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

BILATERALS

PALESTINIAN-ISRAELI TRACK

Events this quarter revolved around the completion of the Hebron protocol and the attached understandings on the implementation of outstanding issues from Oslo II and on the resumption of final status talks (see the Special Document File in this issue for the text of the agreements).

The Hebron Protocol

Negotiations for implementing the Hebron provisions of the Oslo II agreement concluded in 9/95 continued virtually non-stop this quarter, resuming after a long hiatus triggered by the 9/24–28 tunnel incident violence (see Peace Monitor in JPS 102). Talks involved at various times Yasir Arafat’s adviser Mahmoud Abbas, Palestinian Authority (PA) Information M Yasir ‘Abid Rabbu, PA Local Government M Saeb Erakat, PM Benjamin Netanyahu’s adviser Dore Gold, Netanyahu’s personal lawyer Yitzhak Molho, Israeli Cabinet Secretary Dani Nave, and IDF Chief of Staff Lt. Gen. Dan Shomron, and centered on Israeli redeployment from Hebron and other unfulfilled clauses of Oslo II. Under Oslo II, the IDF was to have redeployed from Hebron, the last of the seven Palestinian towns covered in the accord, by 3/28/96, but former PM Shimon Peres suspended the redeployment following the 2–3/96 suicide bombings (see Peace Monitor in JPS 100).

Talks reconvened in 10/96, reached an impasse by 11/18, and stopped altogether by the end of the month. Netanyahu (12/4) and Arafat (12/5) agreed that the only way to resolve remaining issues was to meet face-to-face, which they did at Erez on 12/24. Although Arafat nearly walked out of the talks twice (over control of the Tomb of the Patriarchs/al-Ibrahimi Mosque), enough progress was made for the negotiating teams to complete a final draft of the Hebron protocol by 1/2.

At the 12/24 Erez meeting, Arafat insisted that, in light of the difficulties in securing Netanyahu’s pledge to implement the Hebron redeployment, side letters be included with the Hebron protocol, providing assurances on the resumption of final status talks, further redeployment, and other outstanding issues from Oslo II. It was this insistence by the Palestinian side on the linkage between Hebron and other issues that was to delay the signing of the Hebron protocol. On 1/5, another Arafat-Netanyahu meeting was held at Erez on the outstanding Oslo II issues. The final differences were overcome by U.S. special envoy Dennis Ross during shuttles between Netanyahu and Arafat, and by King Hussein, who made a special trip to Gaza and Israel 1/12 to offer a crucial compromise proposal on further redeployment (see below), thereby overcoming the last hurdle to the signing.

The Hebron protocol—with a U.S.-drafted Note for the Record and Agreed Minute attached—was initialled at Erez in the early morning hours of 1/15 (early evening 1/14 by EST). Secretary of State Warren Christopher’s letters of assurance to Arafat and Netanyahu, though not officially part of the deal, were considered crucial by both sides.

Under the 1/15 Hebron protocol:

- Israel was given ten days to complete redeployment from the Palestinian area (H1; about 80 percent of Hebron—less than the 85 percent agreed under Oslo II) and to turn over all 12 spheres of civil control in that sector to the PA.
- Israel will maintain full security control in the Jewish zone, H2 (which includes the entire old city of Hebron), during the interim period.
- A buffer zone, in which Palestinians will be unarmed, will separate H1 and H2.
- Joint Mobile Units (JMUs) will operate in H2. Palestinian and Israeli members of the JMUs will carry “equivalent arms.”
- Joint Patrols (JPs) will operate along two roads used by settlers in H1.
- 400 PA policemen will operate out of four police stations in H1. They will be given only 100 rifles, 200 pistols, and 20 vehicles. The rifles, which will be kept under lock at the police stations, will be used exclusively...
by four 16-member Rapid Response Teams (RRTs) in emergency situations and with the knowledge of the IDF.

- Israel will open the Hebron central market (no date specified) and the main thoroughfare of al-Shuhada Street (in stages to be completed within four months), both in H2. (The Agreed Minute attached to the protocol deals with the U.S. commitment to refurbishing al-Shuhada Street.)
- Israel will retain control of civil powers relating to Israelis and their property in H2. The PA will have civil control over the Palestinians in H2. The PA is required to give top priority to work on roads or infrastructure that serve Israelis in H2 and must provide the same quality of municipal services to Israelis at the same cost as to Palestinians.
- The PA must enforce detailed zoning restrictions limiting the height of buildings near the buffer zone for security purposes.

The PA Executive Authority (EA) and the PLO Executive Committee ratified the protocol 1/15, with 5EA members of 22 voting against. The Palestinian Council (PC) approved the protocol the same day. The PC members accepted the protocol as a fait accompli, but complained that they were not presented the protocol for ratification before it was signed; that they initially were shown only excerpts of the agreement for approval; and that the full text, annexes, and maps that they eventually received were in English only. The Israeli cabinet approved (11-7) the protocol on 1/16, after 12 hours of debate. The Knesset approved it (87-17, with 1 abstention and 15 absent) the same day.

PA police began entering Hebron 1/15, the IDF began redeploying 1/16, and transfer was completed 1/17. The PA had set up its RRTs by 1/21, and two JMUs and two JPs were operating by 2/1. The IDF began the phased reopening of al-Shuhada Street on 2/3 and completely opened the central market in Hebron’s old city on 2/13. Prior to the protocol’s signing (on and around 12/28), the IDF reopened the Islamic University of Hebron and parts of Hebron Polytechnic. Both institutions had been closed in 3/96 after the spate of suicide bombings.

In contravention of Article 7.a of the protocol (which states both sides’ “commitment to maintain normal life throughout the City of Hebron and to prevent any provocation or friction that may affect the normal life in the city”), the IDF issued (1/28) a military order prohibiting Palestinians from constructing or renovating any buildings in H2. The PA protested. In late 1/97, the PA also complained that Israel had not turned over the original land registry for the city and noted differences with Israel concerning jurisdiction over archaeological sites and communications, two of the spheres of civil control. On 2/13, Israel ordered Hebron settlers to halt construction of apartments in downtown Hebron.

**Oslo II Implementation**

An integral part of the Hebron deal was the Note for the Record written by Ross and attached to the Hebron protocol. The note lists the unfulfilled Oslo II requirements either as issues that one or the other side is responsible for implementing or as topics open for “negotiation” (even though they were already addressed in the Oslo II accord). According to the Note:

- Israel is required to implement (1) the first stage of further redeployment during the first week of 3/97 and (2) the release of Palestinian prisoners as agreed in Oslo II.
- The PA is responsible for revising the PLO charter, preventing violence, restricting the number of PA police to previously agreed levels, and keeping all official PA offices and activities within the areas specified in Oslo II.
- “Issues for negotiation” are civilian affairs, cooperation, economic and financial affairs, Gaza port, international crossings, Rafah airport, safe passage, and security affairs.
- Final status talks are to resume in 3/97.

The Note also stresses Israel and the PA’s “commitment to implement the Interim Agreement [Oslo II] on the basis of reciprocity.” As interpreted by Netanyahu (1/16; see Special Document File), the Note therefore allows Israel to halt negotiations on a final settlement or implementation of any existing agreements if the PA fails to uphold its responsibilities.

On 1/28, Israel and the PA exchanged lists of their delegations assigned to the eight joint subcommittees (one for each issue listed above) that simultaneously will continue discussions on the “issues for negotiation.” Each subcommittee will draw up a protocol on implementation of the Oslo II articles specific to its topic. Israeli FM David Levy will have the ceremonial post of head of the Israeli side of the Palestinian-Israeli Steering and Monitoring Committee, while Cabinet Secretary Dani Nave will act as chief negotiator (opposite PA Local Government M Erakat), and Finance M Dan Meridor will head the economic subcommittee (opposite
PA Planning M Nabil Shaath). On 2/9, Arafat and Netanyahu agreed to start detailed subcommittee talks on 2/16, though one security subcommittee meeting and one economics subcommittee meeting were held before that date (see below).

**Final Status Talks**

In anticipation of the resumption of final status talks, a number of senior Israeli officials (including Gold, Meridor, Nave, and Netanyahu policy adviser David Bar Ilan) began (11/26) reexamining the Yossi Beilin-Mahmud Abbas final status scenario (see Peace Monitor in *JPS* 100, Doc. C3 in *JPS* 101) as a possible basis for negotiations with the PA. In addition, a group of Likud and Labor legislators (led by MKs Michael Eytan and Yossi Beilin, respectively) signed (1/22) a document entitled a "National Agreement Regarding the Negotiations on the Permanent Settlement with the Palestinians," outlining a common ground for final status negotiations (see Doc. B2). The document (a product of three months of talks) has not been approved by either party and is non-binding on the government. Netanyahu's inner cabinet began formal debate on the government's plan for a permanent arrangement with the PA on 12/25, and in late 1/97, Netanyahu lawyer Molho was tapped to head the Israeli delegation. Under the Note for the Record, negotiations are scheduled to resume in 3/97.

**Further Redeployment**

The most important provision of the Note for the Record and U.S. Secretary of State Christopher's letter of assurance to Israel, this last not officially part of the Hebron protocol but necessary to its approval, concerned the issue of further redeployment. Linkage of the redeployment issue to the Hebron agreement was raised on 12/7, when the PA demanded that Israel provide dates for further redeployment. On 12/31, the PA demanded that redeployment from rural areas be completed by 9/97, as laid out in the Oslo II accord. Netanyahu initially said (12/19) that he would not adhere to a timetable. On 1/3, he agreed to give only the date for the start of the first of three stages of further redeployment.

Following the Arafat-Netanyahu meeting at Erez 1/5, Israel said (1/6) that it wanted to postpone the final stage of the redeployment until spring 1999, just before final status talks are scheduled to conclude. On 1/8, Netanyahu presented a "compromise" that would delay the completion of all stages until 5/98. Both options were rejected by the PA. On 1/12, King Hussein presented a proposal, accepted by Netanyahu and Arafat, which set the dates for the start of the first two stages of redeployment (2/28/97, 10/31/97), but only set "mid-1998" as the date for completion of the third stage.

Despite the king's initiative, the Note for the Record requires Israel only to begin the first stage of further redeployment by the first week in 3/97. Christopher's letter of assurance stipulates that all three stages should be completed no later than "mid-1998." In Ross's letter of clarification to the Israeli cabinet (see Special Document File), the United States interprets "mid-1998" as the end of 8/98. The Note also is interpreted as allowing Israel to suspend further redeployment if it deems that the PA has not fulfilled its responsibilities (see above) and, since its list of issues to be negotiated does not include redeployment, appears to allow Israel to choose the areas from which it will redeploy, an impression further conveyed in Secretary Christopher's letter of assurance and statements by Dennis Ross and State Department spokesman Nicholas Burns (see Special Document File), as well as by U.S. Ambassador to Israel Martin Indyk. Netanyahu adviser Bar Ilan stated (1/15) that he believed that Israel would retain control over more than 50 percent of the West Bank after further redeployment, whereas Arafat had interpreted (12/19) the further redeployment laid out in Oslo II to mean that Israel would be obligated to turn over no less than 80 percent of the West Bank.

On 2/10, the Israeli cabinet began discussions to determine from which areas of the West Bank the IDF will withdraw in each of the three stages. FM Levy again emphasized (2/10) that Israel will not hold talks on further redeployment with the PA, stating "This is a decision that only we will make. . . . We are not obligated to hold any discussions or negotiations with anyone." Maps presented by the IDF advisers reportedly showed Israel retaining 51.8 percent of the West Bank under a permanent arrangement. After the meeting, Netanyahu urged the ministers not to speak in terms of percentages, as doing so would "serve the interests of the Palestinians."

Also of note: Israeli Infrastructure M Ariel Sharon said (11/18) that half of Israel's new roads planned for 1997 would be beyond the Green Line.
Prisoners
The Note for the Record attached to the Hebron protocol required Israel to release all female Palestinian prisoners, who were to have been freed upon the signing of the Oslo II accord on 9/24/95, but who as a group had refused to leave jail when 4 of the 27 were denied release (see Peace Monitor in JPS 98). On 2/7, Netanyahu gave the order to release the female prisoners, whose numbers had increased to 31 since the Oslo Accord signing, provided that they initial an agreement "to obey the law and refrain from terrorist activities." The Israeli group Victims of Terror filed several motions with the Israeli High Court between 2/9 and 2/11 to block their release, but these were denied. All of the women were freed and sent to Ramallah to meet their families on 2/11. Some 5,000 other Palestinians remain in Israeli jails.

Security Arrangements
Israeli jurists ruled (11/27) that the existing Oslo accords give Israel an overriding responsibility for security in the West Bank and Gaza that would permit the IDF to reenter PA areas as it deemed necessary.

At the request of Israel and the PA, Norway granted (12/10) a one-month extension to the Temporary International Presence in Hebron (TIPH) mandate (see Peace Monitor in JPS 102). Israel and the PA then signed (1/21) a new TIPH agreement to replace the interim TIPH agreement of 5/9/96, thereby allowing the expansion of the observer force from 30 to 180 members (from Denmark, Italy, Norway, Sweden, Switzerland, and Turkey, with Norway serving as coordinator). The TIPH mandate stays the same: to provide a sense of security for Hebron residents, to observe and report on the "enhancement of peace" in Hebron, to facilitate implementation of donor projects, and to encourage economic development in Hebron. The new observers took up their posts on 2/1. The agreement will be renewed every three months and the observers rotated every six months.

In 12/96, PA-Israeli joint patrols resumed in Bethlehem, Nablus, and Qalqilya for the first time since the 9/24-28 clashes. On 12/6, The IDF lifted the ban, which also had been in place since the clashes, prohibiting Israelis from entering Bethlehem (see Peace Monitor in JPS 102).

On 1/29, the PA-Israeli security subcommittee held its first meeting since the initialing of the Hebron protocol and agreed to remove roadblocks around Nablus immediately. Israel also pledged to remove roadblocks surrounding other West Bank towns in the coming weeks.

Jerusalem
Although final status talks were not set to resume until 3/97, both Israel and the PA took steps this quarter to influence the final arrangement for Jerusalem. Israel presented settlement expansion and annexation plans that would link settlements surrounding Jerusalem with the city and each other (11/19, 1/22), drafted plans to build Jewish housing in East Jerusalem (12/8), approved funds to build infrastructure linking East and West Jerusalem (1/26), reinstated class A subsidies to all West Bank settlements (12/13), and illegally revoked the residency permits of some (perhaps 100s of) Palestinian-Americans living in Jerusalem unless they gave up their U.S. passports (12/10). For its part, the PA announced (2/11) that it would spend $19 m. of $30 m. received from Saudi Arabia to construct 600 new housing units in Jerusalem for 22,000 Palestinians in order to counteract Israel's efforts to Judaize the city. (See Settlement Monitor for further details.)

Water
The Palestinian-Israeli Follow-Up Committee on Sources of Water in the West Bank began work (1/1) by inspecting wells and springs in various parts of the West Bank. The committee, formed in accordance with Annex III, Article 40 of Oslo II, is a transitional body set up to deal with the permanent settlement of water issues. It is responsible for developing existing water projects and drawing up new plans to meet citizens' water needs.

Economic Matters
In early 2/97, Arafat stated that Israel owed the PA $1.32 b. for taxes from Palestinian merchants, insurance fees, and social security deductions from wages of Palestinians working in Israel. Israel announced (2/11) that it would deduct the $18 m. that the PA owed Bezeq for international phone service from Israel's upcoming transfer to the PA of VAT taxes (see Peace Monitor in JPS 100). On 2/12, the PA-Israeli economics subcommittee met to discuss Israeli debts to the PA.

Israel complained (11/29) that the PA was "permitting" sewage to flow into the underground aquifers near Bethlehem, polluting Israel's water supply. Israeli Environment Minister Raphael Eitan threatened to submit legis-
tion to have the cost of treating the waste water (which he estimates to be in the millions of dollars) subtracted from money owed the PA, if the PA does not treat the sewage. Repairing and expanding the infrastructure, left undeveloped under the Israeli occupation, has been one of the PA and World Bank's priorities in soliciting donor funds (see below).

The Israeli Employment Service, in conjunction with the Prime Minister's Office, presented a plan (1/29) to replace 45,000 foreign workers with Palestinians during 1997. The first 20,000 Palestinians would return to work by the beginning of 4/97. If no security problems result, another 20,000 would be admitted within two months, and the remaining 5,000 by the end of 8/97. The PA welcomed the proposal.

The PA Supply Ministry ordered (12/13) price cuts for flour (15 percent) and bread (13 percent) to ease Palestinian hardship.

Diplomatic Matters

Arafat met (11/26) with ten Jewish settlers (including some from the Hebron area) to discuss coordination between Palestinians and settlers and possible joint ventures in education, industry, and tourism. After the session, which was to have been secret but was covered by the Palestinian press, seven other settler groups said that they were willing to meet with Arafat. One settler who participated in the 11/26 meeting said that he had met with Arafat four times.

Egypt announced (1/27) that at Arafat's request, Pres. Husni Mubarak had approved the establishment of a branch of Cairo University in Gaza by the beginning of the next academic year.

Palestinian Authority

On 1/23, Arafat swore in Talal Sader as minister for youth and sports, making him the 23d member of the EA and further decreasing the percentage of PC members in the EA (see Peace Monitor in JPS 101). Sader, who is affiliated with Hamas, is a leading Islamist from Hebron and one of the 425 Palestinians deported by Israel to southern Lebanon in 12/92. The Youth and Sports Ministry existed under the PA Council of Ministers but was reclassified as a division of the Social Affairs Ministry under the PC after the 1/20/96 elections.

In mid-12/96, the PA announced the formation of the PA Environmental Authority, to be headed by Sufyan Sultan, which will be responsible for drawing up a local and international environmental strategy.

In 1/97, the PA privatized the communications sector, allowing 9,000 investors to set up the Palestine Telecommunications Company (Paltel). Paltel hopes to have 70,000 telephone lines and 70,000 public phones in place in six months and to have a fully privatized phone system, independent of Bezeq and the PA (which for now will have a monitoring role), within three years.

The PC and EA approved and issued a civil service law (late 1/97) and a municipal elections law (mid-1/97). With the passage of the municipal elections law, elections may be held as early as 6/97.

On 1/10, Palestine Airlines made its first two flights from Port Said, Egypt, to Jiddah, Saudi Arabia, carrying pilgrims to the hajj. Israel still has not given the planes permission to use Rafah airport.

In compliance with the Note for the Record, the Palestine National Council authorized (1/19) the PLO Legal Committee to begin drafting a new PLO charter. The six-month period for the PLO to replace the charter ran out 10/24 (see Peace Monitor in JPS 100), but due to the status of negotiations with Israel, the PLO Legal Committee previously had refused to meet to discuss a draft.

Palestinian Opinion

The following data are excerpted from a poll conducted 26-28 December by the Nablus-based Center for Palestine Research and Studies (CPRS). Results are based on a survey of 1,307 men and women from the West Bank and Gaza. The poll, twenty-fifth in a series, was made available by CPRS's office in Nablus.

1. Generally, how do you evaluate the performance of the Palestinian government (the Executive Authority)?

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<th>West Bank &amp; Gaza</th>
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<td>a. Very good</td>
<td>18.6%</td>
<td>15.4%</td>
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<td>44.1%</td>
<td>44.7%</td>
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<td>c. Fair</td>
<td>17.9%</td>
<td>18.1%</td>
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<td>d. Bad</td>
<td>7.5%</td>
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<td>e. Very bad</td>
<td>3.8%</td>
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<td>f. No opinion</td>
<td>8.0%</td>
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2. Generally, how do you evaluate the performance of the Palestinian security services and police?

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<td>b. Good</td>
<td>43.9%</td>
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<td>c. Fair</td>
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3. Generally, how do you evaluate the performance of the institution of the Presidency?

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<td>c. In between</td>
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<tr>
<td>e. Very bad</td>
<td>3.1%</td>
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4. In your opinion, can people in the West Bank and Gaza Strip criticize the Palestinian Authority without fear?

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<td>38.1%</td>
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<td>b. No</td>
<td>52.0%</td>
<td>52.6%</td>
<td>51.1%</td>
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<td>c. Do not know</td>
<td>10.2%</td>
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5. If you want to evaluate the status of democracy and human rights under the Palestinian Authority, you would say it is:

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<td>8.9%</td>
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<td>b. Good</td>
<td>35.3%</td>
<td>34.9%</td>
<td>35.8%</td>
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<td>c. Fair</td>
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<td>d. Bad</td>
<td>14.4%</td>
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<td>e. Very bad</td>
<td>7.7%</td>
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**JORDANIAN-ISRAELI TRACK**

Although King Hussein expressed frustration (11/19, 12/1) with the pace of Israeli-PA negotiations on the Hebron protocol, bilateral relations between Israel and Jordan and the implementation of their peace treaty continued without interruption this quarter.

**Economic Matters**

Acting on complaints from Jordanian businessmen that lengthy Israeli inspections at the border were a major hurdle to trade, Israel agreed (11/18) to suspend inspections of Jordanian trucks transporting goods directly between the two countries. Security checks will be carried out only by Jordanian officials on the kingdom's side of the border. If Israel concludes that security is maintained, it will consider extending the agreement to cover Jordanian trucks entering the PA self-rule areas.

Israel agreed (12/2) to allow Jordan to export cement and oil to the self-rule areas on a door-to-door basis. Export of cement began in 1/97, but export of oil is contingent on an agreement between Jordan and the PA that has yet to be completed or approved by Israel.

Jordan and Israel signed (12/4) an agreement to increase (from 41 to 66) the number of products that Jordan can export tariff free to Israel and the self-rule areas and to reduce (by 30–50 percent) customs duties and related taxes. The agreement went into effect 1/1/97.

On 11/25, the Jordanian Businessmen's Association (JBA) called for a boycott of an Israeli trade fair, organized by a private Jordanian firm and planned to be held in Amman in 12/96, saying it should not be held while Israel was blocking progress on Hebron negotiations. The Jordanian government refused (12/3) to intervene in the dispute on the grounds that the fair was a private event. Under pressure from JBA and other groups, the fair was postponed (12/4) until 1/97. The four-day fair opened 1/8, with 62 Israeli firms participating and 4,000 Jordanians (representing 20 of Jordan's 23 political parties) staging a protest outside.

A 14-member delegation from the Knesset Financial and Economic Committee met with Crown Prince Hassan in Amman 12/2 to discuss prospects for joint investment projects. The crown prince stressed that such projects (including the Aqaba-Elat peace airport and desalination plants) have been
stalled because of excessive bureaucracy on both sides.

Royal Air Jordan made its first Amman-Haifa flight 1/6. Also in early 1/97, Israel and Jordan opened a phone link between the Ben-Gurion and Amman airports to allow for better flight coordination and to cut flight times.

Israel, Jordan, and the PA began a joint tourism campaign 1/21 (see Peace Monitor in JPS 102).

**Diplomacy**

Israeli FM Levy traveled to Amman 12/19 to inaugurate the new Israeli embassy in the Rabiyya section of the city. This was the first official Israeli visit to Jordan since the 9/24 tunnel opening. On 12/24, the Aqaba-Elat Development Committee discussed opening consular services in both cities.

Israel released (1/3) three Jordanian detainees. Eighteen others remain in Israeli jails (see Peace Monitor in JPS 100).

During Jordanian Information M Marwan Mu'asher's five-day visit to Israel (12/10-14), he repeatedly emphasized Jordan's concern over Israeli settlement policy and warned Israel against expanding settlements. He also warned Israel against raising fears of a military conflict with Syria.

**SYRIAN-ISRAELI TRACK**

With the focus on reaching a Hebron understanding and the U.S. State Department team in transition, efforts toward resuming Syrian-Israeli negotiations were placed on a back burner. Low-level exploratory contacts, however, were held throughout the quarter (e.g., 11/20, 12/6, 1/27, 1/29, 2/3) to prepare for discussions on a framework for resuming talks. Israeli ambassador to the United States Elihu Ben-Elissar claimed (11/20) that Syrian ambassador to Washington Walid al-Moualem had refused several requests for a meeting.

The exploratory contacts via European Union (EU) and U.S. intermediaries (particularly EU special envoy Miguel Moratinos) reportedly examined the possibility of drafting a joint position paper outlining each side's understanding of what has been achieved in negotiations to date. The paper would serve as the starting point for the resumption of talks and would allow Israel and Syria to maintain their present positions.

An early release of an interview with Syrian chief negotiator Ambassador Walid al-Moualem, the most extensive account of Israeli-Syrian negotiations from the Syrian side (see JPS 102 for interview), triggered renewed debate over what the Israeli-Syrian negotiations had achieved under the Labor government. Moualem maintains that both Rabin and Peres committed Israel to withdrawing to the 6/4/67 lines and that the Americans were witnesses; the Americans have not confirmed or denied this account. Moualem also states that in 1/96 (shortly before Israel suspended talks), a framework for a final settlement was reached that was to be completed by fall of that year. Chief Israeli negotiator Uri Savir agreed substantially (2/1) with Moualem's assessment, but stressed that the 50-60 points of agreement achieved and written down by the Americans (covering normalization, economics, water, and regional arrangements) were informal documents. Ha'aretz's Ze'ev Schiff reported (1/22) that before leaving office (1/20) former Secretary of State Christopher sent a letter to PM Netanyahu, saying that Israel was not bound by commitments to Syria made by the previous government; neither Israel nor the United States confirmed the story.

After the Hebron protocol was signed (1/15) and U.S. Secretary of State Madeline Albright was confirmed (1/22), international efforts to resume the Syrian-Israeli negotiations intensified. Syrian VP 'Abd al-Halim Khaddam and FM Faruq al-Shara' toured Algeria (2/3), Bahrain (1/29), Kuwait (1/27), Libya (2/4), Qatar (1/30), Saudi Arabia (1/26), and the United Arab Emirates (1/28) to rally support for Syria's negotiating position. Netanyahu's meetings with U.S. President William Clinton in Washington (2/13) also focused on restarting the track. Netanyahu announced (1/27) that DM Yitzhak Mordechai will head the security talks with Syria when they resume; Finance M Meridor will lead economic talks, and FM Levy political discussions.

Military tensions between Israel and Syria (see Peace Monitor in JPS 102) abated during the quarter, though reports claimed that Israel had stockpiled $300 m. worth of munitions and equipment in preparation for a military confrontation with Syria and that Syria had acquired Scud-B missiles from North Korea and a squadron of jets from Iran (possibly for joint military training maneuvers). Israel accused Syria (11/17) of developing nerve gas and chemical weapons with Russian assistance. Syria blamed Israel for a deadly attack on a bus carrying Syrian workers near Tabarja, Lebanon (12/18) and a fatal bus bombing in Damascus (12/31). Another
explosion near the Syrian intelligence headquarters in Tripoli (12/19) was ruled by Syria to be an accident.

Also of note: On 12/18, Israel suggested that a multinational force (preferably Egyptian, Jordanian, and possibly French troops) replace IDF troops in southern Lebanon. Lebanon rejected the idea, saying Israel must withdraw unconditionally.

MULTILATERAL TALKS

The Multilateral Working Group on Refugees held an informal two-day meeting in Petra, Jordan 11/24-25 to “break the ice”; to evaluate the work thus far of the group’s subcommittees (child welfare, data bases, economic and social infrastructure, family reunification, job creation, public health, and vocational training and human resource development); and to reactivate discussions.

On 11/26, the PA announced that it would boycott all multilateral talks, except those of the refugee group, to protest the lack of progress in the Hebron negotiations and Israel’s refusal to implement the outstanding issues of the Oslo II accord. In response, Israeli FM Levy announced that Israel would boycott refugee group meetings. Although he later retracted this statement (around 12/4), a refugee group meeting scheduled for late 12/96 was not held.

On 1/26, Israel announced that the multilateral talks would resume at the steering committee level at a meeting to be held in Moscow in 4/97.

REGIONAL AFFAIRS

Refugees

The Egyptian, Jordanian, and PA delegations to the quadripartite refugee committee, which is independent of the multinational refugee group, met in Gaza 12/7 to prepare for a full committee meeting in Bethlehem 12/8. In keeping with FM Levy’s threat to boycott refugee meetings (see above), Israel refused to attend the session.

PLO Political Department head Faruq al-Qaddumsi and Faisal Husseini, the PA official in charge of the Jerusalem file, met with Lebanese officials in Beirut (11/18) to discuss political issues surrounding a solution to the refugee issue (e.g., settling refugees in Lebanon, considered by both sides to be undesirable; easing restrictions on refugees’ movement; and continuing UNRWA operations).

ISRAELI-ARB RELATIONS

During the final stages of the Hebron negotiations, Israel blamed Egypt for encouraging the PA not to sign the protocol until a satisfactory understanding on other outstanding issues was achieved. Pres. Mubarak was briefed frequently on the status of negotiations by Arafat (12/1, 12/7, 12/20, 1/11), Gold (12/11), Mordechai (12/24), and Ross (1/11). On 2/2, following the protocol’s adoption, Mubarak and Netanyahu met for the first time in six months on the sidelines of the World Economic Forum meeting in Davos, Switzerland (see Peace Monitor in JPS 102).

With the initialing of the Hebron protocol on 1/15, normalization, slowed or halted by many Arab states to protest lack of progress, quickly returned to previous levels.

Israel began express mail service to Tunisia 12/2. However, on 12/3 Tunisia canceled a visit to Tunis by former Israeli PM Shimon Peres, planned for late 12/96, citing “internal reasons”; on 12/16, Tunisia suspended relations, saying that since Israel had failed to fulfill the Oslo agreements, Tunisia needed “a break for reflection over the normalization process.” Despite the suspension, Tunis did not close its interest office in the Belgian embassy in Tel Aviv.

Citing lack of movement on the Hebron talks, Oman suspended ties with Israel 12/3. The government reiterated this position 12/16, but did not recall its representatives from its interest office in Israel until late 12/96. Following the 1/15 signing, Oman announced (1/19) that it expected to reopen its trade office in Israel within weeks. On 1/29–30, Netanyahu adviser Gold and adviser on intelligence affairs Col. Shimon Shapira visited Oman and Qatar to discuss improving bilateral relations.

Also on 1/19, Abu Dhabi renewed discussions with Israel regarding an exchange of tourism delegations, and Dubai agreed to resume work on projects that had been suspended because of lack of progress on the Palestinian track. Around the same date, Royal Air Moroc resurrected its plan (agreed to with the Israeli firm Open Sky in 1995, but abandoned after the 5/96 Israeli elections) to establish operations in Israel. The Moroccan airline hopes to begin two weekly nonstop flights between Tel Aviv and Rabat or Marrakech later this year and to conclude an agreement with El Al so that Morocco bound Israeli tourists can make connections in Europe. The Moroccan government, however,
refused (2/1) Israel's request to send FM Levy to meet with King Hasan.

An Israeli government inquiry into the 1967 war concluded (11/28) that both Egypt and Israel killed POWs. Israel deemed the final report too politically explosive for details to be made public at a time of tense relations with Egypt (see Peace Monitor in JPS 102). In late 12/96, Israeli bus service to Egypt was suspended due to lack of passengers. Egged says that it has seen a steady decline in ridership over the past two years.

On 1/16, the Egyptian Export Institute invited its Israeli counterpart to resume discussions, suspended because of the pace of PA-Israeli negotiations, on publishing a joint bulletin, along with the export institutes of Jordan and the PA. Similarly, the Jordan Export Institute invited the Israeli Export Institute to attend for the first time an all-Mediterranean meeting planned for 6/97.

After several days of meetings in Copenhagen, Denmark, Egyptian, Israeli, Jordanian, and PA delegations endorsed the establishment of a "peace alliance" that would act as a lobby group aimed at pressuring the respective governments and recruiting popular support for peace (see Doc. A3). The alliance's operations will be financed by the EU.

Also of note: At the Organization for Security and Cooperation in Europe (OSCE) conference in Lisbon (12/2-3), Netanyahu proposed the creation of a security organization for the Middle East similar to the OSCE. By focusing regional cooperation on such issues as human rights, economics, and the arms race, Netanyahu could shift the basis of normalization from land for peace to mutual security. This idea was originally floated by former Israeli PM Peres.

**INTER-ARAB HIGHLIGHTS**

The Arab League decided (11/20) to reactivate the Jerusalem Center, an organization (founded in 1982, but inactive for a decade) aimed at protecting religious and Islamic sites against Israeli attempts to Judaize the city. The center is a joint project of the Arab League, the Islamic Conference Organization, Egypt, Syria, and UNESCO.

Syria and the Arab League agreed (1/18) to establish the Center for Water Studies and Water Security in Damascus. The center will explore ways of scientifically managing, protecting, and utilizing Arab water resources.

Fifty Arab political parties (including the DFLP, Fatah, Hamas, the PFLP, and the Palestine People's Party) from 13 countries (including the self-rule areas, Egypt, Iraq, Jordan, Lebanon, Sudan, and Syria) held a three-day conference (12/16-18) aimed at fostering pan-Arab solidarity, joint action on the PA-Israeli negotiations, and returning the Palestinian issue "to the core of the Arab issue." The groups concluded that the Oslo process has failed, an alternative is needed, and Arab countries should return to international resolutions to solve the Arab-Israeli conflict. They agreed to set up a general secretariat (to be based in Amman), comprising one member of each party, that will hold biannual meetings.

Libya allowed (1/21) 300 Palestinian refugees stranded on the Libyan-Egyptian border back into the country, but they refused to return, saying they must first be given guarantees that they would be given back their homes and jobs. These 300, the last of the 1,000 Palestinians who were allowed to return to Libya from the border camps in 10/95, after Qadhafi rescinded his 8/95 order to expel all 30,000 Palestinian refugees from Libya, had previously refused to return, hoping that they would be allowed into Egypt or Gaza (see Peace Monitor in JPS 98).

Jordan announced (12/16) that the government no longer would issue or endorse any power of attorney or other documents pertaining to lands under the jurisdiction of the PA in the West Bank, Gaza, or Jerusalem or to Palestinian lands occupied by Israel since 1948. This reverses a 1995 decision to issue such documents. Jordan and the PA also held two rounds of security talks (1/27, 1/29) aimed at developing cooperation between their security apparatuses on training, technical matters, and administration.

Syrian FM Shara' made a brief visit to Amman in early 12/96. It was the first high-level contact between Syria and Jordan since Syrian Pres. Hafiz al-Assad and King Hussein met (6/22-23) on the sidelines of the Sharm al-Shaykh antiterrorism conference.

**REGIONAL ECONOMIC AFFAIRS**

Jordan and the PA held talks (11/24, 12/5, 1/22) on expanding their bilateral trade and holding trilateral talks with Israel on provisions for Jordanian exports to and imports from the self-rule areas (see above). Under the Oslo accords, Israel must approve any agreements that the PA concludes with another country. In mid-11/96, 105 Jordanian businessmen participated in a nine-day busi-
ness fair in Ramallah aimed at expanding bilateral trade.

In anticipation of the implementation of the UN oil-for-food agreement on 12/9, Iraq held talks with Jordan (12/1, 1/13, 1/15) and Turkey (12/24) on boosting bilateral trade. On 1/18, Jordan and Iraq initiated a joint economic, trade, and oil cooperation accord, increasing their volume of trade by 7 percent and agreeing to build an oil refinery at Aqaba port. Under the agreement, Iraq will meet all of Jordan's oil and oil byproduct needs, but raises the concessionary rate that it charges Amman by $4.

After renewing (12/1) their military pact for 1997, Israel and Turkey signed (12/5) a $650-m. deal for Israel to upgrade 54 Turkish F-4 Phantom jets. The five-year deal involves installation of advanced avionics systems, including radar, electronic warfare, and navigation systems. The two countries also concluded a customs agreement (12/26) but were unable for technical reasons to complete a free trade accord that they originally had hoped to have in place by 1/97. Turkish pres. Necmettin Erbakan also turned down (1/28) an invitation from PM Netanyahu to visit Israel, saying that Israel must implement all UN resolutions and close the archaeological tunnel along al-Aqsa Mosque.

Ignoring U.S. advice to Turkey to refrain from improving relations with Iran, Iran and Turkey signed (12/21) seven trade accords, granting each other most favored nation trading status, increasing the annual volume of trade between the countries from $960 m. to $2 b., establishing a joint chamber of commerce, and outlining maritime cooperation. The agreements were drafted at the 13th annual joint economic commission session, held in Ankara 12/16.

Iran, Turkey, and Turkmenistan signed a gas deal (12/30) to provide Turkey with needed natural gas and to transport gas to Europe through Turkey. Construction of pipeline connections is scheduled for 3–4/97.

INTERNATIONAL

United States

U.S. involvement in the Hebron negotiations since the 9/24–28 tunnel incident surpassed anything previously seen on the Palestinian-Israeli track. On his return to the United States (1/16) after the Hebron protocol signing, U.S. special envoy Ross revealed the depth of the U.S. role in the negotiations over the previous four months, saying: "We

were clearly much more than facilitators. We were not mediators—we were brokers" (Washington Times 1/17; see also the Ross briefing in the Special Document File).

On 12/5, Pres. Clinton nominated Ambassador to the UN Madeline Albright to replace Christopher as secretary of state. Albright's statements [during her confirmation hearings (1/8) and two press interviews (1/24)] that she would work for a "comprehensive and lasting peace" in the Middle East, omitting the standard State Department reference to a "just" peace, raised speculation concerning a change in State Department policy. She was confirmed 1/22. Current Ambassador to Israel Martin Indyk reportedly will replace retiring Assistant Secretary of State for Near East Affairs Robert Pelletreau. No replacement for Indyk had been chosen by the end of the quarter.

On 1/12, the State Department submitted its semiannual PLO compliance report to Pres. Clinton (see Doc. C3), who on the basis of the report extended the suspension of restrictions on funding to the PLO for another six months (see Peace Monitor in JPS 101).

The United States and Israel activated (12/12) a hot line between defense chiefs. The new direct link is aimed at providing a "private and dedicated means for the defense chiefs of the two countries to discuss matters of mutual interest."

On 12/14, the United States delivered to Jordan $100 m. worth of tanks, helicopters, navy vessels, trucks, guns, and night vision equipment. The materiel is part of the $300-m. military modernization package offered to Jordan in 1/96 (see Peace Monitor in JPS 101). On 12/15, the Jordan Trade Association and the JBA complained that Jordanian products are not granted the same free-trade treatment that the United States has given the PA (see Peace Monitor in JPS 102).

RUSSIA

Russian Deputy FM Viktor Posuvalyuk met with Israeli FM Levy in Israel 1/26. Posuvalyuk expressed Russia's displeasure that it was excluded from the Hebron negotiations, and Levy conveyed Israel's dissatisfaction with Russia's recent voting record in the UN. The two men agreed to set up a high-level committee to "avert further misunderstandings [on UN issues] in the future."

Russia and Israel signed (1/27) a protocol of intent as the first step to enhancing bilateral relations in industry and trade. Israel
Aircraft Industries and Russian aircraft manufacturer Mikoyan agreed (12/5) to cooperate on MiG upgrade programs. They hope to back off the sale (1/22). South Africa also backed off the sale (1/22). South Africa also called on Israel (11/28) to withdraw from Hebron; to take action to comply with the Oslo accords; and to refrain from provocative actions, such as the 9/24 tunnel opening. India and Israel signed four economic agreements on technical cooperation, joint agricultural development and industrial research, and cultural exchanges. The two countries have had diplomatic relations for four years.

Taiwan and Israel, who have no diplomatic ties, agreed (12/5) to upgrade the level of economic exchanges between their countries and increase industrial cooperation and the number of joint investment projects.

Israel and Niger agreed (11/28) to resume diplomatic ties, broken off during the 1973 war, and exchange ambassadors.

Israel's first ambassador to Macedonia assumed his post 12/18.

Japan gave Jordan a $11.3-m. grant to improve the Amman water supply network (11/26) and a $12-m. grant to implement improvements to the Zay Water Pumping Station near Amman (12/4).

**DONORS**

The Consultative Group (CG) met in Paris 11/20, where donors pledged $888 m. toward the PA's $843-m. Public Investment Program (PIP) for 1997. Only a small portion of the $888 m. was new money, however; most either was pledged earlier and reallocated or was pledged earlier but was not committed to specific projects until this meeting. The PIP (targeting development of industrial parks, the Gaza port, housing, basic infrastructure, and the private sector; consolidating essential infrastructure; and encouraging social sector investment and job creation) is the first comprehensive investment plan drafted by the PA. Though it is heavily based on the World Bank's Core Investment Program (see Peace Monitor in JPS 102), the donors saw the plan as a sign of the PA's growing fiscal maturity and facilitated its financing accordingly.

The Ad Hoc Liaison Committee (AHLC) was scheduled to meet in Brussels 1/97 to assess the overall donor situation since the 1/96 Paris conference (see Peace Monitor in JPS 99), but pushed its meeting forward to 12/10 due to the success of the CG meeting. The main topic of the AHLC meeting was the future of the Holst fund: With the idea that the PA should learn to live within the budget it creates, donors decided that the Holst fund
should become an emergency fund to aid with emergency budget constraints (e.g., those problems arising due to closures) and job creation and should not be a source of funding relied upon to cover anticipated/underbudgeted costs, as it has been in the past. Donors also pledged an additional $50 m. to replenish the fund. The PA also committed to consolidate all revenues and expenditures under its Finance Ministry by 3/1/97, in keeping with the Tripartite Action Plan obligations (see Peace Monitor in JPS 99).

In 2/97, the World Bank and the Palestinian NGO community established an independent trust fund for Palestinian nongovernmental organizations, which should be operational in early 1997. The World Bank donated $10 m. to cover outlays for the first year of implementation, representing half of the anticipated $20 m. for which the Bank will lobby donors.

Pledges and grants to the PA this quarter included:
* $85 m. from Spain for unspecified costs in 1997 (5/5), making Spain the largest donor;
* $40 m. from Germany for infrastructure projects (12/2);
* $6 m. from USAID for PC operating costs (2/4); and
* $5 m. from Japan for infrastructure projects (11/29).

Compiled by Michele L. Kjorlien

Suad al-Jubeh is greeted by her parents when she returns home after being freed as part of the Palestinian women prisoner release, 11 February 1997. (Reuters/Rula Halawani/Archive Photos)