Middle East, with the aim of supporting other Middle Eastern countries that make peace with Israel.

Jordanian FM Fayiz Tarawneh held talks in Washington (beginning 1/13) on the 1999 U.S. economic and military aid package to the kingdom. Jordan hopes to raise the package above the $225 m. proposed by congress for 1998. This quarter Jordan also received four F-16 planes as part of its previous aid package (12/17) and the last installment of military equipment under the $1-m. 1996 draw-down agreement (1/21).

On the sidelines of the Doha economic summit (11/17; see Peace Monitor in JPS 106), the U.S. signed a protocol for a new $60 m. equity fund to promote U.S. private investment in the West Bank/Gaza (60%) and Jordan (40%).

The State Department announced (11/17) that it would place sanctions on three Israeli firms in violation of the 1996 Helms-Burton Act, which prohibits non-Americans from using property in Cuba that the Castro government has confiscated from the U.S. Executives from the three Israeli companies and their families will be prohibited from entering the U.S.

Israel and the U.S. inaugurated (1/30) the first hot line linking the Israeli DM and the U.S. secretary of defense in an emergency.

RUSSIA

Russian special envoy Viktork Possvaylyuk headed to the region in 12/97 to follow up on FM Yevgeny Primakov's tour (10/24–30), stopping in Israel, Jordan (12/3), Lebanon (12/5), the PA areas, and Syria (12/4).

On 11/19, Russia and Israel held talks on expanding economic cooperation.
EUROPEAN UNION

European Union (EU) members unanimously adopted (1/16) a report calling on the EU, as the largest donor to the PA, to take a more active role in the peace process (see Doc. A3). The report also blamed Israel for strangling the Palestinian economy. The EU FMs meeting in Brussels 1/26 also urged the EU to adopt a more forceful role. As a result, Jacques Santer made his first trip (2/6-13) to the region in his three years as EU president, stopping in Egypt (2/6-7), Israel (2/8), Jordan (2/10), Lebanon (2/12-13), the PA self-rule areas (2/9), and Syria (2/11).

During his visit to the region, French FM Hubert Vedrine called on Israel (11/24) to implement outstanding Oslo II provisions and criticized Netanyahu for obstructing the peace process. During his tour, he made stops in Egypt (11/26), Israel (11/24), Ramallah (11/25), and Orient House (12/2). He later visited Jordan (1/12), Lebanon (1/11), and Syria (1/15). French pres. Jacques Chirac also sharply criticized PM Netanyahu's peace policy when the latter visited Paris 12/6. There was speculation that Chirac's frustration was sparked in part by the fact that the U.S. had been using Europe as a meeting place (e.g., 11/14-15, 12/5-6) for talks on the Israeli-PA track, while discouraging EU participation in the peace process.

Britain assumed the presidency of the EU 1/1 and said it would put more pressure on Israel. On 1/27, PM Tony Blair called on Israel to implement substantial redeployments without preconditions, said Israel should withdraw unconditionally from Lebanon, and termed Jewish settlements illegal (see Doc. A4).

Jordan and the EU signed a long-awaited association agreement (11/24), giving Jordanian products preferential status for import. The accord must be ratified by each member state before it can be implemented, a process expected to take months. Under the agreement, the EU refuses to recognize accumulative rules of origin between Israel and Jordan for goods exported to the EU from the Irbid industrial zone (see above) unless Jordan and Israel conclude a free trade agreement.

UNITED NATIONS

Coinciding with the fiftieth anniversary of the 1947 partition resolution 11/29, Arafat sent a letter to UN Secretary General Kofi Annan requesting full Palestinian membership in the UN, something thus far granted only to independent states. At the same time, the Palestinian Observer Mission (POM) to the UN pushed a measure to create a special observer status for the Palestinians—something greater than its present status but less than full UN General Assembly (UNGA) membership. On 12/9, however, the POM failed to muster enough votes to defeat an EU amendment that would have delayed implementing the measure and elected to put the campaign on hold, pending further consultations. On 1/15, the POM sent a letter to all permanent members and observers outlining reasons to support the draft. Arab members met 2/12 to discuss changes to the 12/9 draft and agreed to request that the UNGA consider the new draft on 3/16 and to lobby for support in the interim.

At its annual session on the question of Palestine (12/12), the UNGA reaffirmed its resolution on the right to Palestinian self-determination by an unprecedented vote of 160-2, with 6 abstentions (U.S. and Israel voting against). Six of the 12 countries that abstained last year voted for the resolution this year, among them Germany.

On 12/15, the UNGA adopted without a vote an International Convention for the Suppression of Terrorist Bombings. States have from 1/12/98 to 12/31/99 to sign onto the convention. As of 2/12, no Middle Eastern nations had added their signature.

TURKEY

Israeli DM Mordechai traveled to Ankara (12/9-11) to discuss the naval maneuvers with Turkey and the U.S. postponed in 11/97 (see Peace Monitor in JPS 106). The countries agreed (12/11) to hold the maneuvers 1/5-9. During his visit, Mordechai also explored improving intelligence coordination and agreed to the joint manufacture of missiles and tanks. The maneuvers went off as planned 1/5-9 despite protests from the Arab League, Egypt, Iran, Iraq, Qatar, and Syria.

Jordan was the only country to accept Turkey's open invitation to send observers.

Israel reported (12/20) that its air force had carried out 120 sorties in Turkey in 1997 in practice for long-range missions. The Defense Min. also said it had provided Turkey with advanced weapons and military technology (such as night vision equipment and antimissile systems) that the U.S. has been reluctant to give Turkey due to its human rights record. Turkey awarded (around 1/1) Israeli Aircraft Industries a $75-m. contract to upgrade its fleet of 48 F-5 fighters. Turkish
Gen. Hussein Kızılkılıç visited Israel (2/3–6) for talks on further military cooperation.

Egypt and Turkey opened military talks in Cairo 12/16 to discuss improving military cooperation and exchanges of expertise.

**OTHER**

Chinese FM Qian Qichen made a tour of the region (12/19–26) to discuss the peace process and bilateral relations. He made stops in Egypt (12/24–26), Israel (12/21), Lebanon (12/19), the PA self-rule areas (12/23), and Syria (1/20).

Georgian pres. Eduard Shevardnadze visited Israel (1/14) to discuss trade issues and sign a Tbilisi-Jerusalem sister-city agreement with PM Netanyahu. The Israeli Democratic Institute awarded Shevardnadze for democracy building in Georgia and “returning Jews to their homeland” while he was FM of the USSR.

**DONORS**

Thirty countries and 17 international organizations attended the donor’s Consultative Group meeting in Paris 12/14–15. Participants discussed midterm planning issues and reviewed the PA’s Palestinian Development Program (PDP) for 1998–2000. The PDP focuses on stopping the present deterioration of the Palestinian economy and putting the PA on a long-term path of development and growth by targeting employment generation; reviving and developing of rural infrastructure (e.g., land reclamation, rehabilitation of water supply networks); creating financial institutions and regulatory policy; developing human resources; promoting democratization; and creating legal frameworks. Donors pledged $3.5 b. for the next three years to cover all of the projects outlined in the PDP. The U.S. also pledged $150 m. in loan guarantees to encourage investment in the private sector.

The World Bank approved (1/21) a $10-m. credit from the Trust Fund for Gaza and the West Bank to establish the first export-oriented industrial estate at al-Muntar, Gaza. The $84.5-m. project aims to create a more secure, predictable Palestinian environment for private sector investment; to promote joint ventures and foreign investment; and to create 50,000 jobs for Gazans. The European Investment Bank (EIB) will provide $5 m. in equity and $16.1 m. toward site development; the International Finance Corporation $1 m. in equity investment and up to $7 m. in loans for site development; and USAID $6.3 m. for off-site infrastructure, technical assistance, and training.

In Paris 1/20, Arafat and former Israeli PM Shimon Peres signed an agreement with the World Bank to create a new Peace Technology Fund to invest up to $200 m. in businesses in the West Bank and Gaza. The aim is to link Palestinian, Israeli, and international businesses. Peres, whose Peres Center for Peace is supporting the fund, is expected to be its chairman.

The Israeli Finance Min. announced (1/6) that it had unified four of five PA bank accounts receiving funds from Israel. Fuel charges will continue to go to an account separate from that in which VAT taxes, health fund payments, income tax payments, and import duties are deposited. Consolidation of accounts has long been recommended by donors (see Peace Monitor in JPS 105).

The mandate for the Holst fund, which was to expire 12/31/97, was extended to 6/98. As of 2/15, there was $10.5 m. in the fund.

Also of note: Saudi Prince al-Walid bin Talal donated (1/4) $1 m. to charities in the PA self-rule areas supporting hospitals and schools.

Compiled by Michele L. Kjorlien