PEACE MONITOR

16 FEBRUARY–15 MAY 1999

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

BILATERALS

PALESTINIAN-ISRAELI TRACK

Little happened this quarter on the Palestinian-Israeli track due to the early Israeli elections, called last quarter and set for 5/17, with all players on an international level preferring to avoid the track so as not to affect the outcome of the voting. Compared to the 1996 Israeli elections, the peace process did not figure prominently in the campaign, taking a back seat to domestic problems and character issues. Wye implementation remained suspended; by the end of 2/99, all Wye committees except those necessary to maintain security coordination had ceased meeting.

On several occasions, Israeli PM Benjamin Netanyahu tried to play on peace process issues to gain public support. First, he proposed partially implementing the 10/23/98 Wye River Memorandum by opening one safe-passage route and releasing another batch of Palestinian prisoners held on criminal charges, but the Palestinian Authority (PA) rejected the offer on 2/25, saying that any partial implementation must include further redeployment. Netanyahu also raised pressure on Lebanon (see Chronology) and Jerusalem (see below). Settlement expansion also continued (see Settlement Monitor).

Most activity on the track surrounded the end of the five-year Oslo interim period on 5/4. Aside from warning the PA not to declare a Palestinian state unilaterally on 5/4, Israel ignored the date, stating (early 4/99) that the Oslo agreements would not expire on 5/4, that their obligations would still hold, and that the interim period would therefore effectively continue indefinitely. PA head Yasir Arafat, who last quarter publicly backed off his plan to declare a state because of the early Israeli elections (see Peace Monitor in JPS 111), continued to promote it as a possibility. In late 2/99, he began a global tour, spanning two months and 56 countries, to consult with world leaders on Palestinian statehood and the post-Oslo period. Since governments were nearly unanimous in their recommendation against declaring a state, Arafat concentrated on securing promises of future recognition (in exchange for deferring declaration) and on obtaining guarantees that a new deadline would be set so that the status quo does not drag on indefinitely.

Meanwhile, the U.S. and the European Union (EU) sought to provide the PA with enough assurances to enable it to forgo a unilateral declaration. In talks with Arafat in Washington on 3/23, U.S. Pres. Bill Clinton agreed that final status talks, when they resume, should not be open-ended, as Israel wished. On 3/26, the EU issued its most far-reaching statement to date on Palestinian rights, loosely coordinated with the U.S., which calls for early establishment of a Palestinian state through negotiations, without Israeli support, and recommends that final status talks be completed within a year (see Doc. A2). Netanyahu accused the EU (3/26) of jeopardizing Israel’s existence.

In early 4/99, the U.S. invited Israeli and PA legal experts to Washington to discuss the legal status of the PA beginning 5/5. The PA accepted the offer, but Israel declined, saying that the Oslo agreements did not expire on 5/4 and therefore there was nothing to discuss. PA chief negotiator Mahmud Abbas and Local Government M Saeb Erakat arrived in Washington on 4/18 for a week of talks with U.S. officials led by special envoy Dennis Ross. (Netanyahu sent his attorney Yitzhak Molho and Foreign Ministry adviser Tomer Orni to monitor the talks, and Ross kept them briefed on developments.) The PA team offered to delay a unilateral declaration if the U.S. agreed (1) to set a new timetable for negotiations, with a deadline of six to twelve months for concluding a final status agreement, and (2) to provide written guarantees that the U.S. would recognize a Palestinian state within a specific time frame.

The final outcome of the meetings was a letter sent by Pres. Clinton to Arafat on 4/26, a day before the PLO Central Council (PCC) was set to debate the declaration issue in Gaza. The letter appealed to Israel and the

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PA to resume negotiations swiftly after Israeli elections and to accept a one-year timetable for final settlement, with a high-level interim meeting in six months. To appease Israel, the proposal did not contain any target date for a final agreement that could be construed as a deadline. The letter also expressed support for the Palestinians' right to self-determination, saying that the U.S. would accept a state as a result of negotiations, and used slightly stronger language than previously to criticize Israeli land confiscation and settlement expansions (see Doc. C4). Israel accepted in principle (4/28) the extension of the negotiating period after being briefed by the State Department on the letter's contents.

Within the territories, the Palestinian Council (PC) was also debating how to handle the end of the interim period. On 4/20, the PC adopted the recommendations of a 4/12 political committee report (see Doc. B1) to end Oslo on 5/4 and work toward creation of a Palestinian state, leaving the timing of an actual declaration vague. The PC stressed that no matter what happened on 5/4, the PC and the existing PA institutions would continue to function until new parliamentary elections were held and alternative institutions established. On 4/26, the PC passed a nonbinding resolution (41-1, with 2 abstentions) approving continuing negotiations with Israel.

The PCC session, the first since 10/93, opened in Gaza as planned on 4/27, with 96 of 124 members attending. But with the EU and U.S. statements, the PCC debate on whether to declare a state was seen as a formality to rubber stamp a decision already made by Arafat. Aside from Arafat's opening address, recommending against unilateral declaration, the session was closed to the media, and participants were prohibited from speaking with reporters. The Popular Front for the Liberation of Palestine boycotted, and Islamic Jihad declined an invitation to send observers, but Hamas sent a delegation headed by Shaykh Ahmad Yasin. After three days of debate, the PC suspended its session on 4/29, deferring decision on a unilateral declaration until 6/99, after Israeli elections.

The PCC pledged (4/29) to spend the month before resuming its session concentrating on building state institutions and drafting a "constitution to serve an independent state." A special PCC committee (whose formation was announced 4/29), to be assisted by an Arab League legal committee headed by the League's Secy. Gen. Ism 'Abd al-Majid (announced 5/6), had reportedly begun work on a draft by 5/11. The PLO did not explain what role, if any, the PC would have in the drafting or to what degree the draft would be based on the Basic Law, which was written for an interim period but specifically designed to be easily converted into a constitution; the Basic Law was approved by the PC in 1997, but has not been promulgated by Arafat. This issue highlights the legal uncertainty of the post-Oslo period, particularly the lack of clarity over future governing roles of the PA and the elected PC vis-à-vis the PLO.

In the end, 5/4, the close of the five-year Oslo interim period, passed virtually unnoticed, without remark by the PA or Israel. Arafat was in Ireland, and only scattered protests were reported in the territories.

Jerusalem

During the election campaign, PM Netanyah made numerous efforts this quarter to stress Israeli sovereignty over the city, sometimes against the counsel of his own advisors. In mid-3/99, the Interior Ministry revived Netanyah's 6/98 proposal for an expanded Jerusalem "umbrella municipality" (see Peace Monitor in JPS 109) that would double the Jewish population of the city, forming a committee and submitting a written proposal to the Israeli cabinet to implement the plan. The U.S. successfully pressured Israel to shelve the plan, which it feared would spark violence in the run-up to the elections.

Netanyah also staged a showdown with the EU over meetings with Palestinian officials in East Jerusalem. Although the PA cannot have official representation in East Jerusalem, the Oslo agreements permit the PLO to maintain its offices that were operating in the city before the peace process began. Following a routine PLO briefing for EU representatives at Orient House in late 2/99, the Israeli Foreign Ministry issued notes verbal to all EU representatives, demanding that they stop meeting with Palestinian officials in the city. In response, on 3/1, German amb. to Israel Theodore Wallau (Germany is currently head of the EU) sent a confidential note verbal to the Foreign Ministry rejecting Israel's demand and restating the EU's position that Jerusalem is a corpus separatum under UN Res. 181 and occupied territory under international law. Israel leaked the gist of the note to the press with a strong denunciation on 3/12. The Israeli cabinet followed with a formal condemnation on 3/15.
3/18, Orient House hosted another briefing, which was attended by 18 EU representatives. Israel protested and imposed travel limits on three Palestinian officials attending the meeting (Hanan Ashrawi, Faisal Husseinei, and Ziad Abu Zayyad).

While the EU and Israel agreed (3/18) to put the dispute behind them, Netanyahu stepped up his campaign to shut Palestinian offices in East Jerusalem. On 3/29, he ordered the closure of a Christian affairs office, a news agency, and the Palestinian Prisoners Club (a prisoner advocacy group) in the city, claiming that they were run by the PA. The PA protested, saying that the organizations had been operating in the city long before the PA's creation.

Following another briefing at Orient House on 4/21 that was attended by 30 foreign diplomats, Israel ordered (4/22) the closure of Palestinian offices at Orient House and implemented the closure order (4/25) on the Palestinian Prisoners Club. On 5/6, the PLO appealed the Orient House closure orders, and U.S. Amb. Edward Walker intervened with Israeli Public Security M Avigdor Kahalani to urge Israel to show restraint. Kahalani postponed the closure and held talks (5/7, 5/9) with Orient House officials in search of a compromise, but PM Netanyahu ordered (5/10) the closures to be implemented within 24 hours. On 5/11, however, the Israeli High Court approved an appeal submitted by the Israeli peace group Ir Shalem to delay the closures until after elections.

Over the objections of his finance minister, Netanyahu persuaded his cabinet (5/9) to approve a five-year program that would give $5,000 cash grants to Jews buying housing units in East Jerusalem and a five-year, $100 m. project for infrastructure building in East Jerusalem. The Labor party filed (5/9) a formal complaint, denouncing the spending plans as "election bribery." Netanyahu also convened his cabinet in Jerusalem for the first time on 3/24. Israel protested (2/16) PA-appointed muftri of Jerusalem Ikrima Sabri's decision to move his office from one room to another inside the al-Aqsa Mosque compound.

On 3/6, 300 Palestinian women attempted to walk to East Jerusalem from al-Ram in the West Bank to protest Israeli restrictions on Palestinians entering Jerusalem. Israeli border police blocked the women, scuffling with them briefly. East Jerusalem Palestinians observed a one-day strike on 3/13 to protest Israel's hosting of an international cultural conference in the city.

Israel's Interior Ministry reported (3/1) that it stripped 788 Palestinian Jerusalemites of their residency in 1998, more than half of those (441) during the last five months of the year. By comparison, 606 Jerusalem IDs were confiscated in 1997, and 689 in 1996.

Anti-Incitement

The Israeli-PA-U.S. anti incitement committee formed under Wye was the only committee that met regularly this quarter, convening at least four times. Teams progressed on such issues as eliminating negative stereotypes from schoolbooks and increasing joint briefings for Israeli and Palestinian journalists, but failed to come to agreement on major topics, such as a mutually agreeable definition of "incitement" (see Peace Monitor in JPS 111). The last meeting was held 4/22, with the U.S. preferring to put off further meetings until after Israeli elections.

PA Information M Yasir 'Abid Rabbu accused (2/17) Arafat's General Information Services of interfering with press freedom by requiring all foreign correspondents wishing to enter the PA areas to obtain press cards from its office. Since the Wye agreement, many Palestinian journalists and cameramen have complained that the PA has increased short-term detentions and arrests of journalists on charges of "endangering national interests" and "covering an illegal demonstration" to pressure them not to cover issues that could be perceived as "incitement" by the Israelis. The Palestinian Publications Department rejected the criticism as unjustified, noting that there are 140 publications, 3 daily newspapers, 27 television stations, and 8 radio stations operating in the occupied territories, most of which are independent and some belonging to the opposition.

Without explanation, the PA General Intelligence Service (GIS) sealed the offices of Hamas's al-Risala newspaper on 4/27. The GIS reopened the bureau hours later under pressure from unnamed PA officials.

Security Cooperation

Israel continued (e.g., 2/22, 4/27) to accuse the PA of releasing Palestinian prisoners responsible for "terrorist" acts, but the U.S. countered the charge (2/22, 3/28), saying (2/22) that the PA was coordinating with the U.S. on prisoner releases. The CIA admitted that the PA had released 60 prisoners without prior coordination with the U.S.-PA committee on combating terror, but confirmed...
that all of them had been released for legitimate reasons.

In early 3/99, the PA prevented a Hamas attack in Tel Aviv, arresting ten suspects. PM Netanyahu personally thanked Arafat, but said that the PA still had to do more to prevent “terrorism.”

The Israel Defense Forces (IDF) praised (3/22) the PA for effecting an 8.8% drop from 1997 to 1998 in the number of Israeli cars stolen and transported to the occupied territories. The IDF credited the PA’s increased coordination with Israeli security forces and the creation of special anti-car theft units.

In late 3/99, Israel submitted seven new extradition requests to the PA, the first since the Wye agreement was signed, bringing the total number of pending extraditions to 44. Under Oslo, the PA is not required to extradite individuals already serving terms in PA jails.

On 4/28, PA police confronted an IDF patrol that accidentally strayed into Silleh village in West Bank area A, near Jinin. When the patrol refused to halt, police opened fire, wounding an IDF soldier.

Palestinian Prisoners

In early 3/99, Israeli and PA teams resumed talks on the prisoner release issue, which had reached an impasse last quarter when the first batch of 250 prisoners Israel released comprised only criminals, rather than political detainees (see Peace Monitor in JS 5 111). By 3/14, the teams (headed by Israel’s Internal Security Ministry, Defense Ministry, and Shin Bet on the one side and PA chief negotiators on the other) had agreed on new, less stringent criteria for the remaining 500 prisoners and had drawn up lists of those to be freed, including all Fatah members who had been detained for more than 10 years and a group of nearly 100 security prisoners who had participated in attacks in which Israelis had been wounded but not killed. But on 3/15, PM Netanyahu rejected the cabinet’s approval for adopting more flexible criteria for the prisoner release, leaving the issue deadlocked through the end of the quarter. Israel freed 14 Palestinian prisoners on 3/30 as a goodwill gesture to mark Id al-Adha, but they were not part of the Wye release agreement.

The Palestinian Prisoners Club reported (4/15) that Israel currently held 2,500 Palestinian prisoners, including 88 administrative detainees. Israel was also holding 150 prisoners, including 22 Lebanese, who had completed their sentences.

Gaza Airport

By early 3/99 there were four flights/day going out of Gaza airport, up from about four flights/week when the airport opened. Biweekly flights to Casablanca began in 3/99. In mid-3/99, the PA and Romania signed an agreement on flights between Bucharest and Gaza, slated to begin this summer.

The PA required all West Bank and Gaza Palestinians performing the Hajj to use Gaza airport as their exit point, but agreed to pay for the flights, transporting 3,650 pilgrims to and from Mecca between 3/8 and 3/12.

Miscellaneous Matters

Israel and the PA inaugurated (3/21) their first joint venture in the Qarni industrial zone—a $300,000 textile plant, which will supply the Israeli market and export to the U.S. On 4/5, Israel shut the Qarni crossing between Gaza and Israel for several days to punish Palestinian truckers for protesting Israel’s tripling of transit fees from $50 to $150.

The PA complained (3/1) that it had not received licenses from Israel to begin work on 16 wells that Israel approved three months earlier. The issue is of particular importance since, this quarter, the region is undergoing a severe drought. The PA also accused (4/2) Israel of dumping toxic materials, sewage, and solid waste in PA areas and Israeli settlements of overpumping water and depleting aquifers.

The PA accused (2/23) Israel of flooding the Palestinian market with cheap flour in an attempt to force the closure of a new Palestinian flour company in Gaza and to maintain a monopoly on the bread supply in the occupied territories. The PA said that it plans to ban the import of Israeli flour once the Gaza company reaches a daily production level of 400 tons.

In early 3/99, the Israeli firm Ormet and the U.S. firm General Electric won a bid to build a power station in Gaza for the Palestinian Electric Company. The station, which should be completed in two years, would replace the Israeli Electricity Company that currently supplies Gaza. Israel says that the PA must provide the required documentation on environmental protection and safety measures before construction can begin. Israel will not allow the new Gaza company to lay cables to the West Bank to supply electricity there.

On 3/11, Israel dug up and disconnected fiber-optic cables laid by the Palestinian telecommunications company, Paltel, on the
grounds that they crossed Israeli-controlled area C and were laid without an Israeli license. Paltel admitted (3/11) that it did not have a permit, saying that it decided to act after the Israeli government held its license application for eight months without response. (Applications by the Israeli phone company Bezeq are usually approved within days.) On 4/8, Paltel announced that it had completed installation of all switchboards in Gaza and three-quarters of all switchboards in the West Bank as part of the effort to separate fully from the Israeli phone network. Paltel took over telecommunications for the PA areas in 1997.

On 2/27, Canada signed a "framework" on trade and economic cooperation with the PA and opened its first representative office in Ramallah, which will deal with economic and social issues but not consular or political affairs. The framework is essentially a free trade agreement, but cannot technically be called such, since Canada can only sign agreements with sovereign states.

The PA hosted the Jericho Winter Festival from 2/24 to 3/7, aimed at boosting tourism and promoting cultural cooperation. Poetry readings, theater workshops, musical performances, a women's forum, and children's and sports programs were held.

**Palestinian Authority**

A number of incidents this quarter highlighted the PA's deficiencies in upholding the rule of law and the increasingly arbitrary nature of Palestinian governance. The Palestinian public criticized most, but not all, of these lapses.

In a one-hour trial (2/25), a PA military court found a PA Preventive Security Force (PSF) officer guilty of kidnapping and raping a six-year-old boy. The court sentenced him to 15 years for rape and to death for "inciting the public against the Palestinian Authority." Some 2,000 Palestinians staged a demonstration in Gaza to demand his immediate punishment. He was executed on 2/26.

Several weeks later, on 3/10, a PA security court sentenced to death a PA policeman for killing a fellow policeman on 2/1 and gave two codefendants long prison terms. The murdered policeman had been following the three others, who were on Israel's wanted list for their connections to Hamas, when they allegedly shot him. The ruling sparked three days of demonstrations across Gaza by Palestinians who felt that the court had ruled under pressure from the murdered man's influential family and not on the basis of solid evidence. In Rafah, PA police fatally shot two Palestinian protesters and wounded several others. Riots intensified after the funeral of the two demonstrators, and the PA police wounded two more Palestinians. During protests on 3/11, 50 Palestinians, including 17 policemen, were injured, and the PA declared areas of Gaza closed military zones and confiscated film from six photographers. After meeting with notables in Rafah on 3/13, Arafat stayed the execution pending further investigation.

In other incidents involving PA security services, a Palestinian prisoner was admitted (5/11) to an intensive care unit from a PA jail, unconscious and showing signs of torture. A Palestinian was shot dead (3/14) by an off-duty PSF officer during a civil dispute, the seventh death in eight months caused by a PSF officer misusing his weapon. PA Military Intelligence Service members shot and wounded a Palestinian during an arrest (4/20), sparking Palestinian protests.

PA Justice M Frayh Abu-Madayn criticized (5/12) the lack of separation between the judiciary and executive branches of the PA; accused "influential people" of violating and circumventing the law; and claimed that the PA courts have no authority over the security organs and that the Executive Authority and security services are above the law. Lawyers in the PA areas observed a one-day strike (late 4/59) to protest "the disintegration of the judicial system in the Palestinian territories." For example, the PA High Court ordered (2/20) the GIS to release a prisoner, Wael Farraj, who has been jailed without charge since 4/25/96. The GIS refused, and Farraj was still imprisoned at the end of the quarter. The PA did release (3/20, 3/26, 3/27, 3/31) a total of 24 political detainees around Id al-Adha and eight Hamas members on 4/18.

On other nonsecurity matters, Local Government M Erakat reported (late 2/99) that 96% of PA officials, companies, and "influential people" have not paid their water or electricity bills owed the PA. He threatened to publish their names in local papers if they did not settle their accounts.

On 4/5, faced with the PC's threat to call a no-confidence vote, Finance M Zuhdi al-Nashashibi finally submitted the draft budget for 1999, which was due in 10/98. Revenues are anticipated to be $1.54 b., while expenditures are expected to be $1.68 b. The Finance Ministry proposed covering the deficit...
by issuing treasury bonds. The PC expects to
take up to two months to review the draft.

On 4/14, the Palestinian Monetary
Authority (PMA) for the first time announced
the trade balance figures for 1997, showing a
$1.78 b. deficit (with $476.6 m. in exports,
$2.25 b. in imports). Concluding that the Pal-
estinian economy has serious structural de-
fects, the PMA blamed dependency on Israel
and constraints under the 1994 Paris Eco-
nomic Protocol. It also warned that while re-
mittances from Palestinians working abroad
are a significant source of PA income, most re-
mittances come from workers in Israel,
reinforcing dependency. The PMA also held
talks with the Arab League (5/12) on issuing
a Palestinian currency. The Arab Monetary
Fund and the Egyptian Central Bank have
agreed to assist in the effort by underwriting
the value of the money.

Some 1,200 Palestinian doctors, nurses,
and health administrators observed a strike
on 2/23 to protest the PA’s failure to imple-
ment the civil service law passed in 5/98,
which would increase their salaries. Around
100 of them held a demonstration outside the
PC meeting that day.

The PA pushed its Bethlehem 2000 tourist
and development plan this quarter, hosting
(2/19) hundreds of church leaders from
around the world for a briefing on the pro-
ject and a tour of the city. Arafat also dis-
cussed the projects with Pope John Paul II
during a private audience at the Vatican on
2/19.

PALESTINIAN OPINION

The following data are excerpted from a
poll conducted by the Nablus-based Center
for Palestine Research and Studies (CPRS)
on 15–17 April. Results are based on a sur-
vey of 1,315 men and women from the
West Bank and Gaza. The poll, forty in a
series, was made available by CPRS’s office
in Nablus.

1. According to the Oslo Agreement,
the transitional period will end on 4 May
1999. Some people see the necessity of
transforming the PA into a Palestinian
state at that date even if Israel objected.
Others argue that the establishment of
the state should wait until an agreement
is reached with Israel. What do you
think?

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<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
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<tbody>
<tr>
<td>a. Support waiting till reaching an agreement with Israel.</td>
<td>47.9%</td>
<td>46.2%</td>
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<tr>
<td>b. Support establishing a Palestinian state right after the end of the transitional period even if no agreement is reached with Israel at that time.</td>
<td>42.8%</td>
<td>43.8%</td>
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<td>c. Other (specify)</td>
<td>3.9%</td>
<td>3.8%</td>
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<tr>
<td>d. No opinion</td>
<td>5.4%</td>
<td>6.2%</td>
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2. Palestinian courts have recently
issued sentences involving the death penalty. Some were
issued in cases of normal crimes of murder and rape,
while others involved political and security cases. Do you
support or oppose these sentences of the death penalty?

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<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
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<tr>
<td>a. I support the death penalty in all cases.</td>
<td>9.7%</td>
<td>7.7%</td>
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<tr>
<td>b. I oppose the death penalty in all cases.</td>
<td>26.8%</td>
<td>32.1%</td>
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<tr>
<td>c. I support it in some cases and oppose it in others.</td>
<td>60.6%</td>
<td>56.8%</td>
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<tr>
<td>d. No opinion</td>
<td>2.9%</td>
<td>3.4%</td>
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3. In May 1999, the mandate of
the PC expires with an end of the
transitional period of the peace process. Some see a
need to hold new legislative elections immediately after the end of the transitional period,
while others support the extension of the mandate of
the current PC. What do you think?

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4. In the past few months, Jordan witnessed important political developments. In your view, how will these developments affect Palestinian-Jordanian relations?

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<tr>
<td>a. I support extending the mandate of the current PC.</td>
<td>23.5% 25.7% 19.8%</td>
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<tr>
<td>b. I support holding new elections.</td>
<td>53.5% 50.2% 58.9%</td>
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<tr>
<td>c. I support neither extension nor the holding of new elections</td>
<td>13.8% 13.7% 14.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Other (specify)</td>
<td>1.9% 2.0% 1.8%</td>
<td></td>
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<tr>
<td>e. No opinion</td>
<td>7.3% 8.4% 5.5%</td>
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JORDANIAN-ISRAELI TRACK

There was little activity on the Jordanian-Israeli track this quarter due to the transition to King Abdallah’s rule and the Israeli elections; it was also in part the result of the new Amman government’s decision (4/3) to emphasize domestic (particularly economic) issues over foreign relations.

While the new king made it clear (2/18) that he plans to continue to implement the 10/94 peace treaty with Israel and hopes to expand their bilateral relations, the government stressed (4/3) that it would not support “peace at any price.” Indeed, King Abdallah’s first trips abroad were to Arab states generally considered hostile to Israel (Saudi Arabia, UAE, Libya, and Syria; see below)—a conscious decision, Abdallah said on 5/6, to reassure the Jordanian people “many of whom had worried that Jordan might have severed too many Arab bonds.”

On 2/26, two days before he and FM Ariel Sharon went to Amman to meet with King Abdallah for the first time, PM Netanyahu angered Jordan by a speech warning the Israeli people that Jordan could form an alliance with Iraq if Baghdad attacked Israel. Although he retracted the statement on 2/27, the 2/28 meeting with Abdallah was cool, with the king emphasizing the need for Israel to implement the Wye accord. Later in the quarter, King Abdallah received official visits from Netanyahu’s two main challengers for PM, Ehud Barak (5/4) and Yitzhak Mordechai (4/25). Netanyahu accused the king of interfering in the Israeli elections, but Abdallah denied the charge, noting that he had received Netanyahu as well. On 4/22, Jordanian officials attended Israeli independence day celebrations hosted by the Israeli embassy in Amman.

On 3/14, Israel informed Jordan that it would be unable to provide the quantity of water promised under the peace treaty due to the ongoing drought and proposed a 60% cutback. Jordan rejected (3/14) Israel’s assessment, believing that Israel was testing the new leadership and fearing that acceding to the reduction could open the way to renegotiating the entire 1994 treaty. Beginning 3/16, Jordan and Israel held nearly weekly technical meetings on the issue. On 4/21 and again on 5/7, Jordan stated that Israel had backed off its plan to cut water supplies and had agreed to give Jordan the full allotment, although delivery might be made on a different schedule, most likely with Jordan receiving less water this summer and more this fall. However, Israel never officially acknowledged the agreement, prompting rumors that Jordan had secretly agreed to cuts.

Economic Matters

At the end of the quarter, King Abdallah toured Germany (5/9), Britain (5/11), Canada (5/13), and the U.S. (5/14-24) to press his new agenda (first articulated 5/6) urging Western nations to cancel half of the kingdom’s $7 b. debt to ensure political and economic stability. Separately, the IMF agreed (3/9) to increase annual aid to Jordan by $150 m. to $500 m. for the next three years and approved (4/16) an additional $220 m. loan for a three-year fiscal and structural reform project.

Jordan and the U.S. signed (3/15) an agreement to create a second qualified industrial zone (QIZ) on 500 dunams of land south of the Shaykh Hussein Bridge, to be known as the Gateway QIZ. QIZs are also planned for a 2,200 dunam site near al-Mafraq and a site near Elat. QIZs are meant to foster economic cooperation between Israel and Jordan by rewarding joint ventures with U.S. duty- and quota-free export status. The U.S. designated the first QIZ at Irbid on 3/6/98 (see Peace Monitor in JPS 108).
Jordanian and Israeli water officials met in Amman on 3/1 to prepare funding proposals to the EU for joint water projects in the Jordan Valley, including waste water treatment and desalinization, that would provide Jordan with an extra 50 mcm of water per year, as agreed under the 1994 treaty. The PA protested the desalinization project, claiming it aims to serve Ariel settlement.

Israeli, Jordanian, Palestinian, and U.S. scientists released (3/2) the first major study of the long-term outlook of water supplies in the Middle East, which urges joint management of watersheds across political boundaries and coordinated water conservation plans to avoid serious shortages.

Israeli Trade M Natan Sharansky proposed (3/4) immediately opening the Israeli market to Jordanian products and giving Jordan 8–10 years to open its markets to Israeli products. However, he said that the list of products that Jordan exports to the occupied territories cannot be expanded at this time.

Jordan rejected (4/4) an Israeli request for a regular Israeli plane route to and from Elat that would cut through Jordanian airspace.

Security

On 3/21, Israel allowed a Jordanian medical team into Meggido prison to examine the 14 Jordanian security prisoners held in Israel and on 3/24 allowed families of the detainees to visit (see Peace Monitor in JPS 111).

Israel released (3/15) three Jordanian prisoners held on criminal charges. They were not among the 14 Jordanian security prisoners whose release Amman is demanding.

Syrian-Israeli Track

There was no movement again this quarter on the Syrian-Israeli track. On the sideline of the Euro-Med meeting in Stuttgart on 4/15, Israeli FM Sharon and Syrian FM Faruq al-Shara' separately restated their countries' positions on resuming negotiations, with Israel demanding that talks resume without preconditions and Syria demanding that they start from where they left off in 3/96. However, Syria kept communications open with Russia (2/16) and the U.S. (3/14) on the possibility of resuming negotiations if the Netanyahu government were overthrown in the 5/17 Israeli elections.

The Israeli daily Ma'ariv claimed (4/15) that Netanyahu had recently tried to establish direct contact with the Syrian government without the Israeli defense establishment's knowledge in order to propose an Israeli withdrawal from the Golan Heights in exchange for an "early warning post on Mount Hermon and elsewhere, plus extensive security provisions." IDF intelligence reportedly "intercepted" Netanyahu's overture and reported it to DM Moshe Arens, who strongly opposed the effort.

MULTILATERAL TALKS

The Refugee Working Group held an intersessional meeting (3/17) and two unofficial discussions (3/20) in Paris on family reunification talks that it had begun at its 1/25–27 meeting in Sharm al-Shaykh (see Peace Monitor in JPS 111). Israel agreed to reduce fees for family reunification applications from $96 to $12, to print applications in Arabic; to reduce processing time, and to consider accepting more applications. The PA agreed to track the progress of applications with Israel on behalf of the families. Members also discussed resuming negotiations on final status after the 5/17 elections. On 3/22, Israel approved 1,600 permits for family reunification.

REGIONAL AFFAIRS

Relations with Israel

Arab states continued to avoid contact with Israel this quarter due to the stalled peace process and upcoming Israeli elections. Indeed, the only official meeting took place on 5/4, the official close of the Oslo interim period, when King Hassan of Morocco ended a three-year boycott of contact with Israeli officials by receiving a delegation of 50 Israeli legislators, religious leaders, and businessmen—most of whom were Likud supporters. Earlier, on 3/25, Israel protested to Morocco that the phone bills received by Israeli officials in Rabat list all calls to Israel's 972 country code as "Palestine."

In mid-3/99, the Jordanian House of Representaties and the Egyptian People's Assembly demanded that their governments abrogate their peace treaties with Israel. Although the calls were nonbinding, they were said to be indicative of popular feelings.

INTER-ARAB HIGHLIGHTS

With the peace process on hold, Arab states focused on building inter-Arab ties. Jordan worked at rebuilding its relations with Syria and the Gulf states. Syria's "heir apparent" Bashar al-Asad paid a condolence visit to King Abdallah on 2/25. King Abdallah then traveled to Syria (4/21–22) for four
rounds of talks with Pres. Hafiz al-Asad on expanding bilateral ties, which had deteriorated after Jordan's 1994 peace treaty with Israel. As a result of these talks, Jordan and Syria formed (4/26) a committee to discuss easing border crossing procedures (which met 4/28-30 in Damascus) and another to determine ownership of land tracts in the border area. They also held talks (5/2-4) on water sharing given the ongoing drought and implementation of the al-Wahda Dam project. Syria agreed to provide Jordan with at least 8 mcm of water over the next four months to offset Jordan's projected 10% water shortage; deliveries began 5/14. Syria also allowed (5/4) a group of Jordanian families to visit relatives held in Syrian prisons.

King Abdallah made a tour of Gulf states to restore Arab solidarity and inter-Arab coordination, stopping in Saudi Arabia (4/4-6), Oman (4/10-11), and the UAE (4/11-14). The emir of Qatar visited Jordan from 3/23 to 3/25. Jordan and Saudi Arabia held talks (2/21-22) on normalizing their economic relations. On 3/1, Jordan sent its first high-level delegation to Kuwait since the Gulf War. Following talks, Kuwait said that bilateral relations had returned to normal. On 3/3, Jordan reopened its embassy in Kuwait City, and Kuwait lifted its ban on Jordanian workers. In mid-2/99, Kuwait pardoned the last eight Jordanians held on charges of collaborating with Iraq.

Abdallah's first visit abroad as king was to Egypt (3/16), where he and Pres. Husni Mubarak inaugurated a joint electricity grid and held talks on the peace process and economic affairs. Jordan and Egypt held follow-up talks on economic issues on 5/10. Abdallah also visited Libya (5/17) for talks on bilateral relations and improving the conditions of Palestinian refugees. In mid-2/99, Jordan agreed to allow Palestinian newspapers and magazines into the kingdom for the first time since the 1967 war and agreed to allow a 30-to-60-minute program produced by the Palestinian Television Corporation to air once a month.

Jordan, Egypt, and the PA held a long-delayed tripartite coordination meeting in Amman on 3/20 to discuss the post-Oslo period (see Peace Monitor in JPS 111). They issued a joint statement supporting the PA's right to declare statehood but did not say whether the declaration should be made unilaterally on 5/4. Talks also addressed ways of bolstering economic and political relations.

Syrian pres. Asad called (3/11) on Iraq and the Arab states to overcome Gulf War-related differences and reconcile for the sake of future generations. As a step toward normalization, Syria and Iraq, which broke off relations in 1980 at the start of the Iran-Iraq war, agreed (3/25) to open interest sections in the Algerian embassies in each other's capitals.

The PA expressed the desire (5/2, 5/5) to renew relations with Syria as well and called on Syria (5/2) to convene a summit to discuss the issue, but received no response. Syria reportedly denied several requests by the PA for a meeting between Arafat and Asad.

The Higher Palestinian-Lebanese Joint Committee held several days of talks in Beirut (beginning 4/6) on ways of improving conditions of Palestinian refugees in Lebanon. Lebanon reportedly requested that Palestinian fighters turn over heavy and medium weapons, withdraw to inside refugee camps, and focus on maintaining security within the camps. In return, Lebanon would recognize all civil and social rights for Palestinians, excluding citizenship or holding public office. The PLO requested that the army remove barricades around camps and allow more construction supplies, water, electricity, and phone lines into the camps. Follow-up meetings are planned to discuss refugees' civil and social rights, the Palestinian military presence in Lebanon, and the security situation inside camps.

An Arab League antiterrorism agreement came into force 5/7, one month after its ratification by eight of the League's 22 members (Algeria, Bahrain, Egypt, Jordan, the PA, Saudi Arabia, Tunisia, and the UAE). The accord binds the countries "not to order, finance, or commit terrorist acts, as well as to prevent terrorist crimes."

Morocco signed an agreement with Egypt (2/19) to set up joint companies to implement electricity projects. Morocco and Qatar signed (2/20) an accord abolishing double taxation and boosting economic cooperation, and discussed joint ventures in fertilizer production and natural gas. Morocco also hosted a three-day conference on the future of Jerusalem (around 2/23) and the first international conference of the Arab Human Rights Movement (4/23-25). The PA and Morocco held talks (3/14) on agricultural cooperation.

Egypt and Tunisia held talks (5/10-11) on political cooperation and signed (3/6) eight cooperation agreements on investment,
transportation, the environment, administration, social security, culture, promoting women and family, and youth and infants.

The UAE boycotted a meeting of Gulf oil ministers in Saudi Arabia on 3/10, apparently because of a disagreement over an oil field straddling the disputed UAE-Saudi border. Saudi Arabia began production at the field without concluding an output-sharing agreement with Abu Dhabi.

The PA and Algeria held talks (3/19) on agricultural cooperation.

**REGIONAL ECONOMIC AFFAIRS**

A two-day Euro-Mediterranean conference was held in Stuttgart, Germany, on 4/15-16. Fifteen EU states, and 12 Mediterranean states attended, including Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the PA, Syria, Tunisia, and Turkey. The meeting marked the end of the initial experimental phase of the Barcelona process, which focuses on three priority areas for Mediterranean cooperation and unification: economics and finance, politics and security, and culture. Attendees reviewed the first three-and-a-half years of Barcelona and discussed the next stage, which will focus on advanced economic development, including the planned creation of a Euro-Med free trade area by 2010 and reaching a Euro-Med charter for peace and stability. The 4/15-16 session was preceded by four preliminary meetings (4/12-14), also held in Stuttgart, on human rights, economics, trade unions, and the environment. As part of Euro-Med environmental cooperation efforts, Cyprus, Egypt, Israel, and the PA carried out (4/29) a joint exercise in the Mediterranean simulating an oil spill clean-up.

**INTERNATIONAL**

**UNITED STATES**

Since its overt support for Shimon Peres during the 1996 Israeli elections backfired, the U.S. chose to maintain a low profile during this quarter's campaign season. Moreover, U.S. attention was diverted by its low-grade war on Iraq and NATO's U.S.-led intervention in Kosovo, which began 3/24 (see Chronology). Nonetheless, there were clashes with Netanyahu: the U.S. rejected Israel's claims that the PA was releasing Palestinians guilty of attacks against Israel, as mentioned above, and stepped up criticism of Israeli settlement activity (3/12, 3/16, 4/9, 4/11, 4/27), publicly accusing Netanyahu (4/18, 4/29) of having repeatedly broken promises to halt settlement construction. The U.S. also reprimanded Israel (4/9, 4/11) for not coordinating on its overtures toward Russia (see below), which vehemently opposes NATO intervention in Yugoslavia.

Pres. Clinton notified Congress (5/12) that he would decide after Israeli elections whether to block the transfer of the U.S. embassy to Jerusalem. The 10/23/95 Jerusalem Embassy Act (see Doc. D2 in JPS 98) orders the U.S. to move the embassy to Jerusalem by 5/31/99 or suffer major State Department funding cuts, though it gives the president the ability to waive the transfer for six months at a time for national security reasons. At the end of the quarter, Sens. John Kyl (R-AZ), Joseph Lieberman (D-CT), and Charles Schumer (D-NY) threatened to introduce legislation eliminating the presidential waiver if Clinton blocked the transfer. Sen. Sam Brownback (R-KS) also considered submitting an amendment to the FY 2000 foreign aid bill that would require the president to affirm that the PA has not unilaterally declared a Palestinian state in order to exercise the waiver. There was also speculation that the White House was looking for a compromise to get out of the embassy move altogether. Rumors were sparked by confirmation (5/14) from the U.S. embassy in Israel that Amb. Walker had set up an apartment in Jerusalem as a "secondary residence." Former ambassador to Israel Martin Indyk, however, said (5/14) that this did not connote a change in U.S. policy; the State Department has used temporary apartments in Jerusalem for official meetings for years as a matter of convenience.

The House (3/16) and Senate (3/11) approved concurrent resolutions calling on Pres. Clinton not to recognize a unilaterally declared Palestinian state. Rep. Gary Ackerman (D-NY) attempted to include language in the House version acknowledging the positive steps that the PA has taken, but was pressured by Israeli Amb. Zalman Shoval and the American Israel Public Affairs Committee (AIPAC) to withdraw his amendment. The House resolution passed 380-24. The Senate version passed 98-1.

The U.S.-Palestinian Bilateral Committee held its second meeting in Washington 2/16-17. Officials discussed upgrading Palestinian diplomatic representation in the U.S. and expanding economic and trade ties. Teams also formed subcommittees on trade and investment, assistance, legal issues, and exchange programs and agreed to set up an
advisory group of Palestinian and U.S. private-sector individuals to promote investment, trade and economic growth in the Palestinian economy. The next committee meeting is planned for summer 1999 in the territories.

The U.S. and Israel continued to coordinate on strategic issues. The U.S.-Israeli joint planning committee designated in the U.S.-Israeli strategic memorandum signed after the Wye agreement (see Peace Monitor in JPS 110) held its first meeting in Washington in mid-2/99 to discuss ways of improving Israel's defense against ballistic missiles and weapons of mass destruction. The U.S.-Israel Joint Political Military Group held its 29th meeting in Washington on 5/3 to discuss exchanges aimed at improving Israel's defensive capabilities. Israeli DM Arens met with Secretary of State Madeleine Albright, National Security Adviser Sandy Berger, and Secretary of Defense William Cohen in Washington on 4/27 for talks on the Arrow missile project, Israel's receipt of 60 new F-16D fighters, and regional issues such as south Lebanon, Jordan, and Iran.

Due to the halt in Wye implementation, Congress decided against fast-tracking the Wye supplemental aid package, which would give $1.2 b. to Israel to cover redeployment and $400 m. in donor aid to the PA (see Peace Monitor in JPS 111), meaning that the money will probably not be approved for disbursement until after Congress's summer recess. As it did last quarter, the U.S. warned Israel (3/11) that it would be unlikely to receive the $1.2 b. if it did not implement the further redeployments under Wye. There was some discussion of delinking the Israeli and PA aid, so that the PA money could be expedited, but this did not come to pass. Congress did approve $100 m. in economic aid to Jordan; $200 m. in military aid was still pending at the end of the quarter. Jordan held talks with the U.S. (2/20, 3/10, 3/13) on boosting aid.

U.S. Undersecretary of State for Economic Affairs Stuart Eizenstat traveled to the region during the first week of 3/99 for talks on economic relations among Egypt, Israel, Jordan, and the PA. During his meetings in Israel, he proposed modifying the plan to reduce U.S. economic aid to Israel (see Peace Monitor in JPS 110); while economic aid would still go to zero over ten years, the U.S. proposes larger reductions earlier on (to help offset the Wye supplemental) and smaller reductions in later years. No decisions were made.

**RUSSIA**

Israeli PM Netanyahu (3/22–23) and FM Sharon (late 3/99, 4/11–13) made several trips to Russia this quarter to promote Israeli-Russian ties in hopes of gaining backing from Israel's influential voting bloc of 700,000 Russian immigrants in the 5/17 elections. They also urged the former Soviet republics to prevent the flow of nuclear know-how to Iran. To this end, Israel and Russia agreed (3/22) to set up a joint control body to supervise exports of sensitive Russian military technology to Iran. Israel also opened (4/11) a consulate in St. Petersburg and lobbied the IMF (early 4/99) to approve a $4.8 b. loan to Russia. The U.S. criticized (4/9, 4/11) Israel's rapprochement with Moscow as inappropriate at a time when Russia was opposing U.S.-led NATO attacks on Yugoslavia. Indeed, Israel was hesitant to take a position on Kosovo partially out of concern it would harm bilateral relations with Russia.

Implementing its 11/18/98 decision to resume weapons sales to Damascus (see Peace Monitor in JPS 111), Russia made its first delivery of antitank missiles to Syria this quarter. On 4/2, the U.S. announced sanctions against the three Russian firms involved in the sale for providing arms to a country on the U.S. list of nations sponsoring "terrorism." The move was symbolic only, since the U.S. has no dealings with the companies, but Russia and Syria both denounced the sanctions (4/2) as illegal under international law. Syrian pres. Asad had planned to visit Moscow on 4/11 to sign another arms deal but canceled the visit when Russia hesitated to finalize the agreement under pressure from the U.S. and because he did not want to be in Moscow at the same time as Israeli FM Sharon, who made a last-minute stop there on his way home from the U.S.

Russian FM Igor Ivanov toured the Middle East to encourage quick resumption of the peace process after Israeli elections, stopping in Israel (4/22), the occupied territories (4/23), Egypt (4/23–24), and Syria (4/24).

**EUROPEAN UNION**

On 2/22, the EU Council of Ministers approved (14-1) the parliament's 2/11 recommendation to allow Israel to participate in its four-year, $15 b. Fifth Framework research and development program, which began 3/99 (see Peace Monitor in JPS 111). However overall, as mentioned above, EU-Israeli
tensions were high this quarter due to the EU's 3/26 statement in support of Palestinian rights and the clash over meetings in Jerusalem between EU and Palestinian officials.

**United Nations**

Prompted by the EU's 3/1 statement supporting UN Res. 181's call for Jerusalem to be a *corpus separatum* (see above), Israel informed the UN (3/31) that the 1947 resolution on the partition of Palestine was nullified by the Arab states at the time and therefore cannot be used as a basis of Palestinian-Israeli negotiations. Israel also accused Arafat (4/14) of lobbying for the adoption of UN Res. 181 as a basis for final settlement during his consultations with world leaders regarding the post-Oslo period.

For unclear reasons, protocol officers for a UN Security Council (UNSC) debate on the protection of citizens in armed conflict denied (2/22) Palestinian Amb. Naseer al-Kidwa the right to participate as a member state (as has been customary since the mid-1970s) and allowed him to sit as an observer only. Kidwa formally protested, fearing that certain members were trying to offset the PLO's upgraded status at the UN General Assembly, granted on 7/7/98. The 7/7/98 resolution specifically states that the UN General Assembly upgrade should be affected "without prejudice to the existing rights and privileges" the Mission of Palestine enjoys.

At a private dinner for Israeli FM Sharon in New York on 5/11, UN Secretary General Kofi Annan reportedly said that he would try to get one of the UN regional groupings to accept Israel as a member. Since its creation, Israel has not been allowed to join a regional grouping, meaning it is not eligible to sit on the UNSC in rotation.

During its annual session in Geneva (3/22–4/30), the UN Human Rights Commission (UNHRC) passed three resolutions regarding the Palestinians. The most important was a resolution passed on 4/27, reaffirming the Palestinians' right to self-determination, "including the option of a state." This wording was added to bring the resolution in line with the EU's 3/26 statement (see above). The resolution also for the first time explicitly linked the issue of Palestinian self-determination to UN Res. 181 and 194, as well as UN Res. 242 and 338. The two other resolutions condemned Israel's continued human rights violations in the occupied territories (31-1, with 21 abstentions, the U.S. voting against) and condemned Israeli settlement activity (50-1, with 2 abstentions). Prior to the session, on 3/2, Hannu Hanlinen, UN independent investigator on human rights in the occupied territories, presented his report on conditions in the territories, concluding that Israel has discontinued use of the most flagrant torture methods but still routinely deprives Palestinians of their basic freedoms.

The UN Committee for the Inalienable Rights of the Palestinian People held two conferences (2/18–19, 4/20–22) in support of the PA's Bethlehem 2000 tourism and development project.

**Iran**

Iran continued to improve its international relations this quarter, accelerating the process after municipal elections on 2/26 showed resounding support for reform candidates allied with Pres. Mohamed Khatami. Soon after elections, Khatami traveled to Italy (3/9–11) for meetings with Italian FM Lamberto Dini and Pope John Paul II, the first visit to Europe by an Iranian head of state since the 1979 revolution. Khatami called for a dialogue between the West and the Islamic world.

In 5/99, Khatami made a tour of Syria (5/13–15) and Saudi Arabia (5/15–19), marking the first significant thaw in Iranian-Saudi relations since before the 1980–88 Iran-Iraq war. In the talks, which focused on military cooperation and defense ties, Khatami proposed forming an Arab-Islamic axis (comprising Egypt, Iran, Saudi Arabia, and Syria) to counter the Israel-Turkey-U.S. alliance, but was vague on what form such coordination would take. (Syria and Iran held preliminary talks on defense cooperation 5/2–5.) While in Damascus, Khatami met twice with Pres. Asad (5/13, 5/14); conferred with Damascus-based Palestinian opposition leaders (5/14), a Hamas delegation from Amman (5/14), Hizballah representatives (5/15), and Lebanese officials (5/15); and signed eight cooperation agreements on marine transportation, health, judicial affairs, culture, industry, tourism, sports, and customs. Syria and Iran also discussed (5/11) joint industry projects and cooperation in banking, energy, justice, and sports medicine.

Iran held talks with Egypt on joint agriculture and industry projects (3/15) and signed an agreement (2/17) to set up a joint pharmaceutical company, but did not raise the Egypt-Iran-Syria-Saudi Arabia military axis idea with Cairo.
Iranian and Jordanian delegations discussed expanding trade ties (2/18, 5/5–6), broadening diplomatic relations (2/20, 5/3), and cooperating on water and energy projects (4/7). The two countries agreed (5/6) to a deal under which Iran can export goods to Europe via Jordan to benefit from Jordan’s exemption from EU customs taxes. On 5/5, King Abdullah formally invited Pres. Khatami to Amman.

Regarding the Gulf, Iran held talks with Oman (3/9, 3/13) and Qatar (4/25, 5/4–6) on expanding bilateral relations. Ties with the UAE were strained, however, over Iranian naval maneuvers (2/27–3/7) near the disputed islands of Abu Musa and Greater and Lesser Tunb. Iran and Iraq repatriated 400 Iraqi and 57 Iranian POWs from the 1980–88 war in a prisoner exchange on 3/16.

Iran signed a $1 b. agreement with French and Italian oil companies (3/2) and a $500 m. oil extraction agreement with a French and a Canadian firm (4/5). Although the agreements violate the U.S. Iran-Libya Sanctions Act, Pres. Clinton seemed poised to waive sanctions, as he has done in the past. In fact, in its annual report on global terrorism (4/30), the State Department removed the description of Iran as the “most active state sponsor of terrorism” and credited Iran for reducing its planning and execution of attacks.

**Turkey**

With the help of U.S. intelligence and a third party suspected to be Israel, Turkey captured Kurdish separatist leader Abdullah Ocalan, head of the Kurdish Workers Party (PKK), in Kenya on 2/16. The abduction sparked violent demonstrations across Europe, Scandinavia, Russia, Armenia, Australia, Canada, and parts of the Middle East. The only deadly incident took place in Berlin, where guards at the Israeli consulate opened fire on hundreds of demonstrators who stormed the building, killing three and wounding 16.

Senior Turkish military officials visited Israel (5/10–12) for talks on expanding military cooperation. A Turkish parliamentary delegation visited Israel (3/9–11) for talks on strengthening bilateral ties. The delegation also met with PC members on 3/11. A Turkish cultural delegation visited Israel 3/15–17.

Turkey and Syria held talks in Damascus (2/24) as part of their continued implementation of the 10/20/98 Adana security agreement (see Peace Monitor in JPS 110). Turkey thanked Syria for making sure that its embassy did not come under attack during the anti-Turkish riots when Ocalan was captured. The Turkish press, however, reported (2/27) that a new Kurdish organization, the Democratic Union of the Homeland, was operating out of Syria, under Syrian intelligence protection, handling money for the PKK.

Turkey and Egypt held talks (2/25) on transporting Egyptian natural gas to Turkey via a pipeline that would go through Syria and Jordan. Turkey said that since Ocalan had been captured, it was willing to consider an overland pipeline through Syria, rather than one under the Mediterranean. Turkey and Egypt also held talks (2/28–3/1) on expanding military cooperation.

Jordan and Turkey discussed (3/2, 4/10–12) preparations for their month-long joint military exercises, which began as planned on 5/1. They also held talks (3/11) in the context of their security cooperation agreement on combating terrorism, drug smuggling, and organized crime.

**Other**

Israeli PM Sharon met with Pope John Paul II at the Vatican on 4/26. Israel was reportedly angry that the Vatican refused to confirm, as it had done previously, the pope’s intention to attend millennial celebrations in the Holy Land in protest over Israel’s handling of a violent dispute in Nazareth between Christians, who want to build a plaza for pilgrims visiting the Church of the Annunciation, and Muslims, who want to build a mosque on the same disputed plot of land (see Chronology).

The Taliban accused (3/13) Israel of maintaining contacts with and offering support to militia commander Ahmad Shah Masood, a former Afghan defense minister, to oust the Taliban leadership in exchange for access to Afghanistan’s Bagram air base from which Israel could monitor and strike Iran or Pakistan. On 4/15, Pakistan announced that its recently tested Ghauri-II rocket places Israel within its nuclear missile range for the first time.

On 2/16, Croatia announced that it had concluded a military agreement with Israel worth tens of millions of dollars to upgrade its MiG fighters. Israel and Croatia also held talks (4/16–19) on political issues.

Cyprus signed (3/4) a contract with two Israeli firms for joint construction of a desalination plant to serve Nicosia and Larnaca. Under the agreement, the Israeli
firms will own and operate the plant for ten years, after which ownership will transfer to the Cypriot government.

Romania and Israel held talks (4/23) on political and diplomatic relations. Three more rounds of meetings are planned to discuss agriculture, industry and trade, and organized crime.

China and Israel signed (4/25) seven trade and investment agreements during Israeli pres. Ezer Weizman's week-long visit.

Japan and Israel signed (4/23) an aviation agreement allowing regular direct flights between their countries, which they hope will promote economic relations.

DONORS

The only donor meeting held this quarter was a combined meeting of the Joint Liaison Committee and the Local Aid Coordination Committee in Gaza on 5/5. Participants discussed problems with collecting pledges because of the uncertain future of the peace process, the anticipated PA budget deficit, and restructuring the sector working groups. The next donor meeting, an Ad Hoc Liaison Committee session hosted by Japan, will not be held until 9/99 or 10/99, by which time donors hope to have a clearer picture of where the peace process is heading.

Compiled by Michele L. Kjorlien