16 May–15 August 2000

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

BILATERALS

PALESTINIAN-ISRAELI TRACK

At the opening of the quarter, negotiations between Israel and the Palestinian Authority (PA) were in transition. A round of high-level talks at Bolling Air Force Base (AFB) in the U.S. (4/30–5/8) had reached an impasse; news that Israeli PM Ehud Barak and PA head Yasir Arafat had initiated secret talks in Stockholm, possibly months earlier, had been revealed (5/15); and there were daily clashes between Palestinians commemorating the anniversary of the Nakba and Israelis celebrating memorial and "independence" days (5/7–21) that left hundreds of Palestinians injured (see Chronology).

Speculation that deals on the final status, possibly even a full permanent arrangement, had been agreed behind-the-scenes in Sweden mobilized Israelis and Palestinians to limit their leaders' margins of maneuver in negotiations. Barak's opposition, led by Likud MK Ariel Sharon and Yisrael Ba'Aliya MK Natan Sharansky, was particularly aggressive in propagating rumors that Barak had promised to give the PA 90–95% of the West Bank in a final status deal that would jeopardize Israel's security. (Barak repeatedly denied the rumors but refused to brief the cabinet on the Stockholm talks.) The rumors precipitated a no-confidence motion that failed on 6/5 and two bills that passed their first reading on 5/17, requiring absolute majority approval of the Knesset to change the municipal boundaries of Jerusalem or grant the right of return for Palestinian refugees. Although not likely to pass the three rounds of voting needed to become law, the measures served as warnings of how much compromise the opposition would tolerate.

Right-wing members of the governing coalition also threatened (5/17) to leave the government if Barak gave anything more to the PA. Meanwhile, Palestinian initiatives were limited to holding marches (e.g., 5/19, 6/26) and circulating petitions (e.g., ca. 6/1, 6/15, 6/27) calling on the PA negotiators to preserve Palestinian rights under international law.

U.S. special envoy Dennis Ross made a quick trip to the region (5/15–17) to assess the situation and urge the sides to renew talks quickly, either between the official teams or the Stockholm teams. The U.S. dispatched Amb. to Israel Martin Indyk to urge Israeli opposition parties to support Barak's peace gestures (e.g., 5/18) and notified Israel and the PA (5/20) that it was still willing to host a three-way summit among Israel, the PA, and the U.S. if bilateral talks produced enough progress to make achieving a final status agreement possible. Barak planned to meet with Pres. Bill Clinton when he came to Washington (5/22–23) to address the American Israel Public Affairs Comm. (AIPAC) annual conference.

PA-Israeli talks resumed in secrecy in Stockholm on 5/18, but clashes in the West Bank continued to escalate. Simultaneously, in southern Lebanon, Hizballah stepped up attacks on the Israel Defense Force (IDF), which was preparing for a unilateral pullout by 7/7 (see below). Citing this violence, Barak canceled (5/20) his visit to the U.S., recalled (5/21) his negotiators from Stockholm, and carried out the full-scale withdrawal from Lebanon (5/21–23) six weeks ahead of his target date.

The PA and Israel kept channels of communication open, but there was no movement until 5/28, when Barak accepted Clinton's invitation to meet him in Europe on 6/1 to discuss the next steps. In preparation, PA and Israeli chief negotiators met in Jericho on 5/30 to discuss interim issues, including the PA's demand for another prisoner release, Israel's commitment to transfer more land to full PA control by 6/23 under the third further redeployment (FRED, see below), and the delayed opening of the northern safe-passage route linking the West Bank and Gaza (see below). The Stockholm teams resumed talks in the region on final status issues on 5/31. Pres. Clinton phoned Barak (5/28) and Arafat (5/31) to discuss their final status positions. And U.S. Amb. Indyk and Consul Gen. John Herbst held additional talks with Arafat (5/31).

After his meeting with Barak in Lisbon on 6/1, Clinton announced that completion of a framework agreement on permanent status (FAPS) was within reach, but differences between the two sides were still too great to justify belief that a summit to finalize a deal would be successful. Instead, PA-Israeli talks would continue in the region, and the president would send Secy. of State Madeleine Albright to assess the situation.

Albright and special envoy Ross arrived in Israel on 6/5. After holding two meetings with Barak (6/5, 6/6) and one with Arafat (6/6), Albright announced (6/6) that another round of high-level PA-Israeli negotiations would open in Washington on 6/12, aimed at narrowing the differences enough so that a trilateral summit to finalize a FAPS could be held by the end of the month. Arafat would also meet with Pres. Clinton in Washington on 6/14.

Before the new round of Washington talks, Barak instructed (6/7) the IDF, police, the office of the coordinator of government activities in the territories, and the Ministries of Finance, Transportation, and Regional Cooperation to coordinate a "separation plan" to be implemented as part of a final status agreement. This "Peace Directorate" group formed four committees to draft proposals (1) to build a fence and trenches separating Israel and the Palestinian entity; (2) to identify a limited number of crossing points between Israel and the Palestinian territories; (3) to craft an economic cooperation mechanism, most likely industrial zones, aimed at creating employment opportunities for Palestinians that would not require them to enter Israel; and (4) to deploy security forces along the border with the Palestinians and to coordinate with the Preventive Security Force (PSF). The group reportedly recommended (ca. 8/10) establishing border crossings at Jalama (near Jenin), Qalqilya, Tulkarm, Maccabim, Tarqumiyya, and Shema to separate Israel and the PA entity.

The start of the Washington talks was delayed by one day so members of the Palestinian team could attend the funeral for Syrian pres. Hafiz al-Asad (see below). Under Ross's direction, Israel and the PA opened two sets of talks on 6/13. Final status talks, led by Israel's Internal Security M Shlomo Ben-Ami and the PA's Palestinian Council (PC) speaker Ahmad Qura'i, convened at Andrews AFB; and interim issues teams, led by Israel's Oded Eran and the PA's Local Government M Saeb Erekat, met at Bolling AFB. Then, on 6/14, Barak announced his decision to reduce the land area around Abu Dis and Azariyya to be transferred to the PA and to release only three additional Palestinian prisoners (freed 6/19), and Eran's interim issue team backed away from Israel's promise to carry out the third FRD by 6/23. In protest, the PA teams suspended talks.

Clinton and Arafat met as planned on 6/15. (The night before, Barak had phoned Clinton to urge him to press Arafat to agree to hold a three-way summit soon.) Instead of addressing the disputes over interim issues blocking the talks at Bolling and Andrews, Clinton reportedly focused the three-hour meeting on discussing what concessions Arafat would be willing to make on final status issues. Arafat reportedly said that he would not compromise on Palestinian demands for full sovereignty over East Jerusalem and that he would not attend a three-way summit with Barak until the third FRD was implemented. Based on this discussion, Clinton announced that a trilateral summit was still not feasible and that Secy. of State Albright would return to the region in ten days to reassess the situation. Off the record, U.S. officials expressed concern (6/15) that Arafat's insistence on the third FRD would torpedo FAPS talks. The PA and Israeli negotiating teams left the U.S. on 6/17 without meeting again.

Meanwhile, in Israel, Barak lost (6/7) the first round of voting on a motion to dissolve parliament and call new elections (61-48, with 11 absent), when his coalition partner, Shas, withheld its votes for more government funding for its pet education and social projects. Although Barak gave in to all of Shas's demands (6/13), Shas cabinet members submitted their resignations on 6/20 in hopes of leveraging more concessions before the resignations took effect 48 hours later. In fact, Barak accepted a deal (6/21) under which Shas would remain in the coalition if Meretz MKs resigned and supported the PM from outside the coalition, vacating the education portfolio that Shas prized. With this deal in place, Barak survived (6/26) two no-confidence motions questioning his handling of the peace process. In light of Barak's troubles, the PA announced (6/20) that it would honor a request by Pres. Clinton that it not push Israel to carry out the third FRD by the 6/23 deadline (see below).

U.S. special envoy Ross arrived in the region on 6/22 to prepare for Albright's arrival on 6/27 and reportedly spent the time testing...
ideas on PA and Israeli negotiators for compromises on final status issues. When Barak met with Albright (6/27, 6/28), he pushed for the U.S. to convene a three-way summit, claiming that the PA was dragging its feet in the final status negotiations and that time was ripe for a personal intervention by Clinton. Arafat, however, told Albright (6/28) that the sides were not prepared to go to a summit without holding further negotiations to narrow differences on final status issues and that he could not see why the PA should jump to a final status accord when Israel still refused to carry out obligations under existing interim agreements.

Based on Albright’s briefing (6/29), Clinton decided against holding a summit the following week but was still convinced that remaining differences could not be resolved without direct talks between Barak and Arafat. He left open the possibility of calling the leaders to Washington in late 7/00 or 8/00 to try for a FAPS by the 9/13 deadline. Publicly, Albright stated (6/30) that there was “plenty of time to do what needs to be done . . . our calculus is January 20,” the date Clinton leaves office.

Clinton reassessed his position when Arafat convened the PLO Central Council (PLOCC) on 7/2-3, which voted to empower the PLO Executive Committee (PLOEC) to “realize its sovereignty over” the territories occupied by Israel in 1967 at “the conclusion of the interim period next 13 September,” whether or not a final status agreement had been reached. Although the vaguely worded statement did not explicitly state that the PA would unilaterally declare a state on 9/13, Israel warned (7/3) that it might react to a unilateral declaration of statehood by annexing large areas of the West Bank.

In light of the renewed emphasis on the 9/13 deadline, Clinton phoned Arafat and Barak (7/3) and secured their agreement (announced 7/5) to come to Camp David on 7/11 for a week-long summit on final status issues before Clinton’s trip to Japan for the G-8 summit on 7/19. Clinton noted that the summit might fail, but it was still the best hope for reaching the 9/13 deadline for a FAPS or full final status agreement. As a gesture in advance of the talks, Barak waived (7/6) Israel’s right to drill for natural gas off the coast of Gaza, allowing the PA to proceed with an extraction deal with British Gas.

Although public opinion polls showed (7/9) that 61% of Israeli Jews supported Barak’s decision to go to Camp David, Yisrael Ba’Aliya, Shas, and the National Religious Party quit the government (7/9), leaving Barak in control of 42 of 120 Knesset seats and with only nine ministers in his 22-member cabinet. Opposition MKs scheduled two no-confidence votes for 7/10. And FM David Levy announced (7/9) that he would not join the delegation to Camp David because Barak had not consulted with him on planned concessions. Just before leaving for Camp David, Barak lost the vote (54-52) on the no-confidence motions, although the opposition did not win the 61 votes needed to oust the government and force new elections.

PA and Israeli advance teams arrived in Washington on 7/9 for consultations with Albright. Arafat, Barak, and Clinton opened the summit at Camp David on 7/11. The Israelis had seven team members, the PA twelve, and the U.S. fourteen, although a larger pool of advisers were on standby off site. The summit took place under a media blackout. The U.S. held two daily briefings that provided little substance. Most details were leaked by the Israeli team through the Hebrew press (Barak had dispatched [7/9] a “media information team” to operate from New York and Washington despite the blackout) and occasionally from the PA, with some points being confirmed by the U.S. afterward.

On 7/11, Clinton held one-on-one meetings with Arafat and Barak and a 30-40-minute meeting with both men together, during which the sides agreed that the Camp David teams would discuss “core final status issues,” while “second-tier issues” would be handled by advisers in Emmitsburg, MD. Israeli chief negotiator Ben-Ami told the Israeli press (7/11) that Israel was aiming for a FAPS agreement that would subject Jerusalem, refugees, and borders to a transition phase, whereas the PA hoped to emerge with a comprehensive agreement on permanent status (CAPS) finalizing all issues.

From 7/11 to 7/13, Clinton, Albright, and Ross met with the Palestinians and Israelis separately, bringing them together only over dinner each night. The single exception was a brief impromptu meeting between Arafat and Barak, without U.S. mediators, on 7/13—their sole private encounter during the summit.

Talks got into full swing on 7/14, with Camp David negotiators breaking into smaller groups to discuss individual final status issues. On 7/15, three Israeli-PA technical
committees opened talks in Emmitsburg on water, civil affairs, and economic affairs, with U.S. officials on hand if their participation was desired. Negotiators took a break from formal talks on 7/15 to go sightseeing, while Clinton held another three-way meeting with Arafat and Barak. Although the U.S. reported some progress, the administration began “lowering expectations” on 7/16, suggesting (7/17) that the teams might break for a couple of weeks when Clinton left for Japan and then return for another round.

By 7/17, Israel and the PA apparently had come to understandings on all issues except Jerusalem, which to date had not been discussed. (Previously, Barak stated [6/4] that his Stockholm team was under “strict orders” not to discuss Jerusalem, and Ross confirmed [7/5] that the issue had not been touched in any previous PA-Israeli talks.) But the sides were unwilling to finalize agreements on other points until they had an idea of what the Jerusalem deal would be, effectively ruling out a partial agreement.

On 7/18, PA and Israeli negotiators, led by Clinton, went into round-the-clock talks, with Clinton shuttling between Arafat and Barak offering bridging proposals, in hopes of reaching an agreement before the G-8 meeting. During the day, Barak threatened to walk out of talks, and Arafat nearly phoned UN Secy.-Gen. Kofi Annan to say talks had failed over Jerusalem. Late in the evening, the White House announced that Clinton would delay his departure to 7/20 to make a last effort to broker an agreement.

After a night of talks, Barak passed (7/19) a letter to Clinton accusing Arafat of refusing “to take the required historic decisions at this stage” and threatening again to return to Israel. The U.S. peace team persuaded him to stay and conducted intensive shuttle negotiations between the parties all day, describing the tone of exchanges as “acrimonious.” Clinton met separately with Arafat and Barak, seeing each three times. He also phoned King Abdallah of Jordan twice and President Husni Mubarak of Egypt, King Muhammad of Morocco, and Crown Prince Abdallah of Saudi Arabia once to discuss compromise proposals on Jerusalem. King Abdallah reportedly was the only Arab leader who then phoned Arafat urging him to accept a compromise.

With no further progress, the White House declared late on 7/19 that the summit had concluded without reaching an accord and that Clinton would leave for Okinawa on 7/20. An hour later, however, Clinton announced that Barak and Arafat would remain at Camp David with Albright while he was in Japan to weigh options and work to narrow gaps. The three leaders would reassess their situation when Clinton returned on 7/23.

From Camp David, Barak phoned Egypt’s Mubarak and Jordan’s King Abdallah to urge them to press Arafat to compromise on Jerusalem. Arafat also briefed Mubarak by phone.

Back in the Middle East, Mubarak undertook a flurry of inter-Arab contacts to coordinate positions on Jerusalem before Clinton returned to Camp David. Mubarak, King Abdallah, and Crown Prince Abdallah compared notes (7/20–21) on their conversations with Clinton, Barak, and Arafat. Mubarak briefed (7/21) Syria’s new pres., Bashar al-Assad, by phone and then flew to Saudi Arabia (7/23) to consult with King Fahd and Crown Prince Abdallah, while Jordanian FM Abdallah Khatib went to Cairo (7/22) to strategize with FM ‘Amr Musa. On 7/23, Egypt and Saudi Arabia said that they strongly supported Arafat’s refusal to concede sovereignty over East Jerusalem and planned further consultations on Jerusalem with Arab leaders.

When Clinton returned from Japan (7/23), he flew straight to Camp David and resumed round-the-clock negotiations, first holding separate talks with Arafat and Barak and then with the PA and Israeli teams to discuss how to proceed. On the evening of 7/24, after a full day of talks and one meeting alone with Arafat, Clinton asked the two sides each to send him one negotiator. Israel chose Ben-Ami, and the PA sent Erakat. Clinton, reportedly with Barak’s prior approval, presented the pair with three proposals on Jerusalem: (1) to delay the issue for 2–25 years; (2) to give the PA some form of sovereignty over the Muslim and Christian quarters of the Old City and administrative control of the Arab neighborhoods of East Jerusalem outside the Old City; or (3) to give the PA administrative control over all the Muslim and Christian quarters of the Old City and sovereignty over several Arab neighborhoods of East Jerusalem. Both these latter versions also reportedly involved Palestinian “sovereign custodianship” over the Haram al-Sharif. In exchange, Arafat would recognize Israeli sovereignty over all the other areas of expanded East Jerusalem, West Jerusalem, and the settlement blocs of greater and metropolitan Jerusalem (e.g., Ma’ale Adumim, Gush Etzion, and Givat Ze’ev).
The proposals marked the first time that Israel officially agreed to discuss the possibility of sharing control over “united Jerusalem,” but the PA rejected the offers as nonstarters. In its view, its request for full sovereignty over all of East Jerusalem already represented a dramatic compromise given its loss of Arab neighborhoods in West Jerusalem in 1948. (In 1948, Arabs owned almost 40% of West Jerusalem; over 70% if one includes the areas Israel added to create the expanded West Jerusalem municipality in 1949.) Privately, U.S. officials noted (7/25) that “there was surprising convergence on how different parts of the city would be managed, but severe disagreement on the notion of sovereignty.”

After several more hours of talks, Arafat passed a letter to Clinton (7/25) saying that he did not see the purpose of continuing talks since Barak had adopted a take-it-or-leave-it position regarding the U.S. proposals, which Arafat did not see as offering much more than Barak’s earlier promises to turn over the villages of Abu Dis, Azatariya, and Sawahara al-Sharqiyya to PA control. After a final set of one-on-one meetings with Arafat and Barak, Clinton declared the Camp David summit over, concluding that Israel and the PA could not resolve their differences on Jerusalem and needed time for internal debate and reflection in a less pressured environment before more progress could be made. Israel, the PA, and the U.S. issued a five-point statement of negotiating principles (see Doc. A4) and expressed hope that a deal could still be reached by 9/13. The U.S. said (7/26) it would continue to keep details of the talks secret in hopes of building on the progress achieved, but Israel stated (7/25; see Doc. C) that in the absence of an agreement, all negotiating positions it had offered at Camp David were “null and void” and could not be used as the basis for PA demands in future negotiations.

Perhaps the greatest surprise for Palestinians was that the Camp David talks bogged down on Jerusalem and not refugees. Just before the summit, Jordan formally warned (7/9) Israel, the PA, and the U.S. of its “firm refusal” to absorb any additional Palestinian refugees “under any pretext,” including a final status agreement. From 7/17, when it surfaced that all issues except Jerusalem seemed to have been solved and no debate had been heard on refugees, Palestinians in the West Bank and Gaza held almost daily demonstrations and sit-ins calling on the PA negotiators to preserve the right of return. The PLO’s As’ad ‘Abd al-Rahman resigned (7/23) his position as refugee coordinator in protest. In Lebanon, more than 500 Palestinian children from refugee camps marched (7/29) to the Fatima Gate on the border with Israel in a demonstration of support for the right of return. In Amman, 500 Palestinians marched (8/4) to the UN headquarters to protest Israel’s refusal to recognize the right of return or grant Palestinian sovereignty over East Jerusalem.

Indeed, developments lent weight to earlier rumors that the PA and Israel had already come to an understanding on refugees in Stockholm. In mid-5/00, PSF chief Dahlan, who participated in the Stockholm talks, had claimed the issue was off the table. He stated that the PA had concluded that full implementation of the refugees’ right of return was not feasible and therefore the PA would be better off to make concessions on refugees in exchange for a better deal on Jerusalem. He claimed Israel had agreed to increase the number of Palestinians allowed to return to Israel under family reunification to 10,000 per year; refugees in Jordan and Syria would stay where they were; and settlement and compensation efforts (some rumors said the U.S. planned a $100 b. refugee rehabilitation fund) would prioritize refugees in Lebanon, whose situation is most critical. Dahlan’s statements spurred criticism but no action, given the flood of rumors on secret deals at the time. Whatever the case, the refugee issue was not cited as a Camp David sticking point.

Clinton clearly laid blame for the summit’s failure on Arafat, stating (7/25) that Barak showed more flexibility and “particular courage, vision, and understanding of the historical importance of this moment.” The U.S. also criticized (e.g., 7/25, 7/26) the Arab states, Egypt in particular, for their interventions on the Jerusalem issue, saying there was “no evidence that a positive influence was being brought to bear” on Arafat to make the “bold decisions” that the White House wanted. The administration said (7/26) it planned to keep pressure on Arafat to accept the peace deals offered at Camp David and would send Asst. Secy. of State Edward Walker on a tour of Arab states to brief them on the summit and urge them to press Arafat to make concessions on Jerusalem.

Israel immediately raised the idea (7/26) that the summit failure marked the perfect
time for the U.S. to make a statement by moving its embassy from Tel Aviv to Jerusalem (see Walid Khalidi's special report on ownership of the Jerusalem embassy site in JPS 116); the U.S. seemed to agree that the embassy issue could at least be used to pressure Arafat on the negotiations. On 7/27, Barak phoned five congressmen to ask them to introduce legislation on moving the embassy. The next day (7/28), in response to Barak's request for support from the White House, Clinton went on Israeli television to praise Barak's courage and promise Israel concrete rewards for concluding a treaty with the PA (see below). He also volunteered that he had "always wanted to move our embassy to West Jerusalem" but had not done so "because I didn't want to do anything to undermine our ability to help broker a secure and fair peace." However, "in light of what has happened" at Camp David, he vowed to review his position and take a decision by the end of the year. During the interview (see Doc. D3), Clinton also broke the U.S. vow to keep details of the talks secret and revealed that Arafat had been open to the idea of creating a refugee fund that would compensate not only Palestinian refugees but also Jews who had immigrated to Israel from Arab states "because they were made refugees in their own land."

Despite these uncommonly bold U.S. actions favoring the Israeli positions, the PA and Israel seemed eager to move ahead with talks. Negotiators contacted each other as soon as they returned from Camp David (7/27) to set a date and venue for further meetings. On 7/30, negotiators Eran and Erakat met in Jericho, and negotiators Ben-Ami and Dahan met in Gaza. Both pairs reviewed understandings reached at the summit and agreed that teams would resume contacts shortly.

Meanwhile, Israel, the PA, and the U.S. sent their senior diplomats on tours to offer world leaders their perspectives on the Camp David talks and final status issues. Between 7/26 and 8/15, Arafat met with the leaders of 23 countries (Algeria, China, Egypt, Finland, France, India, Indonesia, Iran, Japan, Jordan, Malaysia, Morocco, Norway, Qatar, Pakistan, Russia, Saudi Arabia, South Africa, Sudan, Tunisia, Turkey, the UAE, and Vietnam) to seek support for Palestinian sovereignty over East Jerusalem and for a unilateral declaration of statehood. Other PA officials held similar talks with European Union (EU) leaders and officials in Denmark, Germany, Greece, Iraq, Ireland, Italy, Jordan, Lebanon, the Netherlands, Portugal, Spain, Sweden, Syria, and the Vatican. Barak and other Israeli officials virtually shadowed the PA diplomats, meeting with EU heads and officials in Belgium, Britain, Egypt, France, Germany, Italy, Jordan, Morocco, Oman, Portugal, Qatar, Russia, Spain, Turkey, the UAE, the Vatican, and possibly Yemen. Israel's chief negotiator Eran also stayed behind in Washington after Camp David to meet with members of Congress.

At the PA's request, Egypt explored the possibility of convening an Arab summit on Jerusalem, and Iran worked on securing a meeting of the Jerusalem Committee of the Organization of the Islamic Conference (OIC). These efforts were counteracted by U.S. Asst. Secy. of State Walker during his tour (7/31-8/14) of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Yemen, and the UAE to lobby for a compromise on Jerusalem. At the end of the quarter, a U.S. official stated (8/15) that "the Egyptians have made it clear to us that they are prepared to be helpful" in persuading Arafat to accept a deal, noting that Egypt had cooled discussion of an Arab summit.

In Israel, Barak faced more coalition troubles on his return from Camp David. Although he survived two no-confidence motions (7/31) on his handling of the peace process, he narrowly lost votes (8/2) on five preliminary motions to dissolve the government and call new elections when Likud forced United Torah Judaism to vote against him or lose Likud support for its family benefits bill, which was up for vote later. In addition, FM Levy, from Barak's own One Israel party, resigned (8/2), accusing Barak of offering to divide Jerusalem. The U.S. hoped that when the Knesset recessed for the summer (8/3-10/29), Barak would gain a window of opportunity to pursue negotiations with the PA unhindered. But to keep the pressure on, the Likud called (8/15) a special Knesset session, which voted (39-1, with 80 MKs absent) to convene another special session on 8/28 to debate a resolution that would make it illegal for Barak to renew peace talks without first holding new elections.

At the close of the quarter, there were indications that the U.S. was exploring holding another round of Camp David talks around 9/6, when both Arafat and Barak were to be in New York to attend a UN millennium
function. The PA and Israel reportedly were holding behind-the-scenes talks, possibly including discussion of a new U.S. proposal for Jerusalem. U.S. special envoy Ross was expected to head to the region around 8/19 to assess their progress. In addition, the PLO announced on 8/10 that based on his consultations with world leaders, especially those from the EU, Arafat had decided to convene another meeting of the PLOCC in early 9/00 to ask members' approval to delay a unilateral declaration of statehood on 9/13, which would ease pressure on the track by again removing the emphasis on 9/13 as a drop dead date for an agreement.

Throughout the quarter, even as talks were taking place, Israel prepared for the possibility of armed conflict if the final status talks failed. The PA lodged complaints with Israel (6/21) and with the EU and U.S. (6/29) regarding Israel's fortification of Jewish settlements in the West Bank and Gaza. The PA claimed that Israel had redeployed four battalions, tanks, and armored personnel carriers (APCs) withdrawn from Lebanon into the settlement areas. The IDF did not comment on the report but did acknowledge (6/29) that since 4/00, troops had been undergoing low-intensity conflict training at a replica of a Palestinian village (mosque included) specially constructed on an IDF base.

From the start of the Camp David summit on 7/11 to 8/15, there were almost daily incidents of Jewish settlers confiscating Palestinian land, reoccupying West Bank hilltops, and resuming construction at illegal outposts in Jerusalem and the West Bank (see Chronology for details). By 7/27, the IDF reportedly had begun distributing weapons, including machine guns and sniper rifles, to Jewish settlements and had sent letters to at least 32 settlements urging individuals who had been banned from carrying weapons because of extremist or criminal behavior to reapply for permits because restrictions had been eased. Women in Green announced (7/24) that it had begun weapons training classes for settler women. Arafat's Fatah organization was also reported (8/3) to be sponsoring around 90 two-to-three-week "youth summer camps" providing instruction in arms use and guerrilla tactics to teenagers.

In conclusion, it is interesting to note that on 7/23, the day Clinton returned to Camp David to resume talks, the Israeli daily Ma'ariv polled 590 Israelis on how they would vote in a referendum on a final status agreement—apparently very similar to that taking shape at Camp David—that included (1) an independent Palestinian state in all of the Gaza Strip and 90% of the West Bank; (2) the possible return of refugees to the Palestinian state and the return of a few thousand refugees to Israel on a humanitarian basis (i.e., not recognizing moral responsibility for the refugee issue); (3) evacuation of a few dozen settlements, while leaving the vast majority of settlements under Israeli sovereignty; (4) Palestinian sovereignty over certain Arab neighborhoods of East Jerusalem, Palestinian administrative control over the Arab neighborhoods near and within the Old City, and Palestinian religious autonomy on the Temple Mount; (5) a declaration of the end of the conflict between Israel and the Palestinians; (6) the expansion of Jerusalem's boundaries to increase the Jewish population through annexation of such settlements as Ma'ale Adumim; and (7) Arab and international recognition of Israel's borders and its capital as Jerusalem. Of those polled, 42% would vote for the agreement, 50% against, with 8% undecided. However, Ma'ariv noted that before the first Camp David summit between Egypt and Israel, 80% of Israelis polled opposed any concessions on the Sinai, whereas the referendum on the final accord ceding the Sinai was approved by 80%.

Outstanding Interim Issues

Israel's ongoing delays in implementing its interim obligations continued to hinder negotiations up until the Camp David summit, when the PA effectively acquiesced in Israel's long-standing demand to bypass the rest of the interim phase and move directly to a FAPS or CAPS.

Further Redeployments

Last quarter, Barak stated his intentions to transfer the Palestinian villages of Abu Dis, Azariyya, and Sawahara al-Sharqiyya in East Jerusalem to the PA on 5/21, before his trip to Washington 5/22–23, as a "down payment" on carrying out the third FRD required by the Oslo agreements (see Peace Monitor in JPS 116). But when he suspended negotiations with the PA on 5/21, he also indefinitely postponed the transfer of the villages, and the issue was dropped.

Similarly, under the 9/4/99 Sharm al-Shaykh agreement (Wye I), Israel was supposed to carry out the third FRD by 6/23, and, in talks on 5/30, Israeli negotiator Eran reaffirmed Israel's intention to do so. But in talks at Bolling on 6/14, Israel resurrected its demand that the third FRD be carried out "in the context of" a final agreement. Under
pressure from the U.S., the PA eventually agreed (6/20) not to press Israel to carry out the redeployment by 6/23 but to move the deadline back two weeks, until after Secy. of State Albright's visit to the region. Once the Camp David talks were announced, however, the FRD was no longer discussed. When directly questioned by the press (7/5) as to what had happened to the third FRD, U.S. special envoy Ross stated, "the issue has not gone away. . . . But our particular focus is . . . to reach an agreement that deals with final status."

Safe Passage

Although the PA and Israel continued to discuss the issue (e.g., 5/30), no progress was made toward opening the northern safe-passage route, which was to have taken place by 2/5 under Wye II.

In PA-controlled Qalqilya (7/16-17), local Palestinians clashed with some 200 Palestinian migrant laborers from Gaza, whom they felt were taking away the limited local jobs. The PA called in 400 policemen from Nablus and surrounding towns to quell the riots and protect the Gazans. In total, seven Palestinians were injured, 40 were arrested, and seven buildings housing Gazan workers were burned. Since the southern safe-passage opened in 10/99, Gazans have streamed into the West Bank, where unemployment is lower, to look for work.

Gaza Port

On 8/15, after months of delay (see Peace Monitor in JPS 116), Israel and the PA resolved disagreements on security issues that had prevented the import of construction materials to Gaza, and PA contractors started building the commercial dock (stage 1) of the port.

Security Cooperation

The PA and Israel continued to maintain a high level of security cooperation. The only incident of the quarter took place on 6/1, when some 150 IDF soldiers, armed with automatic weapons, tear gas, and a water cannon, stormed the Gaza airport transit hall to arrest a wanted man, Nabil Akl, who was en route to Jordan. The IDF wounded ten PA border liaison officers and customs officials with live ammunition; ten others were treated for overexposure to tear gas.

Jerusalem

The PA Central Bureau of Statistics reported (6/13) that the latest census figures show that 328,601 Palestinians lived in the Jerusalem governate in late 1997. Of that total 210,209 live in the city itself, the remainder in the suburbs.

In Nicosia, Israeli and Palestinian NGOs held (6/2-4) informal talks on the future of Jerusalem. The workshop was sponsored by the Jerusalem-based Israel-Palestinian Center for Research and Information, Cyprus, and the Swedish Social Democratic party.

Senior Palestinian and Israeli religious leaders held (6/28) an interfaith meeting in Milan to discuss possible arrangements for control of the holy places, principally the Temple Mount/Haram al-Sharif, under final status.

On 7/17, three Christian patriarchs in East Jerusalem sent a letter to the Camp David negotiators calling for "international guarantees" (see below) for the religious communities in the Old City and requesting that representatives of all denominations be allowed to take part in negotiations on Jerusalem.

In early 7/00, the Greek Orthodox Church sent a letter to Barak notifying him that the church had frozen all ties with Israel over a disputed land deal and warning that until the issue is resolved, it would not renew leases of church property to the state, including that for the site on which the PM's residence is built. The dispute involves a deal brokered by an American Jew from New York under which the Jewish National Fund (JNF) transferred $20 m. to the church via a straw company in Switzerland in exchange for leasing the rights to 520 dunams of church property in Jerusalem. The church says that it was never approached about the deal, the signature of the Greek Orthodox patriarch on the contract was forged, and it never received any money. The JNF said that if this proves to be true, it will sue the American and his Israeli partner to regain the $20 m. Israeli police in Jerusalem beat and detained (6/23) Palestinian human rights worker Shafieh Shkirat when he intervened to stop the officers' harassment of a handicapped Palestinian. Police released Shkirat and allowed his transfer to a hospital for treatment (6/23) only after his employer, the Jerusalem Center for Social and Economic Rights, intervened. The IDF also demolished five Palestinian homes in East Jerusalem on 6/5, 6/13, 6/14, and 8/14.

Miscellaneous Matters

In a precedent-setting decision (8/3), a special Israeli Defense Min. committee for
victims of nationalist-motivated violence agreed to compensate the family of a Palestinian murdered in Jerusalem by a Jewish extremist. Previously, the Israeli government has ruled that Jewish terrorist attacks were not “hostilities” warranting compensation as defined by the National Insurance Institute.

The PA and Israel agreed (5/17) to set up two joint centers to handle legal claims between Israelis and Palestinians. Since the establishment of the PA judicial system, Israel has not permitted its citizens to stand trial in PA court, and the PA has not allowed Palestinians from PA-controlled areas to stand trial inside Israel.

PA and Israeli officials discussed water shortages in the West Bank (6/26, 6/28, 7/3) in light of the ongoing summer drought. The PA protested the inequalities in water rationing between Jewish settlements and Palestinian villages, but there was no indication that Israel agreed to allot more water to the PA areas. Israel preferred to limit talks to issues of wastewater treatment, water pollution prevention, and ideas for managing water and sewerage projects.

PA and Israeli officials met (8/3) to discuss tensions over high fees and security delays imposed on Palestinian truckers transporting goods from Gaza into Israel through the Qarni checkpoint. The PA announced that it would ban Israeli truckers from entering Gaza until the dispute was settled, prompting Israel to close both the Qarni and Erez checkpoints. By 8/8, Israel had reopened the transit points, claiming that the Palestinian truckers had agreed in principle to pay the fees.

**Palestinian Authority**

This quarter, the PA stepped up its use of arbitrary measures to stifle public criticism of PA policies. On 6/20, Force 17, Arafat’s “presidential guard,” raided the Gaza office of ‘Abd al-Fattah Ghanem, Arafat’s adviser on refugee affairs, confiscating files and documents. The PSF arrested Ghanem without charge the next day, when he returned to the PA areas from a trip abroad. His family suspected he was detained for statements he made to Jordanian and Gulf journalists during his trip regarding “administrative corruption” surrounding final status talks on the refugee issue. He was still being held at the end of the quarter.

The PSF shut al-Watan TV from 5/21 to 5/24, accusing the station of inciting violence by covering recent Palestinian demonstrations. The PSF shut (5/30) al-Nasr and al-Manara TV stations without giving a cause and (ca. 5/31) arrested Voice of Palestine radio director Fathi Barkawi for airing criticism of the secret Stockholm channel. When al-Mahid TV owner Samir Qumsieh distributed (6/1) a memo calling on all private TV stations to broadcast a message protesting the PA’s actions, he was arrested and his station closed. Palestinian journalist Mahir al-Alami was arrested (6/6) for publishing an article on PA corruption, and *Sharq al-Awsat* correspondent Abdallah Isla, who had just been released a week earlier from two months of detention without charge, was rearrested (6/20). The PSF also arrested without charge (5/26) Ahmed Yusif, a human rights activist with the Palestinian organization Addameer who had previously criticized the PA, and detained senior Hamas official ‘Abd al-‘Aziz Rantisi (7/30) and ten other Hamas activists on charges of incitement for criticizing the Camp David talks.

On 6/22, the PSF freed Alami, Barkawi, teachers union leader Omar Assaf (detained 5/5), and PA Youth and Sports Min. dir. Abu Ali Muqabil (detained in 4/00), who were all arrested for criticizing PA corruption. The PA High Court also ordered (7/11) the PSF to release al-Najah University professor ‘Abd al-Sattar Qasim, who was arrested without charge on 2/18, but the PSF did not release him until 7/28. (The Palestinian Human Rights Monitoring Group reported on 6/22 that since 1997, the court has issued 73 orders for the PSF immediately to release individuals, but only 18 have been implemented.) The court also allowed 38 Palestinian lawyers to practice legally again by voiding (5/18) revocation of their certification by the Acting Council of the Palestinian Bar Association (see Peace Monitor in *JPS* 116).

On 6/6, a 35-year-old Palestinian, arrested by the PA on 5/25, died in a PA jail. The PA claimed that he had a heart attack.

Arafat issued a decree (6/1) forming a Higher Judicial Council for all Palestinian districts to be headed by Chief Justice Radwan al-Agha. Human rights groups say the formation of the council could be a step toward judicial reform, if the council acts efficiently and independently.

The PA announced (6/28) that it had halted work toward issuing a Palestinian currency, which it had hoped to do this fall. Economists, the Palestinian Banks Association, the World Bank, and international monetary authorities advising the PA on the
project recommended suspending plans indefinitely, saying the PA's potential to run up debt given its precarious economic situation would make the currency difficult to cover.

On 7/3, the PSF raided Amari refugee camp, next to Ramallah, and arrested a man accused of fatally shooting a Palestinian woman in Ramallah on 7/1, an incident that sparked riots and two arsons in the city. The PA immediately convened a security court, which sentenced the man to death. The verdict provoked refugees to march from Amari to the PSF headquarters in Ramallah, where they exchanged gunfire with PSF officers, wounding 15. The PA has sentenced 13 other Palestinians to death but has executed only three, all PSF members.

In Gaza on 6/8, around 25 PA intelligence officers opened fire on each other at their headquarters, injuring two. The incident reportedly was the result of a power struggle between intelligence head Amin al-Hindi and his deputy, Tarik Abu Rajab.

**INTRA-PALESTINIAN COORDINATION**

On 6/20, Arafat convened a meeting of the 16 PLOEC members inside the West Bank and Gaza to brief them on the Stockholm channel, to discuss the status of the peace process, and to set 7/2–3 as the date for a PLOCC session to discuss a unilateral declaration of statehood. At the PLOEC meeting, PA chief negotiator and PLOEC secy. Qurai' revealed that the PA had held 17 rounds of back-channel talks with Israel since 11/99, when Arafat and Clinton agreed that negotiations would have a better chance of success if conducted away from the media.

As mentioned above, the main purpose of the 7/2–3 PLOCC session was to empower the PLOEC to declare statehood on or after 9/13. On 8/10, following the failure of the Camp David summit, the PLO announced that another session would be held in 9/00 to reassess that decision. At the 7/2–3 meeting, PA Planning M Nabil Shaath also presented the first draft of the Palestinian constitution (see Peace Monitor in JPS 114). The 165-page document is divided into six chapters, including a preamble and sections on politics, the economy, social affairs, the judiciary, and the legislature. Debates on the draft are to be held after all parties have had a chance to review it, and then the draft will be revised.

Arafat invited (7/5) Palestinian opposition parties to accompany the PA delegation to Camp David to give their voice from the sidelines. Only the Democratic Front for the Liberation of Palestine, Palestinian People's Party, and Palestinian Popular Struggle Front accepted, but the U.S. peace team refused to let them meet with the PA delegation during the talks. Instead, Albright met them in Emnitsburg (7/14) to hear their positions. On 7/18, the three representatives returned to the territories, saying their stay had been useless. Even before they departed, PC member Hanan Ashrawi and PLOEC member Su- layman al-Najib, who had come with the PA delegation to serve as PA media representatives during the talks, left on 7/17, concluding there was no purpose in staying since they could not communicate with Arafat.

On 8/30, an undisclosed number of Palestine National Council members met in Amman to discuss the Camp David summit.

**PALESTINIAN OPINION**

The following data are excerpted from a poll conducted by the Ramallah-based Pal- estinian Center for Policy and Survey Research (CPSR) on 27–29 July. Results are based on a survey of 1,259 men and wo- men from the West Bank and Gaza. The poll, first in a series, was made available by CPSR's office in Ramallah.

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. This position is just right</td>
<td>27.1%</td>
<td>27.6%</td>
</tr>
<tr>
<td>b. Not enough of a compromise</td>
<td>8.9%</td>
<td>6.9%</td>
</tr>
<tr>
<td>c. Too much of a compromise</td>
<td>57.1%</td>
<td>57.2%</td>
</tr>
<tr>
<td>d. Don't know</td>
<td>7.0%</td>
<td>8.4%</td>
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</tbody>
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1. Looking at the issue of Jerusalem, the Palestinian side [at the Camp David summit] demanded full sovereignty over the Arab neighborhoods and holy places in East Jerusalem. Some media reports say also that the Palestinian side agreed to allow Israel to annex the settlements of Ma'ale Adumim, Givat Ze'ev, and Gush Erzion, to become part of West Jerusalem and to put the Jewish Quarter and the Wailing Wall under Israeli sovereignty. What is your opinion of this position?
2. Looking at the issue of refugees, the Palestinian side demanded an Israeli admission of responsibility for creating the refugee problem and demanded that Israel recognize UN Res. 194, and it showed willingness to absorb hundreds of thousands of refugees who wish to return to the Palestinian state. What is your opinion of this position?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. This position is just right</td>
<td>67.9% 64.8% 72.7%</td>
</tr>
<tr>
<td>b. Not enough of a compromise</td>
<td>7.7% 5.4% 11.4%</td>
</tr>
<tr>
<td>c. Too much of a compromise</td>
<td>19.7% 24.1% 12.7%</td>
</tr>
<tr>
<td>d. Don't know</td>
<td>4.7% 5.7% 3.2%</td>
</tr>
</tbody>
</table>

3. Looking at the issue of the Palestinian state and borders, some media reports say that the Palestinian side has agreed to the establishment of a Palestinian state, recognized by Israel, in 96% of the West Bank and the Gaza Strip in exchange for territory from inside Israel, and Israel would annex settlement blocs in the remaining 4%. What do you think of this position?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. This position is just right</td>
<td>31.5% 30.1% 33.7%</td>
</tr>
<tr>
<td>b. Not enough of a compromise</td>
<td>11.4% 9.0% 15.0%</td>
</tr>
<tr>
<td>c. Too much of a compromise</td>
<td>50.6% 52.7% 47.4%</td>
</tr>
<tr>
<td>d. Don't know</td>
<td>6.3% 8.2% 3.9%</td>
</tr>
</tbody>
</table>

3. In your opinion, is lasting peace possible between Israelis and Palestinians?

<table>
<thead>
<tr>
<th>West Bank &amp; Gaza</th>
<th>West Bank Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Definitely possible</td>
<td>1.8% 1.7% 2.0%</td>
</tr>
<tr>
<td>b. Possible</td>
<td>32.8% 31.7% 34.4%</td>
</tr>
<tr>
<td>c. Impossible</td>
<td>33.9% 34.4% 33.3%</td>
</tr>
<tr>
<td>d. Definitely impossible</td>
<td>25.9% 25.5% 26.6%</td>
</tr>
<tr>
<td>e. Don't know</td>
<td>5.5% 6.8% 3.7%</td>
</tr>
</tbody>
</table>

**JORDANIAN-ISRAELI TRACK**

Jordan and Israel maintained routine contacts this quarter but held no major meetings on bilateral relations. As in previous quarters, Jordanian antinormalization demonstrations called upon the kingdom not to expand its ties with Israel until progress is made in peace talks with the PA, Syria, and Lebanon. At the EU-Mediterranean parliamentary talks in Alexandria (5/23), the Jordanian delegation walked out of Israeli Knesset speaker Avraham Burg’s presentation to protest Israel’s “inhuman treatment” of Palestinians and Lebanese.

On a trilateral level, Israel said (7/00) that in principle it would not oppose a Jordanian-PA plan to set up an industrial zone on the West Bank-Jordanian border at the Allenby Bridge. Israel would not be a partner in the zone, which Jordan and the PA hope would eliminate some of the Israeli-imposed barriers to trade. Jordan and the PA hope to turn the zone into a free-trade area by 2007. To this end, they agreed (7/6) to exempt from customs duties 1,370 goods traded between them. There was no report of Israel’s reaction to this decision.

Jordan’s cabinet approved (8/13) a draft amendment to the Jordan Valley Development Law that would allow the sale of land along the valley for tourism and investment projects. Opponents of the measure fear land could be sold to Israelis. A week earlier, the cabinet approved the lease of land bordering the Dead Sea, totaling 300 dunams. The first plot was leased to a Qatari firm that plans to build a hotel.

**SYRIAN-ISRAELI TRACK**

This quarter was marked by the sudden death of Pres. Hafiz al-Asad on 6/10, apparently from a heart attack. (The last time he was seen in public was when he received King Abdullah of Jordan in Damascus on 5/21.) On 6/7, just three days before Asad’s death, U.S. Secy. of State Albright met with Syrian FM Faruq al-Shara in Cairo to exchange ideas on possible formulas for re-newing the Syrian-Israeli talks and to inform him that the administration’s priority in its re-maining months in office would be the PA-Israeli negotiations.

Serious movement on the Syrian-Israeli track had been suspended since the failed Asad-Clinton meeting in Geneva on 3/26 (see Peace Monitor in JPS 116), but indirect Syrian-Israeli contacts remained open throughout the quarter, especially via Oman.
and Saudi Arabia's ambassador to the U.S. Prince Bandar (ca. 5/00). Syria did not pub-
licly comment on Israel's quick pullout from southern Lebanon (5/21-23), except to tell
the UN on 5/31 that it would not challenge the UN's verification of the IDF withdrawal
and that it agreed with the UN's assessment that Israel did not have to withdraw from
Shaba' Farms to comply with UN Res. 425
and 426 of 1978 (see below).

From 6/10, Syria was preoccupied with
the transfer of power to Hafiz al-Asad's son
Bashar, who had been groomed for several
years to succeed his father. Within hours of
Hafiz al-Asad's passing, VP 'Abd al-Halim
Khaddam assembled parliament to reduce
the minimum age to be president from 40 to
34, Bashar's age. On 6/11, Bashar was pro-
moted to lieutenant general, named com-
mander of the army, and nominated by the
Ba'th party as the only presidential candidate
for upcoming elections. The 6/17 Ba'th party
congress, which before 6/10 had been ex-
pected to give Bashar a position in the party
leadership, elected him party head. Bashar
al-Asad was elected president of Syria on
7/10, with 97% of the vote.

At Hafiz al-Asad's funeral on 6/13, Al-
bright met briefly alone with Bashar and af-
fterward reported that he was ready to
continue discussions about peace talks with
Israel. In his meeting with UN Secy.-Gen.
Kofi Annan in Damascus on 6/23, Bashar
stuck to his father's line, stating that Syria
was ready to resume peace talks with Israel
at any time but would not compromise on
its demand for Israel's withdrawal from all of
the Golan Heights to the 4/4/67 border.

In late 6/00, rumors hinted that Israel had
relayed a suggestion that Syria consider the
compromise proposal made by British histo-
rarian and journalist Patrick Seale on 4/8 (see
Doc. A3 in JPS 116) for a joint tourist zone
on Lake Tiberias, along the disputed border,
as a starting point for resuming negotia-
tions. Other stories claimed that Israel, Syria,
and the U.S. were considering applying the UN's
formula for the blue line separating Israel
and Lebanon (i.e., designating a practical line
of withdrawal that would not invalidate any
party's border claims) to the Syrian-Israeli
case. On 6/30, several reports surfaced that
U.S. Secy. of State Albright had set aside 7/25
to go to Damascus as part of a plan by Clin-
ton to make 8/00 "Syria Month" if a PA-
Israeli final status agreement was reached at
Camp David, the grand design being to wrap
up the Middle East peace process before the
11/00 U.S. presidential elections.

Also of note: The Israel Lands Authority
issued (6/1) tenders for the marketing of 86
housing units in the Qatzrin settlement on
the Golan Heights. Left-wing MKs criticized
the move as further hindering the resump-
tion of peace talks with Syria.

LEBANESE-ISRAELI TRACK

At the opening of the quarter, Israel had
just begun to move heavy equipment out of
southern Lebanon and to turn over forward
positions, such as the naval radar station at
Ras Bayada (5/10), to its proxy militia, the
South Lebanon Army (SLA). This was in
preparation for a complete withdrawal from
southern Lebanon, generally expected to
take place in early or mid-6/00, about a
month before Barak's stated deadline of 7/7.
At the same time, UN special envoy Terje
Larsen was beginning to coordinate a plan
for the UN Interim Force in Lebanon
(UNIFIL) and the Lebanese authorities to as-
sume control of the area as the IDF moved
out (see Peace Monitor in JPS 116).

Meanwhile, Hizballah stepped up attacks
on the IDF and SLA to portray the with-
drawal as coming under pressure from the
Lebanese resistance. On 5/18, the fighting in
southern Lebanon escalated, with two IDF
soldiers, two SLA members, 1 Hizballah
member, 1 UNIFIL soldier, and four Leba-
inese civilians injured in clashes. Unwilling to
risk another IDF fatality before the with-
drawal, Barak ordered (5/21) the IDF to be-
gin an accelerated pullout. The SLA
immediately began to disintegrate, with
members either fleeing to the Israeli border,
turning themselves into the Lebanese, or
simply deserting. As the IDF and SLA moved
out, Hizballah members, Lebanese civilians,
and Palestinian refugees moved in to take
control, to celebrate, and to visit areas and
family members they had not seen for years,
in the process liberating (5/23) the 144 de-
tainees of the SLA's al-Khiyam prison. Fear-
ing what it saw as a massive Lebanese
advance into the south, the IDF dispatched
tanks and planes to shell the roads in front of
the crowds, killing seven civilians and
wounding dozens. Meanwhile, UNIFIL, with-
out the mandate, force strength, or prepared
strategy to fill the security void, did not de-
ploy to the south but maintained its regular
patrols, trying to remain visible to reassure
the population. The Lebanese government,
which agreed only to support UNIFIL and re-
fused to take responsibility for the south unless it was in the context of a peace treaty with Israel, did not send any security forces either.

The IDF completed its withdrawal just before dawn on 5/24 local time, taking in a total of 6,420 SLA members and relatives. Despite the sudden and confused pullout, UNIFIL adviser Timur Goksel described (5/24) the situation in southern Lebanon as remarkably calm, saying that the credit went to Hizballah. Hizballah pledged (5/25) to provide security until the government and the UN stepped in and promised to turn over to the Lebanese authorities all arms and equipment abandoned by the IDF and SLA but did not offer to disarm. Goksel expressed concern about Israeli land mines. Italy, Russia, and Spain immediately planned mine-clearing operations, but at least 5 Lebanese were killed and 12 wounded by mines before Israel began (6/4) turning over maps locating the 15,000 buried devices.

In New York, UN Secy.-Gen. Kofi Annan advised (5/22) that the UN Security Council (UNSC) expand UNIFIL in two stages, first increasing the number of troops from 4,500 to 5,600 to speed verification of Israel's withdrawal and the disbanding and disarming of the SLA, later increasing it to 8,000 troops to patrol the south. He warned Israel and Lebanon that he would consider pulling UNIFIL out altogether if they did not coordinate adequately with the UN. Lastly, he proposed that the UN adopt a line conforming to the internationally recognized border for verifying Israel's withdrawal but stressed that whatever line the UN chose, it would be used without prejudice to further border arrangements between concerned member states. The UNSC endorsed Annan's recommendations on 5/23.

UN special envoy Larsen returned to Beirut on 5/24 to begin a shuttle mission to coordinate the UN's steps with Israeli, Lebanese, and Syrian officials, meeting also with Iranian and Hizballah representatives. On 5/26, UN cartographers began tracing the Israeli-Lebanese border using the 1923 international line with "agreed adjustments" as the practical line for verification purposes, to be known as the "blue line." The UN informed Lebanon (5/24) of its decision that the Shaba Farms area lies within the Syrian-occupied Golan and therefore Israel would not be required to withdraw from it to fulfill its obligations under UN Res. 425 and 426. Lebanon said it would continue to claim the Farms as its territory but would not allow the dispute to impede its cooperation with the UN.

The UN completed drafting the blue line on 6/5, and Larsen presented maps for approval to Israel and Lebanon, which both had minor objections. (The most serious dispute was over the village of Ghajar, near Mount Hermon, which was bisected by the line. On 7/25, the UN, Israel, and Lebanon agreed to grant Ghajar residents' request to place the whole village under the mandate of the UN Disengagement and Observation Force, classifying it as occupied Syrian territory.) On 6/7, the 4,500-strong UNIFIL force began patrolling southern Lebanon from their existing bases, while the UN resolved final differences on the line's delineation and negotiated an informal separation zone at sea to prevent maritime disputes.

Expecting the minor disputes to be resolved pro forma, and under great pressure from the U.S. to fill the security void, Secy.-Gen. Annan submitted his official certification of Israel's withdrawal to the UNSC on 6/16. But several UNSC members, particularly Russia, were reluctant to endorse it while Lebanon claimed that Israel still held several points inside the blue line. After 10 hours of debate on 6/17, U.S. Secy. of State Albright intervened to demand that the UNSC verify the withdrawal, prompting the UNSC to recess. From Iran, where he was consulting on Lebanon with Pres. Mohamed Khatami, Annan warned that he would not continue on to Beirut as planned without the UNSC's full backing of his position. The UNSC reconvened on 6/18 and, after six hours of heated debate, endorsed Annan's 6/16 statement but noted "serious concern" regarding Lebanon's protests.

In Lebanon on 6/19, Annan asked Pres. Emile Lahoud to recognize the UN verification and send troops to help patrol the south, promising that the UN would clear up Israel's minor violations and send the first batch of 1,100 additional UNIFIL troops by 7/00. Annan then went to Israel (6/21) to urge Barak to abandon several locations inside the blue line. When Lebanon had taken no action by 6/24, Albright reportedly phoned Lahoud and warned him that if he did not send the army into south Lebanon it would be difficult for Congress to approve additional aid for reconstruction projects. Lahoud refused to send forces until Israel halted its incursions.

Between 6/7 and 7/7, UNIFIL officially recorded numerous Israeli violations of the
blue line, and local residents and human rights groups cataloged many others. UNIFIL noted (6/28) that the violations were minor but were increasing tensions among Israel, Lebanon, Hizballah, the UN, and the U.S. Most incidents involved Israeli reconnaissance patrols crossing over the line, occasionally in APCs, and temporarily leaving when UNIFIL troops confronted them. On 7/22, Israeli planes overflew Tyre and Beirut, a serious infracton. Israel countered that Lebanon had committed 172 "violations," but most incidents it listed to the UN (mid-7/00) involved civilians throwing stones across the border at IDF troops. On 7/7, Larsen reprimanded Israel, saying that until it gave guarantees that its troops would no longer make forays across the blue line, UNIFIL would not depoly to new fixed positions throughout southern Lebanon. In the interim, Hizballah set up 20 small observation posts (of 3-4 men each) near former IDF crossing points between Israel and Lebanon to deter IDF infiltrations.

On 7/24, Annan informed the UNSC that Israel had finally corrected all its violations and that UNIFIL would begin relocating to new permanent posts within days. But the next day (7/25), he announced that Israel had crossed the blue line again at various points and put the deployment on hold. Larsen declared Israel's behavior (7/25) "totally unacceptable." UNIFIL finally began the deployment on 7/27 but suspended operations at least twice because of Israeli violations before completing it on 8/5. Lebanon then sent (8/9) 500 soldiers and 500 special police to support UNIFIL, stressing again that the ultimate security responsibility would rest with the UN until there is a peace agreement with Israel.

On 8/8, Annan appointed Swedish UN diplomat Rolf Knutsus for an initial six-month term as his special representative in southern Lebanon to oversee the UNIFIL expansion. By the end of the quarter, Finland, Ghana, Ireland, and Nepal had sent additional troops to UNIFIL. Denmark, Fiji, France, India, Sweden, and Ukraine had promised troops. (Germany and the U.S. declined to participate.) Ireland, Italy, and Spain donated mine-clearing equipment and expected to have all mines removed by the end of the year. Spain also sent a corvette to patrol the waters off southern Lebanon as part of the UNIFIL expansion.

Israel, meanwhile, faced two new domestic concerns: assuring the border communi-
ties of their safety without the so-called security zone, and providing for some 6,500 SLA refugees. To show support for Israelis living in the border towns, the Knesset convened its first full session outside Jerusalem in Kiryat Shmona on 5/25. At the session, Barak called on Lebanese pres. Emile Lahoud to open peace talks with Israel, but Lebanon did not respond. Barak also instructed the IDF (5/29) to distribute weapons to residents in the border area, authorizing them to fire into Lebanon if fired upon first.

Israel informed (5/25) the UN High Commission for Refugees of its intention to establish a national body, which would initially operate for one year, to handle requests for asylum from the SLA refugees. Israel pledged to accept any requests for citizenship and asked the UN to assist with petitions for asylum in third countries. The government meanwhile tried to house the refugees in tent camps in the abandoned parking lots that had been constructed for the pope's visit in 3/00, but the SLA refused to be treated "like Palestinians," and Israel had to move them to more than 20 hotels, guest houses, and IDF recreation centers. On 7/15, representatives of the SLA refugees met with Israeli Defense Min. officials to demand permanent housing, schooling for their children, and health services. Separately, hundreds protested (7/15) their "terrible absorption" and "humiliation." According to an Israeli Defense Min. poll of the 6,420 SLA refugees (ca. 6/6), 47% wanted to be resettled abroad, 38% wanted to remain in Israel, 8% wanted to return to Lebanon, and 12% were undecided. As of 8/6, around 400 SLA refugees had gone back to Lebanon.

In his meeting with Israeli officials on 5/29, Larsen suggested that Israel release the 15-20 Lebanese it was detaining without charge. Amnesty International petitioned Israel again on 8/8, arguing that the Lebanese, most of whom were captured while fighting the IDF after Israel's first invasion of Lebanon in 1978, are POWs and therefore their continued detention after Israel's withdrawal is a violation of international law. Israel ignored the pleas.

By early 6/00, Lebanon had begun trying the 1,700 SLA members who turned themselves in and another 500 or so who had been arrested on charges of collaboration. By 7/20, 18 groups totaling some 700 SLA members had been tried. Most received light sentences of between three weeks and three
years and/or fines, but at least one officer was given 15 years.

From 5/23 through the end of the quarter, the Lebanese-Israeli border area became a celebration point for Lebanese and a poignant place for Palestinians on both sides of the border to reunite with family members they had not seen in years or decades. The largest reunion took place at Yarine, south of Tyre, on 6/2, when some 1,000 Palestinian refugees from Lebanon arranged to meet some 800 relatives from Israel. The IDF soldiers at first attempted to disperse the crowd, but when they realized it would be impossible, they allowed all 800 Palestinians to cross over to Lebanon for a brief reunion. On 6/5, Israel declared the most popular meeting point, Fatima Gate, a closed military zone.

Of note: A Ma’ariv-Gallup poll of 590 Israelis conducted immediately after the completion of the withdrawal from Lebanon showed that 75% approved of the unilateral pullout, 17% opposed it, and 8% were undecided.

MULTILATERAL TALKS

The Arab states’ boycott of the multilateral meetings called in 3/00 (see Peace Monitor in JPS 116) continued this quarter. Working group meetings on refugees, planned for 5/16–18 in Ottawa, and on the environment, planned for 5/31–6/1 in Tunis, were canceled. On 6/7, Egyptian FM Musa stated that Israel must show progress in the Syrian and Palestinian negotiations before multilaterals could be resumed.

REGIONAL AFFAIRS

Refugees

On 8/15, the leading Lebanese daily, al-Nahar, ran an interview with Lebanese pres. Lahoud in which he was quoted as saying that he had turned down an offer, made by “international parties,” to give Lebanon $20 b. if it granted permanent status to its estimated 300,000 Palestinian refugees, noting that Lebanon’s national debt is $21 b. Lahoud’s office denied the story, saying the president spoke off the record and was misquoted. Al-Nahar’s editor stuck by the story.

In Cairo, 7/10–14, the Arab League hosted its 64th annual conference of Arab countries hosting Palestinian refugees. Delegates from Egypt, Jordan, Lebanon, the PA, and Syria urged Arab states to intensify contacts with the international community to press for a just resolution to the refugee issue.

On 6/26, PA Planning M Shaath announced that he was consulting with the FMs of Egypt and Jordan on planning a quadrilateral ministerial meeting with Israel on displaced persons (i.e., 1967 refugees). The Arab officials worked on coordinating their positions and setting a date for the meeting, but at the end of the quarter, Israeli FM Levy still refused to meet (see Peace Monitor in JPS 116).

RELATIONS WITH ISRAEL

There were very few contacts between Israel and the Arab states apart from updating each other on the peace process. Two exceptions were Algeria and Morocco. King Muhammad of Morocco received (6/30) Israeli dep. PM Benjamin Ben-Eliezer in Rabat and stated that he looked forward to visiting Israel “when the conditions are right.”

A group of Algerian journalists made an unofficial visit to Israel (6/25–29). Algerian pres. ‘Abd al-‘Aziz Bouteflika denounced (6/25) the journalists as “traitors” and fired his communications minister for allowing the visit to take place. Responding to Bouteflika’s actions, the Israeli FMMin. stated (6/25) that the visit was nothing new; reporters from Algeria, Bahrain, Kuwait, Morocco, Oman, Qatar, and Tunisia had made similar trips since 1994.

Egypt and Israel held meetings (5/17, 5/30, 6/2) to resolve a dispute over flight routes between Cairo and the PA’s airport in Gaza (see Peace Monitor in JPS 116). Egypt wanted to shorten the flight route to save time and cost, but Israel claimed the proposed new route would create security problems and said the current routes should remain in use. Israel also requested that Egypt increase the number of weekly El Al flights allowed to land in Cairo from four to six. As of 7/1, Egypt said that no understanding had been reached.

INTER-ARAB HIGHLIGHTS

The Camp David summit showed the potential impact of unified Arab stands on the peace process, at least symbolically, but also demonstrated the difficulties in coordinating and maintaining a joint position.

As in previous quarters, Egypt led the coordination efforts. Even before the summit, Egyptian leaders held numerous bilateral meetings with Israeli and PA negotiators (e.g., 5/18, 5/23, 5/26–27, 5/29, 6/9, 6/11–13,
6/17, 6/21–22, 6/24–25, 7/6, 7/9–10). As early as 5/21, Egypt called for an Arab summit to discuss the peace process, stressing the need for unity in light of Israel's accelerated withdrawal from Lebanon. In Cairo (6/4), the FMs of the Damascus Declaration states (Egypt, Syria, and the six Gulf states) consulted on the peace process and called for an Arab summit. But enthusiasm for an inter-Arab conference waned under pressure from the U.S. The only effort to bear fruit was that of Iranian envoy Mohammad Sadr, who, after a week-long tour of Arab states in mid-8/00, convinced King Muhammad of Morocco (8/14) to convene the Jerusalem Committee of the OIC on 8/28.

Arab states took a number of positive steps this quarter to strengthen inter-Arab relations. Syria’s Bashar al-Asad and King Abdullah of Jordan held their first talks as heads of state on 7/19. They agreed to revive a joint economic commission and to increase bilateral trade. Syria also agreed to divert 3.5 mcwm of water to Jordan to ease the effects of this summer’s drought. Water ministers held follow-up talks on 7/25, and Syria began diverting water to the kingdom on 8/13. On 7/13, Jordan announced that Syria had released three Jordanian political prisoners and had given assurances that more would be freed shortly. Jordan estimates that over the past 30 years, Syria has arrested 650 Jordanians for political crimes, mostly for membership in the Muslim Brotherhood. On 8/1, the PA announced that Syria had agreed to set up a joint committee to discuss the fate of some 150 Palestinians it holds as political prisoners.

Syria and Iraq held talks (6/25) on expanding bilateral relations, which are currently limited to economic and commercial affairs. On 8/6, the Joint Syrian-Iraqi Committee met for the first time in 20 years to discuss expanding economic, cultural, scientific, and technical cooperation.

Saudi Arabia signed an agreement with Yemen on 6/12, formally ending their simmering border dispute. The text, however, is vague, does not define the entire border, and does not establish a mechanism for resolving disputes. Saudi Arabia and Kuwait signed (7/2) a maritime border agreement demarcating their common border, which has been in dispute since 1968.

Kuwaiti emir Shaykh Sabah al-Ahmad al-Sabah embraced Arafat (5/22) on meeting him in Yemen during celebrations of the tenth anniversary of the unification of Sana' and Aden, possibly marking the beginning of a thaw in Palestinian-Kuwaiti relations stemming from the Gulf War.

Also of note: The Council of Arab Information Ms agreed (6/21) to organize a media campaign highlighting the illegitimacy of relocating the U.S. embassy from Tel Aviv to Jerusalem and to form a team to draft a joint Arab action plan for covering the Jerusalem issue.

INTERNATIONAL

UNITED STATES

Aside from U.S. mediation efforts on the PA-Israeli track, several less obvious bilateral and domestic factors were in play that had bearing on the peace process and the U.S.’s role as an “honest broker.”

The White House invited King Abdullah of Jordan to meet with Pres. Clinton in Washington on 6/6 for talks on bilateral relations and the peace process. Clinton promised U.S. backing for the establishment of an international fund to resettle Palestinian refugees as a first step toward resolving the refugee issue. King Abdullah also met with Congress members to discuss funding for compensation claims by the 1.4 m. Palestinian refugees in Jordan. Clinton and Abdullah also agreed to move ahead with talks on a free-trade agreement, with the hope of finalizing it by the end of the year. U.S. Secy. of Commerce Charlene Barshefsky went to Amman (7/30–8/2) to discuss the terms.

Differences between Israel and the U.S. over Israel’s planned $250 m. sale of U.S. AWACS technology to China (see Peace Monitor in JPS 116) persisted this quarter. On 6/1, the U.S. confirmed that it had asked Israel to agree to establish a joint commission to supervise its military sales and technology transfers to make sure they do not include classified American technology or jeopardize U.S. national interests. A U.S. delegation to Israel formally asked (6/15) for veto power over Israel’s sales of advanced weapons to 27 “countries of concern” and warned that if the China deal went through, a number of congressmen were prepared to withhold $250 m. of Israel’s FY 2001 aid and cancel provisions fast-tracking disbursement of Israeli aid. Israeli dep. DM Ephraim Sneh warned (6/15) that if the aid were cut, he would personally recommend that Israel cancel $250 m. of Israel’s low-tech military purchases from the U.S. Despite heated debate on the Hill, the foreign aid bill passed.
(6/21) through subcommittee without altering Israel's aid; instead, congressmen sent a second delegation to Israel (7/2) to press for a halt to the sale. During their first one-on-one meeting at Camp David (7/11), Barak informed Clinton that he had indefinitely suspended the sale. (Barak had reportedly made the decision before but wanted to time the announcement to increase Israel's chances of additional military assistance if a final status agreement was reached.)

During Camp David, the press reported (ca. 7/17) that the U.S. was proposing a $40 b. U.S. aid package to facilitate an agreement. When certain congressmen complained (7/17) that Congress had not been consulted on the matter, the administration stressed (7/11, 7/17) that the White House had briefed key congressmen before the summit but that no figures were discussed. Immediately after the summit, a bipartisan coalition of congressmen introduced (7/26) bills in the House and Senate that would require aid to the PA to be suspended if Arafat unilaterally declares a state.

The U.S. and Israel held three days of talks (ca. 8/10) on strengthening their strategic relations, especially in defending Israel against ballistic missile, biological, and chemical attacks and securing its border with Lebanon. The sides also worked on a memorandum of understanding (MOU) that would "codify the strategic relationship," reaffirm areas of existing cooperation, and guarantee IDF equipment needs for ten years, possibly including providing jet refueling capability and theater missile defense. As a gesture to Israel, particularly in light of its suspension of the AWACS sale to China, the U.S. said it would only ask for oversight of Israeli weapons sales to four countries (China, India, Pakistan, and Russia) rather than 27 (see above).

Meanwhile, Egypt reported (7/25) that the regular semiannual U.S.-Egyptian strategic dialogue, set for later in 7/00, had been postponed because of differences of opinion during the Camp David summit. It was unclear which side postponed the session.

Presidential candidate and VP Al Gore announced (8/7) that he had chosen as his running mate Sen. Joseph Lieberman (D-CT), who drafted the 1995 Jerusalem Embassy Relocation Act requiring the U.S. to move its embassy from Tel Aviv to Jerusalem by 5/31/99, unless delayed by presidential waiver, as has been the case to date (see Walid Khalid's special report in JPS 116). On 8/8, Lieberman stated that he still supported moving the embassy, but it would be premature to do so while there is still a chance for a peace accord.

On 6/4 in New York City, U.S. Senate candidates First Lady Hillary Clinton and Rep. Rick Lazio marched in the Salute to Israel parade, held by local Jewish groups to celebrate Jerusalem Day, which marks the anniversary of the 1967 war, in which Israel occupied East Jerusalem, "reunifying" the city. Both candidates expressed support for moving the U.S. embassy to Jerusalem. Lazio also pushed a bill through the House (7/11) designed to fast-track U.S. citizenship for Syrian Jews.

Also of note: On 6/25–26, when Ross and Albright were assessing the possibility of convening a Camp David summit, four Israeli MKs visited Capitol Hill on a tour sponsored by Americans for a Safe Israel. The MKs met with more than 40 congressmen to urge them not to allow Pres. Clinton to pressure PM Barak on final status talks. In the words of one MK, "friends don't bribe friends to commit suicide."

**Russia**

Russian dep. FM Vasily Sredin traveled to the region (6/28–30) to discuss the peace talks with Israeli and PA officials. Russia and Israel signed (6/5) two agreements on cooperation against "terrorism and Muslim fundamentalism," particularly as regards Russia's war in Chechnya.

**European Union**

After a long ratification process in the EU, the EU-Israeli association agreement, which was signed in 1995, went into effect in 6/00. At a meeting in Luxembourg on 6/13, the EU and Israel set four priorities for their first year: deepening trade relations, increasing cooperation in research and technology, identifying joint industrial projects, and establishing a routine economic dialogue.

The EU and the PA held their first committee meeting (5/26) since their association agreement entered into force in 7/97. Talks focused on establishing a free-trade zone, obstacles to trade, establishing rules of origin, and agricultural products.

Israel continued to pressure EU officials against meeting PA officials in East Jerusalem, successfully convincing German FM Joschka Fisher (ca. 6/1) that meeting PA Jerusalem Affairs M Faisal Husseini at Orient House would "set a dangerous precedent."
On 6/6, however, Luisa Morgantini, head of the EU delegation to the Palestinian Council, acting in an unofficial capacity, met with Husseini at Orient House to show solidarity with the Palestinian people.

UNITED NATIONS

Israel accepted (5/30) the UN's offer of temporary membership in the Western Europe and Other Group while it works toward permanent membership in its natural bloc, the Asia Group. At the close of last quarter, Israel was debating whether to accept the offer, which would give it rights only at the UN headquarters in New York (see Peace Monitor in JPS 116). The U.S. reportedly swayed Israel's decision by promising (5/29) that if it accepted, the U.S. ambassador to the UN in Geneva would go to work immediately to see Israel's participation extended to UN bodies based there, notably the UN Human Rights Commission.

The UN Committee on the Exercise of the Inalienable Rights of the Palestinian People (CEIRPP) held a meeting (5/23-24) in support of a comprehensive Middle East peace agreement. Talks focused on final status, Palestinian statehood, the role of international mediators and donors, and civil society and the role of NGOs. CEIRPP also hosted a seminar in Cairo (6/20-21) exploring prospects for Palestinian economic development. The main topics covered were Palestinian institution-building and economic performance during the interim period and the impact of noneconomic factors (e.g., settlements, refugees, water) on sustained Palestinian economic growth and social development.

VATICAN

Twice this quarter, the Vatican called for Jerusalem to be given an "international status" under a final status agreement. The first statement was made by Pope John Paul during Sunday mass on 7/18, while the Camp David summit was taking place. The second was made by Vatican diplomatic chief Jean-Louis Tauran (8/1) during a meeting with U.S. Secy. of State Albright, who had come to the Vatican to brief officials on the negotiations on Jerusalem. The call for "international status" was assumed by the U.S., and the public in general, as a demand that Jerusalem be put under some sort of international control. On leaving her meeting with Tauran, Albright stated that granting "international status" was never an option at Camp David. In early 8/00, the Vatican released a statement (see Doc. A3) clarifying that the Vatican merely wanted international guarantees protecting free access to the holy sites.

IRAN

Iran's ties with Arab nations continued to improve this quarter. Egyptian pres. Mubarak phoned (6/21) Pres. Khatami to congratulate him on the decision by the G-15 group of developing nations to grant Iran membership, marking the first top-level contact between Egypt and Iran since Iran broke off ties in 1979 over Egypt's Camp David Accord with Israel. Iran then sent a parliamentary delegation to Egypt (7/1-5) for talks on improving bilateral relations.

Iranian FM Kamal Kharrazi visited Lebanon 5/25-27, immediately after the Israeli withdrawal, to tour southern Lebanon, congratulate Hizballah, and discuss Lebanon's reconstruction needs. He then went to Damascus (5/28) to consult with Pres. Hafiz al-Asad on the withdrawal.

Iran and Syria also held talks on expanding bilateral trade (5/18), signed agreements on media (5/24) and agricultural cooperation (6/3), and initialed a letter of intent to link railroad systems across Iraq; talks with Iraq were planned. Iran and Qatar signed three cooperation agreements and three MOUs covering defense, economics, media, education and culture, medicine, and transportation (7/18), plus five economic cooperation agreements (6/19-20). Iran also signed an agreement with Tunisia on bilateral trade (6/27) and held talks with Oman on possible joint projects, trade, and private investment (5/17-20). On 8/10 and 8/13, Iran released the last 674 Iraqi POWs it held from the 1980-88 Iran-Iraq war.

Iran held talks with the EU on bilateral cooperation in the areas of energy, transportation, commerce and investment, drug interdiction, refugees, and the environment (6/21); and with Turkey on border security (5/23, 7/11), bilateral trade (5/28-6/1, 7/28), and social, economic, and cultural cooperation (7/24). Iran and Turkey signed a $200 m. natural gas deal on 8/2.

On 7/1, a Shiraz court issued its verdict in the case of thirteen Iranian Jews accused of spying for Israel. Ten defendants were found guilty and sentenced to terms ranging from four to 13 years. The three others were acquitted. Two Muslim accomplices were sentenced to two-year terms, while two other Muslims were found not guilty. Israel called (7/1) for international pressure on Iran to re-
lease the ten Jews and send them to Israel. On 7/5, the head of the Council of Presidents of Major American Jewish Organizations escorted the families of eight of the ten Iranian Jews to Washington to urge Pres. Clinton to press Iran on the matter.

**Turkey**

After three days of meetings with Israeli officials in Ankara (6/19–21), Turkey reached an agreement to sell water to Israel. Delegations planned to continue talks on technical and logistical details of the sale at a later date. Turkey also awarded Israel a contract worth $200 m.–$400 m. for upgrading battle tanks (6/5) and a deal to build Ankara’s first intelligence satellite (7/2). Turkey and Israel also signed (5/19) a MOU on expanding joint tourism projects and agreed to set up a joint tourism commission that will meet twice a year. A Turkish Defense Min. delegation visited Israel (6/19–20).

Turkey and Jordan conducted (6/18–7/8) joint military maneuvers in the kingdom. They also signed (7/18) a protocol on security cooperation, focusing on combating terrorism, organized crime, and drug trafficking.

Turkey and Syria began work (6/21) on reopening the Nusaybin–Kamisli railroad, which has been closed for 20 years. The project is part of a protocol on improving border trade. The states eventually hope to extend the track from Nusaybin to Baghdad.

Turkey also signed an accord with the PA (7/3) establishing a joint business council to stimulate bilateral trade; held talks with Egypt (5/20) on upgrading bilateral security cooperation, especially on counterterrorism; and held talks with Saudi Arabia (5/23–24) on expanding bilateral trade and cooperation in tourism, health, transportation, industry, and culture.

**Other**

The Association of South East Asian Nations (ASEAN) established (5/18) the ASEAN Network for Palestine to mobilize public support and lobby national governments and international organizations to promote a resolution of the Palestinian-Israeli conflict based on international law and justice.

On 6/2, Israel said it would reject a proposal being debated by the International Committee of the Red Cross to allow its Magen David Adom (Red Star of David organization) to join if it would use a red diamond or other neutral symbol (see Peace Monitor in *JPS* 116). Israel said (6/14) it would be inclined to accept another proposal being discussed that Israel use a red Star of David inscribed inside a neutral symbol for operations abroad.

Israel and India held extensive talks (6/18, 7/2) on intelligence and counterterrorism coordination, particularly in connection with India’s conflict with Kashmiri separatists. (Coordination efforts might include France.) In the 7/2 talks, the two nations agreed to set up a joint ministerial commission on counterterrorism that would meet twice a year, and Israel offered to sell India a ground-based missile defense system based on U.S. AWACS technology (see above). The U.S. opposed the deal, which it believes would promote further instability in Southeast Asia.

Israel and Cyprus held talks (6/12) on the Israeli air force’s recurring violations of Cypriot airspace. Cyprus described the talks as friendly and said Israel had agreed to improve cooperation and compliance with international air safety regulations. Cyprus also held talks with the PA (6/21–22) on expanding bilateral relations in the fields of economics, trade, investment, culture, transportation, tourism, education, and technology.

Israel continued to expand its economic and defense relations with eastern European nations. Israel signed (5/29) a defense cooperation agreement with Romania, covering the defense industry and procurement, military intelligence, and civilian control of airspace. A Croatian delegation traveled to Israel (7/30–8/2) for talks on expanding bilateral economic and defense relations, during which they signed two economic cooperation agreements. (Israel is bidding on a contract to upgrade Croatian MiGs.) Polish pres. Aleksander Kwasniewski held talks with PM Barak (5/29) on boosting bilateral trade.

Similarly, Arafat held talks with Kwasniewski (5/31) on expanding tourism relations. The first ambassador of the Czech Republic to the PA, Dasa van den Horta, presented her credentials to Arafat on 6/3. The PA and Yugoslavia signed (5/31) an agreement expanding cooperation in economic development. And a Yugoslavian business delegation visited the PA areas on 6/2.

The PA and Vietnam signed (5/24) a MOU on cooperation in foreign affairs, education, trade, agriculture, and industry.
DONORS

The donors' Ad Hoc Liaison Committee (AHLC) met in Lisbon as planned 6/7-8. (Donors did not hold another Joint Liaison Committee meeting before the AHLC, as they had discussed last quarter.) As recommended by World Bank Pres. James Wolfensohn (see Peace Monitor in JPS 116), the PA presented its Palestinian Economic Policy Framework (PEPF) outlining its medium-term (five-year) development needs and priorities (see Doc. A1) and a progress report on its long-term (ten-year) Palestinian Strategic Development Plan (PSDP) for transition to statehood (see Doc. B). The PA aims to have a draft PSDP to the donors by the end of 2000 and a final version by 6/01. Neither the PEPF nor the PSDP include cost projections, although the PSDP anticipates the need for massive aid to resettle hundreds of thousands of returning 1967 refugees. In 5/00, Arafat's financial adviser, Khalid Salam, estimated that the PA would need $50 b. over the next five years. By comparison, donors have pledged $4.3 b. to the PA since 1994, only $2.75 b. of which has been paid.

The UN Special Coordinator's Office in Gaza held (6/14-15) a two-day interagency meeting to discuss improving coordination among the PA, the UN, and donors to facilitate monitoring and documenting economic and social conditions in the West Bank and Gaza. The UN praised PA economic reform and budget planning efforts and donors' contributions but noted that donor pledges and disbursements have been decreasing and now cover only 58% of the PA's needs.

On 7/4, the PA released the PEPF, revealing $345 m. in financial holdings previously kept secret from the public. Among the PA's newly disclosed assets were a multimillion dollar political fund, a state monopoly on cement, and a one-third ($60 m.) share in the Jericho casino. The PA said these assets would either be liquidated or transferred to the publicly accountable Palestinian Investment Fund by the end of the year. Donors applauded the announcement.

Compiled by Michele L. Kjorlien

Following the IDF withdrawal, Ibtisam Bushnaq holds hands through the Israeli-Lebanese border fence with her father, whom she has not seen in eleven years. (Reuters/Jim Hollander/Archive Photo)