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# PEACE MONITOR

16 MAY-15 AUGUST 2001

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

## BILATERALS

### PALESTINIAN-ISRAELI TRACK

As the quarter opened, Israeli-Palestinian clashes entered their eighth month. The level of violence had increased significantly since the beginning of 5/01 and showed no signs of decreasing (see Chronology for details), despite the issuance of a preliminary report by the U.S.-led Mitchell Committee (issued 5/4), which recommended steps to implement a cease-fire and resume negotiations that both Israel and the Palestinian Authority (PA) viewed as promising (see Peace Monitor in *JPS* 120). About 492 Palestinians, 19 Israeli Arabs, 36 IDF soldiers and Israeli security personnel, 28 Jewish settlers, 18 Israeli Jewish civilians, and 3 foreign nationals had been killed, and upward of 14,000 Palestinians and 855 Israelis had been injured.

In Washington, U.S. Pres. George W. Bush and his top foreign policy advisers, under increasing pressure to help reduce the violence (see below), debated (5/16) ways of becoming more involved in resolving the conflict without becoming mired in it as they believed the Clinton administration had done. Secy. of State Colin Powell, in particular, advocated using the recommendations of the Mitchell Committee and the Jordanian-Egyptian initiative (see Peace Monitor in *JPS* 120) as a base. Both plans called for a full freeze on settlement construction, but administration officials said (5/16) they could not ask Israeli PM Ariel Sharon directly for a settlement freeze. On the sidelines of an upcoming trip to Africa and Europe (5/22-30), Powell was considering meeting with Sharon and PA head Yasir Arafat to explore the Mitchell recommendations following the release of the committee's final report, expected within days.

#### ***The Final Mitchell Report***

On 5/18, events took a decisive turn when a Hamas suicide bombing in Netanya, inside Israel, killed five Israelis and wounded 110. Israel, which had already announced (5/17) that it was escalating its response to

Palestinian unrest and that it might resort to "all-out" combat if violence continued, sent F-16s to drop one-ton bombs on PA security targets in Gaza City, Nablus, Ramallah, and Tulkarm, marking Israel's first use of warplanes on the Palestinian territories since the 1967 war; 12 Palestinians were killed and 90 were wounded. On 5/20, the Israel Defense Forces (IDF) shelled the home of the PA's West Bank Preventive Security Forces (PSF) head, Jibril Rajub, causing damage but no injuries and raising speculation that Israel was stepping up its assassination policy. On 5/21, Sharon allowed Israelis and Jewish settlers, under heavy police protection, to stage a provocative march through Jerusalem to celebrate Jerusalem Day, the anniversary of Israel's capture of East Jerusalem in 1967.

Israel's actions threatened destabilization on several levels. The use of U.S.-supplied F-16s placed Washington in an awkward position, prompting VP Dick Cheney to state publicly (5/20) that Israel should stop using American planes against Palestinian targets. (Sharon replied on 5/18 that Israel would use as much military force as it deemed necessary.) The U.S. also disapproved of Israel "hitting" Palestinians, such as Rajub, who were in a position to halt the violence, with U.S. Amb. to Israel Martin Indyk stating (5/21), "Maybe the strategy is to encourage them to act against their own people, but I don't imagine there is an example in history where such a strategy has worked." In addition, it transpired that Sharon had ordered the bombing by F-16s during a three-way meeting with DM Benjamin Ben-Eliezer and FM Shimon Peres, without consulting his full cabinet or his smaller security cabinet, neither of which had been convened for three weeks. This unilateralism prompted the full cabinet officially to limit (5/20) the power of the "kitchenette" (Ben-Eliezer, Peres, Sharon) to ordering operations against three types of Palestinian targets: places where weapons are manufactured or stored; "terrorist" training bases and infrastructure; specific perpetrators (i.e., assassinations). For larger operations, full cabinet approval

would be required. Moreover, the escalations overshadowed the release (5/20) of the Mitchell Committee's final report, which was identical to its preliminary report and which called for a halt to violence, confidence-building measures, and resuming negotiations, with an emphasis on an Israeli freeze on all settlement construction and a 100% PA effort to curb Palestinian attacks (see Doc. A2 in *JPS* 120).

Although the U.S. welcomed the report and called on Israel and the PA to implement an immediate cessation of hostilities, the U.S. did not endorse the committee's call for a settlement freeze (saying Israel should "restrain" settlement expansion as a confidence-building measure after violence ceases) or open a new initiative to resolve the escalating conflict (saying the responsibility for restoring calm lay with Sharon and especially with Arafat). Powell also decided (5/21) against meeting with Sharon and Arafat during his upcoming European and African tour and instead dispatched a "special assistant"—U.S. Amb. to Jordan William Burns—to the region to explore what confidence-building steps could be taken *after* a cease-fire was in place. Further downplaying the U.S. effort, Powell stressed that the special asst.'s role would not be as prominent as that of former special envoy Dennis Ross. Bush also phoned (5/22) Pres. Husni Mubarak of Egypt and King Abdallah of Jordan to tell them that "the nations in the region needed to be helpful" and push Arafat for a cessation of violence.

On 5/22, as clashes continued, Amb. Indyk and Consul General Ronald Schliecher met with Sharon in preparation for Burns's visit. Sharon demanded an unconditional cease-fire, which he said must be followed by a two-month "cooling-off period" before any "concessions" could be discussed. Sharon ordered the IDF to "stop taking the initiative in attacking Palestinians" and promised not to expropriate more Palestinian land for settlement expansion, saying there is "plenty of land" to meet the natural growth of settlements. (According to Peace Now, Israel already controls enough West Bank territory to expand settlements fivefold without additional confiscations. By some estimates, Israel has classified up to 50% of the West Bank as state land, meaning it can be seized and razed at any time for construction of Jewish housing.)

Despite Sharon's call on the IDF to stop instigating attacks, violence tapered only

slightly (see Chronology). The IDF continued to respond to "life-threatening" incidents of stone-throwing with live fire and rubber-coated steel bullets, direct shelling and heavy machine gun fire at Palestinian residential areas, bulldozing Palestinian land in response to gunfire, and demolition of Palestinian homes. Palestinians continued to fire mortars at Jewish settlements in Gaza, without causing damage. (On 5/23, the PSF arrested the owner of a Palestinian iron-casting company on charges of manufacturing mortars.) After less than a week, violence escalated again, with an Islamic Jihad suicide bombing in Hadera, wounding 67 Israelis (5/25); a Hamas suicide attack on an IDF post in Gaza, causing no Israeli injuries (5/25); the apparent IDF assassination of senior *tanzim* leader Azzam 'Abd al-Fatah Mezher (5/25); and two car bombings in West Jerusalem, injuring two Israelis (5/26, 5/27).

Burns's visit (5/26–31) was not a success. Although Arafat and Sharon agreed (5/28) to resume security talks, only two unproductive meetings were held (5/29, 5/30). PSF head Rajub, angry over the 5/20 strike on his home, boycotted the meetings, as did Israel's Shin Bet head Avi Dichter. Defying the Mitchell Committee's call for a settlement freeze, Israeli Housing Minister Natan Sharansky approved (5/29) construction of 708 new housing units in Ma'ale Adumim and Alfe Menashe. Throughout Burns's visit, Israeli-Palestinian clashes continued at the same high level, including a car bombing on 5/30 and an attempted suicide attack on 5/29. Israel warned (5/27) that its "delay" in responding to the recent bombings would not last indefinitely. DM Ben-Eliezer approved (5/31) deployment of special forces and undercover units to bolster the IDF in the West Bank.

### ***The Nightclub Bombing***

On 6/1, the day after Burns returned to Amman, a Hamas suicide bomber detonated a nail-packed device outside the Dolphinarium nightclub in Tel Aviv, killing 22 Israelis and injuring more than 80—raising the overall toll during the al-Aqsa intifada to 544 Arabs and 112 Jews and doubling the total number of Israeli civilian casualties. Israel immediately sealed the territories, and Palestinians, fearing the worst, took shelter in their homes. Overnight, international leaders mobilized to deescalate tensions. Powell phoned Arafat to warn him that if he did not declare a cease-fire and immediately round up Hamas and Islamic Jihad members, the

U.S. would sever all relations with the PLO and not intervene with Israel to prevent a massive retaliation. (The U.S. amb. to Egypt, Israel, and Jordan cabled Powell, appealing to him to come to the region to express a firm U.S. position against violence and for negotiation, but Powell said the time is not right.) German FM Joschka Fischer, in Israel on other matters, raced to Ramallah to meet with Arafat, whom he warned to make a statement in his own words calling for a halt to violence or lose all EU political and economic support to the PA. During a heated session, Fischer and UN special coordinator Terje Larsen worked with Arafat to draft a statement—which Arafat read publicly the morning of 6/2—condemning the bombing and ordering an immediate and unconditional cease-fire.

Meanwhile, Sharon held a seven-hour meeting with his security cabinet to discuss how to respond to the bombing. According to an anonymous U.S. administration official (quoted by UPI 6/21), the cabinet drew up plans to “carry out a massive, full-force invasion” of PA-controlled territory lasting up to a week. The operation would involve “at least two paratrooper and infantry divisions—supported by large numbers of U.S.-supplied F-16 and F-15 jet fighters and Apache helicopter gunships”—targeting all major Palestinian population centers. According to the official, “Portions of the West Bank and Gaza Strip would be captured and held for an indeterminate period. . . . Israeli forces would also capture or kill any members of Hamas, . . . Islamic Jihad, or other organizations defined by the Israelis as terrorists. . . . Another goal of the operation would be to drive . . . Arafat into exile.” After Arafat read his cease-fire call, the security cabinet placed its strike plan in reserve but declared an end to Sharon’s “unilateral cease-fire” of 5/22.

From 6/2 to 6/4, tensions remained high, but a relative calm prevailed because of the exceptionally tight closure, though Israel attempted to assassinate a senior Islamic Jihad member on 6/3. PSF officials met (6/3) with representatives of all Palestinian factions to press Arafat’s cease-fire call. Fatah and the National and Islamic Higher Committee for the Follow-up of the Intifada (NIHC) agreed to abide by the call, which they understood as a ban on all attacks inside Israel and on armed attacks on Israeli targets in the West Bank and Gaza staged from within PA-controlled areas (in other words, not including attacks on IDF and settler targets in the West

Bank and Gaza staged from areas B and C, under Israeli security control). Significantly, Hamas, Islamic Jihad, and the Popular Front for the Liberation of Palestine (PFLP) did not endorse the ban on actions inside Israel. Local PSF officials were unanimous in refusing to make political arrests (i.e., detaining “potential terrorists” without evidence of their plotting attacks) to satisfy Israel. According to political analyst Ghassan Khatib, who attended the PA-NIHC meeting in Ramallah, Arafat had no answer when asked how the PA, having unilaterally declared a cease-fire, planned to secure Israeli agreement to freeze settlements, implement outstanding Oslo issues, and resume negotiations: “He simply hoped that those who had pressed him to declare the cease-fire . . . would now exert the same pressure on Israel.”

Meanwhile in Washington, after an “intense internal debate,” the Bush administration decided (6/3) not to send a high-level diplomatic mission to the area to secure a more durable cease-fire, deciding instead to press Arafat to act more forcefully to suppress violence. (The U.S. reportedly proposed sending CIA Dir. George Tenet to the region, but Sharon was opposed to the idea.) According to one senior U.S. official (6/2), the administration consensus was that “neither side is finished with this. They’re both going to keep on trying with the violence,” and therefore it would not be worth expending political capital on another failed mission. Instead, Powell praised (6/3) Israel for its restraint. When asked if he had urged Israel to avoid retaliation, Powell said, “I have not given that direct comment to the Israeli government.” Another senior official said the administration was being careful not to tell Israel how to act.

#### ***The Tenet Cease-Fire Plan***

Following a serious, hours-long exchange of gunfire, missiles, and grenades in Rafah on 6/4, the Bush administration convened another national security meeting and concluded that the Israeli-Palestinian situation risked spinning out of control. After securing Sharon’s consent, the State Dept. announced (6/4) that CIA Dir. Tenet would head to the region to seek a more durable cease-fire but emphasized that the pressure would be on Arafat to demonstrate that he was serious about suppressing violence. Powell phoned (6/4) UN Secy.-Gen. Kofi Annan, British FM Robin Cook, Russian FM Igor Ivanov, and EU foreign policy dir. Javier Solana to ask them to press Arafat to act.

Tenet held preliminary consultations (6/6) with Mubarak in Egypt and King Abdallah in Amman before arriving in Israel (6/7) for meetings with Sharon and Arafat. Tenet presented a draft cease-fire plan to the sides on 6/8, and Israel and the PA submitted written reactions on 6/9. After further consultations on 6/9 and 6/10, Tenet presented a final draft, nearly identical to his original, to the parties on 6/11 (see Doc. D2). The plan called on Israel and the PA to resume security cooperation immediately, within the framework of a trilateral security committee that would include CIA representation. Israel would halt attacks of any kind on Arafat's offices; on the headquarters of Palestinian security, intelligence, and police organization; and on prisons in the West Bank and Gaza. Israel would also refrain from "proactive" operations in areas under PA control, use non-lethal measures to deal with Palestinian demonstrators, prevent individuals and groups in areas under its control from instigating violence, reactivate District Coordination Offices (DCOs), and release Palestinian prisoners not associated with anti-Israeli attacks. The PA would immediately "undertake preemptive operations against terrorists," prevent mortar attacks, shut down explosives factories, collect illegal weapons, demonstrate an effort to halt weapons smuggling and incitement, and do everything possible to halt Palestinian violence, not only in PA areas but inside Israel as well. The sides would agree on "no demonstration zones" and "buffer zones" around flash points to reduce friction. Demonstrable redeployment and easing of closures would begin within 48 hours. Within one week, the sides would agree on a schedule for IDF redeployment to positions held on 9/28/00 and lifting the internal closures.

Neither side immediately accepted the "work plan." Israel wanted the agreement to include a six-week cooling-off period (down from two months; see above) before a confidence-building stage, with the understanding that with even a single act of Palestinian violence, including rock throwing, "the clock would be reset to zero." Israel also wanted the agreement to require the PA to arrest some 300 Palestinians who had been released from PA jails or had "participated in the recent violence against military and civilian targets." The PA wanted to insert wording guaranteeing an international monitoring force, the immediate cessation of all settlement construction, and a timetable for

Israel's redeployment and lifting of closures. Tenet refused to add such details to his plan, stressing that it was not a formal, signed agreement but rather "an outline that will require improvisation and good faith on both sides." After a further round of talks (6/12), Sharon reluctantly accepted the work plan, but the PA continued to object to demands that the PA conduct preventive arrests and to vague wording on buffer zones (rumors were circulating that Israel expected the zones to comprise 14 to 20% of the West Bank). After further talks with Tenet and numerous calls from international leaders (reportedly including three from Mubarak), Arafat accepted (6/12) the plan with reservations.

Tenet held a final meeting with the sides on 6/13 to inaugurate the cease-fire, which would go into effect when the meeting concluded. The sides agreed that as part of the "initial measures" to begin within 48 hours (stage 1), Israel would start lifting restrictions on Palestinian movement by opening borders with Egypt and Jordan and crossing points into Israel, reducing the number of checkpoints inside the West Bank and Gaza, gradually pulling back tanks to 9/28/00 positions. The PA would begin efforts to prevent mortar attacks, shut down explosives factories, collect illegal weapons, halt weapons smuggling and incitement, arrest Palestinians planning attacks, and otherwise halt Palestinian violence.

From the outset, implementation of the Tenet plan was shaky. Israel immediately (6/13–14) tightened IDF open-fire regulations, allowed the PSF to set up 15 new checkpoints to search for illegal weapons, moved tanks out of most PA-controlled areas, and opened some roads and the Rafah border crossing. The PA clamped down on demonstrators, even clashing with protesters in Rafah on 6/16, killing one. These efforts, along with the tight closures still in place from the 6/1 bombing, reduced violence significantly (see Chronology for details): the IDF reported only 17 incidents of Palestinian sniping or mortar fire on 6/13 and, on 6/17, said that serious Palestinian incidents were down to 5 or 6 a day from a high of 25 a day. During the same period, Jewish settler attacks on Palestinians increased slightly. Sharon, however, interpreted each Palestinian act as a violation of the cease-fire, refusing to redeploy troops in the areas where incidents occurred and allowing the IDF to retaliate by confiscating Palestinian land, di-

recting shells and heavy machine gun fire at residential areas, and setting up new observation posts.

Nonetheless, Israel, the PA, and the U.S. began weekly trilateral security meetings on 6/15, where they agreed to move into stage 2 of the Tenet plan, lasting five days. In keeping with Tenet's schedule for the first week, Israel would continue to lift the siege on Palestinian population centers, allow some Palestinian workers back to their jobs in Israel, and draft a timetable for redeploying troops to their 9/28/00 positions. The PA would concentrate on collecting illegal weapons, resuming full security coordination, and preventing clashes. The parties also agreed that stage 3, set to begin on 6/20, would be a six-week cooling-off period, as Israel demanded, which would be followed by implementation of the political aspects of the Mitchell recommendations (i.e., a settlement freeze). By agreeing to this sequencing (cease-fire first, confidence-building measures later), the PA acquiesced in the Israeli-U.S. interpretation of the Mitchell report, which the PA had legitimately argued could be read as calling for a cease-fire and confidence-building measure to be carried out simultaneously (see Doc. A2 in *JPS* 120). UN Secy.-Gen. Annan urged (6/17) Sharon to open talks between Peres and Arafat to facilitate the cease-fire implementation, but Sharon refused, saying all Palestinian violence must first cease.

Between 6/15 and 6/20, Israel and the PA reopened some DCOs, Israel allowed 1,000 Palestinians to resume jobs in a Gaza industrial zone on the Israeli border, and the PA confiscated some mortars and launchers and halted Palestinian sniping from Bayt Jala at Gilo settlement (the prime West Bank hot spot). Overall, however, clashes escalated (see Chronology). Palestinians stepped up mortar and sniper attacks on Jewish settlements, Jewish settlers increased attacks on Palestinians and their property, and Israel imposed more restrictions than it eased (including arrest sweeps, land confiscations, tightened closures, and new road blockades). In the first week of the cease-fire, 7 Arabs and 5 Jews died, raising the overall toll to 559 Arabs and 117 Jews.

Seeing no way for the cooling-off period to begin on 6/20, the Israeli cabinet urged (6/19) Sharon to "reassess" the cease-fire altogether. Following discussions with his security cabinet (6/19, 6/20), Sharon decided not to abandon the cease-fire but reserved

the right to "prevent attacks on Israeli soldiers and settlers," reminding the PA that the cabinet had authorized plans for military operations against the Palestinians (6/2), which the government would keep in abeyance for now. Sharon held Arafat fully responsible for the cease-fire's failure, saying he had "done nothing" to prevent attacks. At a trilateral security meeting on 6/20, Israel said it had prepared a timetable for redeployment as requested, but would not implement it until Palestinian violence ceased. Arafat accused (6/20) Israel of "deceiving international public opinion" by focusing on isolated incidents while ignoring PA successes in controlling violence, noting that Israel, for its part, had not been 100% successful in halting settler violence on Palestinians.

#### *Powell's Visit*

Concerned that the Tenet plan was in danger of total collapse, and under international pressure to intervene (acknowledged by Powell on 6/27), Bush announced (6/20) that he would send Powell to the region to bolster the cease-fire right after Sharon's visit to Washington. (Sharon had reportedly pressed for a meeting with Bush following a speaking engagement in New York set for 6/25.) Burns, newly appointed as asst. secy. of state for Near East affairs, would arrive on 6/23 for preparatory talks.

Between 6/20 and 6/26, the Israeli-Palestinian situation continued to deteriorate. A Hamas suicide attack in Gaza (6/22) killed two IDF soldiers. Israel resumed wide-scale house demolitions, bulldozing 3 Palestinian houses in Gaza on 6/22 and 19 in Rafah on 6/23, and occupying several homes in Silat al-Dahir for use as IDF posts on 6/26. Shin Bet head Dichter resubmitted (6/22) a list of several dozen most wanted Palestinians to the PA, warning that if the PA did not arrest them within 24 hours, Israel would act on its own to ensure its security. The PA did not comply, and, on 6/24, Israel resumed assassinations, killing Osama Jawabiri, an al-Aqsa Martyrs Brigade (AMB) member.

On 6/26, Bush and Powell held an "unusually blunt" meeting with Sharon in Washington on how to proceed with the Tenet plan. Sharon said that he would not move onto the six-week cooling-off stage until violence completely ceased for ten days and that Israel would not make any goodwill gestures as a prelude to a resumption of talks until there had been eight weeks of total calm. Bush, whose administration considered

a “sharp and lasting decline in attacks to be sufficient” for resuming negotiations, stressed the PA’s progress in reducing violence to date and urged Sharon to be “more receptive” to the cease-fire proposals, recommending that the cooling-off period begin immediately. In a press conference afterward, Bush said that Israel might not have “a realistic assessment of what is possible on the ground” and that “we’re going to talk to the prime minister about his attitudes.”

Powell left for the region immediately after the Bush-Sharon session, making a brief stop in Egypt to consult with Mubarak before arriving in Jerusalem on 6/27. Powell stressed that the Mitchell report was the “only item . . . on the table” and that he was not bringing new proposals. He reiterated (6/27) that the U.S. did not believe that complete quiet was likely or necessary for cease-fire steps to continue, but said that the decision as to what level of violence would be considered low enough to move forward would be Sharon’s. Sharon repeated (6/27) that the PA must achieve 100% results, not merely make a 100% effort, in halting violence. After talks with Arafat and Sharon (6/28), Powell announced that the sides had agreed to a time line for ending violence, restoring trust, and restarting negotiations that largely matched Israel’s demands. The sides would observe seven days of “complete quiet” (negotiated down from ten), followed by a six-week cooling-off period (during which as yet undefined measures would be taken to make progress “sustainable”), after which there would be a period of several months of confidence building. Israeli FM Peres stated that if even one Palestinian attack took place during the first seven weeks, the clock would be reset to zero.

Powell unintentionally created a flap (6/28) by stating in a press conference after meeting with Arafat that he believed “there will be a need for monitors and observers” in the West Bank and Gaza. On this basis, the PA claimed that Powell was backing its call for an international monitoring force. Powell appeared to do an about-face when he clarified his remarks in a press conference after meeting with Sharon, reiterating the existing U.S. position that any monitoring group would require the support of both Israel and the PA and that the U.S. did not see the need for a UN observer mission in particular.

Powell’s handing of the trip—stating en route that he had been “under quite a bit of

pressure, frankly, for the last several weeks from my colleagues within the international community and others to go to the region”; stating on arrival that he had no new proposals; succeeding only in reducing the initial required period of calm from ten to seven days; appearing indecisive and easily swayed on the observer issue; and stating to King Abdallah of Jordan and Crown Prince Abdallah of Saudi Arabia on his way home (6/29) that “if this doesn’t work, I don’t know what will”—reinforced impressions that the U.S. had no policy on or desire to be more deeply involved in the Israeli-Palestinian issue. With Sharon’s authorization, Peres and Arafat held (6/29, 6/30) follow-up talks on security arrangements only, but they reached no agreements. Left essentially to their own devices, with an all-or-nothing standard of compliance and without any structure of accountability or new strategies for reducing violence, neither Israel nor the PA was convinced that the other was serious about implementation.

#### ***Israel’s Full-Scale Assault Plan***

Meanwhile, clashes were continuing. On 7/3, when the sides had not seen a single day without violence to mark the start of the initial week of calm, Sharon convened senior cabinet members to discuss plans for a “total offensive” against the PA should cease-fire efforts be abandoned entirely, and asked their permission to step up assassinations as a method of “active self-defense.” The security cabinet approved the decision on 7/4, reportedly selecting 26 prime targets for “interception” (the cabinet’s new, “cleaner” euphemism). Israeli undercover agents shot and wounded one of the most wanted, senior Fatah member Hazim Natshe, that afternoon. The UN and U.S. reiterated (7/3, 7/4) their opposition to Israel’s assassination policy. The PA said (7/4) that Israel itself was effectively giving up on the cease-fire. The PA placed (ca. 7/7) a number of individuals in “protective custody,” but Israel said (7/7, 7/11) this was insufficient, since the detainees could still receive visitors and use phones.

With no diminution of violence, the Israeli cabinet agreed (7/8) to end its “policy of restraint.” DM Ben-Eliezer said that Israel would now gauge its response to Palestinian attacks “in terms of their potential to do violence, and not their results.” IDF Chief of Staff Shaul Mofaz submitted to the cabinet a revised version of the IDF’s 6/2 strike plan, entitled “The Destruction of the Palestinian

Authority and Disarmament of All Armed Forces,” recommending that it be implemented after the next big suicide bombing inside Israel that caused numerous deaths and injuries. According to press reports, the IDF anticipated that such an assault would last up to one month and would result in the removal of Arafat and the PA. Israeli civilian and military casualties would be in the hundreds, Palestinian casualties in the thousands. The 40,000 members of the PA security forces would be either dead or placed in “detention camps.” The attack would begin with heavy air raids by F-15s and F-16s against PA headquarters in Ramallah and Gaza. Peres met with Palestinian Council (PC) Speaker Ahmad Qurai’ (7/8), Arafat (7/15), and Mubarak (7/15) to warn them that Israel was serious about implementing the plan. Sharon dispatched (7/12) his son Omri to convey the same message to Arafat. By 7/13, Israeli government officials and pundits were routinely discussing “getting rid” of Arafat. On 7/15, the Israeli DMin. requested an FY 2002 budget supplement of nearly \$750 m. to cover costs of the ongoing conflict and preparations in case of an all-out regional war.

Following the 7/8 cabinet decision, Israel resumed strikes on PSF buildings in PA areas and stepped up its house demolition campaign, conducting major bulldozing operations in Shu’fat refugee camp (14 homes housing 150 residents on 7/9, the first major demolition campaign in East Jerusalem in years), Rafah refugee camp (17 homes and 12 stores housing 150 residents on 7/10), and elsewhere in Gaza (10 houses on 7/9). Officials also ordered (7/11) the demolition of 34 homes in al-Midya on the Green Line and 2 in Shaykh Jarrah in East Jerusalem. The IDF occupied (7/12) 3 homes in Kafr Khalil as new posts. The IDF also temporarily reoccupied (7/12) a hill in PA-controlled Nablus while tanks shelled local PSF buildings. Israel assassinated (7/13) another senior Hamas member, Fawwaz Badran, and kidnapped (7/15) senior Islamic Jihad member Mahmud Hamdan. In a symbolic move, the Israeli cabinet approved (7/15) construction of new Jewish communities in Halutza Sands, a vacant Negev area bordering the southeast corner of the Gaza Strip that the Barak government had considered giving to the PA in a land swap as part of a final status agreement. Palestinians resumed (7/10, 7/11) firing mortars into Israel proper, increased the use of grenades (e.g., 7/8, 7/10, 7/13), and stepped up bombing attempts, including

a roadside bombing in Gaza (7/8) and failed attacks in Gaza (7/9, 7/13), Jerusalem (7/15), and inside Israel (7/11).

According to U.S. officials (7/5), the administration was “very, very frustrated” with continued Israeli-Palestinian hostilities following Powell’s visit and had decided to “take a step back.” Powell, who had been in almost daily contact with Israeli and PA officials before his trip, did not contact either side for at least a week after his return. When the situation continued to deteriorate, the State Dept. sent Dep. Asst. Secy. David Satterfield to the region (7/14–23) to shuttle between Israeli and PA officials to urge them to curb provocative actions; unnamed diplomats described these talks as “baby-sitting sessions,” in which Satterfield merely listened to the two sides complain.

### *The Downward Spiral*

By mid-7/01, Israeli-Palestinian clashes had returned to their pre-Dolphinarium nightclub levels. By 7/15, a total of 585 Arabs and 126 Jews had been killed, violence was mounting, and it had become clear that the U.S. was not going to intervene. In response to an Islamic Jihad suicide bombing in Binyamina, Israel, on 7/16 that killed two soldiers, the IDF assassinated (7/17) Izzedine al-Qassam Brigades’s Bethlehem regional commander Omar Saada and sent (7/17) tank and troop reinforcements into the West Bank. This was the largest deployment since the start of the al-Aqsa intifada, raising speculation that Israel was preparing to implement its massive attack plan. Palestinians responded (7/17) by firing mortars at Gilo settlement, causing no damage but marking the first mortar attack staged in the West Bank. Bush phoned (7/17) Sharon to urge restraint and reportedly appealed to him at least to delay a major strike until after an upcoming G-8 summit (7/21–22) so the U.S. would not be placed on the spot during the high-profile meetings with EU and Russian leaders (see below).

CIA sources reported (7/20) that the agency was convinced that Sharon had decided to launch a full-scale attack on the PA sometime after the G-8 if there were another suicide bombing. The IDF confirmed (7/20) that it had set up recruiting offices in nine cities with large Israeli expatriate concentrations (Amsterdam, Bangkok, Bombay, Frankfurt, Johannesburg, London, Los Angeles, New York, and Paris) in preparation for the possibility of full-scale war. The IDF had also sent officers to Israeli embassies around the world to make sure that lists of IDF enlisted



men, officers, and reservists living abroad were up to date. Israel also moved (7/17–22) more helicopters into West Bank settlements, possibly in preparation for quick evacuation as well as attack.

On 7/25, the PA informed the trilateral security committee that it would be hard pressed to continue security coordination if Israel continued its assassinations, which had quickened in pace with the killing of Fatah *tanzim* leader Raja Abu Rajab (7/20), Islamic Jihad member Mustafa Yassin (7/23), and senior Hamas member Salah al-Din Darwaza (7/25). In particular, the PA complained that on 7/23, Israel gave the PSF names of two Palestinians thought to be preparing a bomb, whom the PSF immediately arrested, but did not warn the PA about Yassin, whom the IDF assassinated that day. The PA also gave Israel a list of 31 Jewish settlers suspected in attacks on Palestinians, warning that if Israel did not arrest them the PA would take action, hinting it might start its own assassination campaign. The Israeli team refused to accept the list.

Violence began to slide out of control on 7/29, with major clashes in Jerusalem over an attempt by the Temple Mount Faithful to lay a cornerstone for the Third Temple on the Haram al-Sharif/Temple Mount (35 Palestinians, 15 Israelis injured) and a car bomb in Pisgat Ze'ev settlement in East Jerusalem (no injuries). On 7/30, an explosion near Jinin killed six Fatah members, including at least three men on Israel's most wanted list, in what was assumed to be an IDF assassination. On 7/31, IDF helicopters shelled the Hamas press office located in a residential building in Nablus, killing eight Palestinians and wounding ten. Among the fatalities were the intended targets—Hamas political leaders Jamal Mansur and Jamal Salim, respected public figures known for running a network of welfare programs and medical clinics; Fahim Dawabsha, another Hamas member on Israel's wanted list; two Palestinian journalists interviewing Mansur; and two children playing outside the building. The targeting of Mansur, one of Hamas's most important political leaders, marked a serious intensification of Israel's assassination policy. Whereas Israel normally did not confirm or deny its "targeted killings," Sharon praised (7/31) the Nablus hit as "one of our most important successes" and vowed to carry out more such attacks if Israeli lives were at risk.

Egyptian pres. Mubarak sent (7/31) an "urgent letter" to Bush warning of the possi-

ble consequences of the escalating violence and pressing the U.S. to intervene with Israel, but Washington refused (8/1). While the State Dept. strongly deplored (7/31) the "highly provocative" Nablus attack, Bush said (7/31) only, "I wish the levels of violence were lower." Egyptian FM Ahmad Maher said (8/1) that Egypt was "astonished that the United States has not reacted with the necessary firmness to this [latest] Israeli behavior." Israel's Internal Security M Uzi Landau countered (8/1), "Under no circumstances is an apology for the attack necessary. Such attacks must continue, and more intensively." The PA suspended (8/1) its participation on the trilateral security committee in protest over the 7/29–31 events, but aired (8/3) an appeal for a halt to armed attacks on Israel, stating that Palestinian goals can only be achieved politically, not through violence. The call did not do anything to reduce the violence in the coming days, however: On 8/4, Israel made a failed attempt on the life of Fatah's Marwan Barghouti, the most prominent *tanzim* leader; a Palestinian gunman opened fire (8/5) outside the Israeli DMin. in Tel Aviv, wounding eight soldiers and two civilians; and the IDF assassinated (8/5) a Hamas student leader. The IDF also broadcast (8/5) a list of seven wanted Palestinians (3 Islamic Jihad, 2 Fatah, 1 Hamas, 1 PFLP) against whom it vowed to take action if the PSF did not arrest them immediately. The PA countered (8/6) by releasing a list of 60 wanted settlers.

On 8/7, Israel eased open-fire restrictions on the IDF, allowing soldiers to initiate fire on Palestinians who "appear to be preparing attacks." Fearing a further deterioration, the PA sent (8/7) two appeals to the U.S. (Arafat to Bush; PA Planning M Nabil Shaath to Powell) to intervene with Israel and to send international observers to protect the Palestinians. The U.S. rejected (8/7) the pleas, but dispatched Dep. Asst. Secy. of State Satterfield on a week-long tour of Lebanon, Israel, Syria, the West Bank, and Gaza to assess regional tensions. (By this date, the administration had eliminated a special post at the U.S. embassy in Tel Aviv devoted exclusively to peace efforts, and embassy employees were concentrating on routine consular affairs.) Meanwhile, Egypt appealed (8/8) to France to urge the U.S. and the EU to take action to halt the violence.

### ***The Jerusalem Pizzeria Bombing***

On 8/9, a Hamas suicide bomber blew himself up in a crowded West Jerusalem piz-

zeria at lunchtime, killing 13 Israelis, an American, and a Brazilian and wounding at least 90 others—bringing the comprehensive toll to 625 Arabs and 146 Jews. Immediately afterward, angry Israelis in Jerusalem and Jewish settlers in Hebron attacked Palestinians in the streets, with little intervention from Israeli police or soldiers. Fearing Israel would launch the full-scale strike it had been threatening since 6/2, the PA immediately vacated its offices in the West Bank and Gaza and ordered Palestinians throughout the occupied territories to close offices and stores and go home.

The IDF senior command and Israeli cabinet immediately convened to discuss response scenarios. Instead of authorizing Mofaz's 7/8 strike plan, the cabinet agreed to a new strategy of hitting PA targets only in response to Palestinian attacks in hopes of drawing PA security forces into conventional fighting, thereby forcing Arafat to choose between a "real cease-fire" and the collapse of the PA. Sharon then met with his security cabinet, which approved the new strategy and decided to set up new police stations in East Jerusalem.

At 2:00 A.M. local time on 8/10, Israel initiated its retaliatory attack, with F-16s dropping two 1-ton bombs on a PSF post in Ramallah, destroying it, and the IDF sending more tanks into the Gaza Strip and bulldozing a PSF post there. Israeli security forces occupied ten unofficial PLO offices in East Jerusalem, including Orient House (the symbolic PLO FMin.); the Arab Chamber of Commerce, Industry, and Agriculture; the Arab Higher Council for Tourism; the Arab Studies Society; the Prisoner Club; the Palestinian Research Institute; the Palestinian Center for Microprojects; the Prisoners' and Detainees' Department; the Planning Center; and the Center for Social Services. They also took over the Jerusalem governorate buildings in Abu Dis, marking the first occupation of sites in area B. At Orient House, security personnel detained eight employees for questioning, confiscated files and papers, and replaced the Palestinian flag atop the building with an Israeli flag. Sharon declared (8/9), "Orient House will not open again. Ever. We will not leave Abu Dis. That is not an act from which one can step back."

Israel justified (8/10) its actions by claiming that the PA was fully responsible for the Jerusalem bombing because it had been planned by one of the wanted Palestinians on the list published on 8/5—senior Hamas

member Abdallah Barghouti. (On 8/11, the PSF arrested Barghouti and four other Hamas members in connection with the bombing.) Israel also claimed (8/11) that police had found arms and explosives in Orient House, proof that the PA was directing the violence. Israel offered no evidence to support either allegation.

The State Dept. criticized (8/9) the Israeli actions as "political escalation" and convinced (8/9) Israel to remove the Israeli flag over Orient House, but aside from Powell phoning Sharon and Arafat to urge restraint, the U.S. did little. Satterfield, in Beirut on the first leg of his regional tour, did not change his schedule, saying he would arrive in Israel on 8/12 as planned. (Russian special envoy Andrei Vdovin, already in Egypt on his third regional tour in two months, changed his itinerary and headed directly to Israel.) Powell, expressing the administration's position, said (8/9) that only Israel and the PA could resolve their conflict: "The two sides have to get the violence down. Once they do that and get into the Mitchell report implementation, there are ways for the U.S. to be of additional help," possibly in the form of "more and invigorated" CIA participation in security talks (see below).

In response to an Islamic Jihad suicide bombing in Kiryat Motzkin, near Haifa, on 8/12 that injured 15 Israelis, the IDF occupied the Palestinian Telecommunications (Paltel) building in Abu Dis. Israel allowed the company, which handles Palestinian phone service in the Jerusalem area, to continue operations in coordination with IDF security officials on site. Israeli police (8/12) also set up a new post at Damascus Gate and placed security cameras in several spots in the Old City. Testing its new strategy to draw the PSF into fighting, the IDF sent (8/13) tanks and bulldozers, escorted by helicopters, into Jinin—the first incursion into a major Palestinian population center in area A—to demolish the local PSF headquarters and a PSF checkpoint, rather than shelling the targets from a distance. Soldiers also surrounded PA offices and temporarily occupied the local governorate building. The PSF, which had evacuated the sites hours earlier, did not engage the IDF troops, however. The operation sparked only isolated exchanges of gunfire, which left three Palestinians wounded, none of them PSF members. The IDF withdrew hours later, in the early morning hours of 8/14. Apparently in preparation for a similar incursion, Israeli forces encir-

cluded the Bethlehem–Bayt Jala area on 8/14–15 as it had done prior to its Jinin operation, but troops never entered area A. Instead, clashes continued as they had for weeks, with the IDF assassinating another Fatah *tanzim* leader, Imad Abu Sunayna, on 8/15.

### ***Behind the Scenes***

Given the weeks of escalating violence and rhetoric, Israel's decision not to stage massive retaliatory strikes on the Palestinians following the 8/9 bombing came as a surprise, as did its decision not to enter the Bethlehem–Bayt Jala area A on 8/14–15. Several developments may have had some influence on events, though by the end of the quarter nothing had been confirmed.

One set of credible reports indicated that Peres and Ben-Eliezer, both Labor members, thought that Sharon was going too far by easing open-fire restrictions (8/7) and, in particular, by authorizing (8/9) the IDF to try to draw the PSF into direct fighting. The pair reportedly threatened to withdraw Labor from the governing coalition unless Sharon approved some inducements (not confidence-building gestures *per se*) for the Palestinians to “climb down” from violence. Specifically, Peres and Ben-Eliezer wanted to open talks with the PA and an economic “cooperation package” to halt clashes. Reportedly believing their threat to bolt the coalition was serious, Sharon authorized (8/12) Peres to open security talks with senior PA officials but not with Arafat. On 8/15, Ben-Eliezer announced that the IDF would ease the economic blockade on the territories by allowing 459 trucks carrying food and fuel to enter Gaza. On 8/15, Israel said it would facilitate the transfer of 17,000 head of livestock from Elat to the PA areas over the next several days.

Meanwhile, amid concerns that the U.S. had abandoned its mediating role (some former diplomats believed that by 8/7 U.S. involvement in the region had reached an all-time low for a period of tension), Egypt enlisted (8/8) France to press the U.S. and the EU to take action to halt the violence. On 8/12, Egyptian FM Maher and Mubarak adviser Osama Baz met with Oslo architect and former Israeli MK Yossi Beilin to discuss ways of reestablishing calm and renewing Israeli-Palestinian negotiations. The next day, Mubarak dispatched a high-level delegation, led by Baz, to Washington for four days of talks with U.S. officials. Sources said, without clarification, that Mubarak decided to send

the delegation after talks with Bush and after reviewing proposals sent by Bush in a reply to a message from the Egyptian leader. In meetings (8/14–17) with White House, State Dept. (including Powell), National Security Agency (including Rice), and CIA officials, the Baz delegation urged the U.S. to focus on clearly defining to Israel and the PA in an even-handed way what is needed to proceed with the Mitchell Committee recommendations; no details of the talks were released.

Following a phone call between Powell and Russian FM Ivanov (8/15), Ivanov stated that the U.S. and Russia would “pursue a joint effort” to achieve a cease-fire and restore confidence. The U.S. stressed (8/15), however, that no new initiative was planned and that U.S. policy had not changed. At the close of the quarter, senior Israeli officials still maintained (8/15) that the government “is debating an all-out invasion of the West Bank in response to another suicide bombing.”

### ***Observers vs. Monitors***

The timing of the marked escalation of violence on 7/16–17 suggested that the annual G-8 meeting of industrialized nations (Britain, Canada, France, Germany Italy, Japan, Russia, the U.S.) could be a forum for drafting a new peace initiative or at least a strong joint statement on the conflict. Israel hoped the G-8 would use its final statement to condemn Arafat strongly for perpetuating violence, whereas the PA hoped members would endorse deployment of an international monitoring force to protect the Palestinians. Both sides lobbied member states in the days before the session.

During preparatory meetings held by the G-8 FMs in Rome (7/18–19), Britain, France, Germany, and Italy insisted (7/18) that dispatching an impartial observer force to the West Bank and Gaza was necessary to achieve a cease-fire. Powell argued that sending a force was “premature,” since Israel did not approve. Then on 7/19, the FMs unanimously adopted a resolution supporting “third-party monitoring” to facilitate implementation of the Mitchell Committee recommendations. (G-8 leaders reaffirmed the resolution in Genoa on 7/21.) Reports soon indicated (7/19) that Powell had signed onto the resolution after the wording was changed from “international observers” to “third-party monitors,” suggesting that the U.S., not the EU or the UN, would play the primary role in supervising the cease-fire. Statements by current and former senior U.S.

officials (e.g., 6/27, 7/19) suggested that the U.S. was considering, and indeed already had discussed with Sharon on 6/26, expanding the trilateral security committee into a cease-fire follow-up committee similar to the (ineffectual) Israel-Lebanon Monitoring Group set up in Lebanon after Israel's Operation Grapes of Wrath in 1996. The expanded security committee would create an international body to hear complaints about cease-fire violations, satisfying the PA, while at the same time blocking EU or UN intervention, pleasing Israel and the U.S.

Israel initially (7/19) denounced the resolution, saying (7/19) the proposal was "dangerous" and would "make matters worse." Israel feared that any monitoring or observer force would (1) restrict its ability to respond to attacks, (2) be manipulated by the Palestinians to provide cover for their attacks, (3) itself become a target of attacks, and (4) raise international interest in the conflict and desire to impose a solution on Israel. On 7/23, Israel said it would be willing to consider adding up to ten CIA agents to the trilateral security committee. After discussions with Israel and the PA, the U.S. proposed (7/26) sending ten monitors, mostly from the State Dept., but only after there has been a "sustained period of quiet" of about a week. The team's mission would consist mostly of office work, evaluating Israeli and PA conduct. While monitors would not circulate or be posted at hot spots, "if something happens" they would visit scenes of clashes, attacks, provocative activity to gather evidence, report on violence, offer judgments on responsibility. Israel was still leery of the idea, saying (7/26) that monitors should not assign blame. After Israeli-Palestinian violence flared (7/29-30), the U.S. said (7/30) it would only consider sending monitors after a lasting cease-fire had taken hold and progress had been made in carrying out the Mitchell recommendations. On 8/5, Sharon said he would not accept the 10 U.S. monitors at all.

### **Overview of the Clashes**

At the close of the quarter, some 630 Palestinians (including 19 Israeli Arabs), 43 IDF soldiers and security personnel, 42 Jewish settlers, 61 Israeli civilians, and 6 foreign nationals had been killed. As many as 23,000 Palestinians and upward of 1,000 Israelis had been injured. According to the Palestinian Red Crescent Society (6/17) nearly 30% of Palestinians killed were age 18 or younger. According to the Shin Bet, of the 441 Palestinian fatalities it recorded up to 7/17, there

were 129 PSF members, 94 Hamas or Islamic Jihad members, 89 Fatah *tanzim* members, and 202 "whose organizational identity was impossible to pin down." (As an example of how varied casualty statistics can be: On 6/1—six weeks before the Shin Bet's figures of 441 Palestinian deaths—Israel's OT Command reported 484 Palestinian deaths to date, and the IDF reported 438. The most difficult statistic to track is the number of those who died of injuries received earlier.)

Palestinian mortar attacks appeared to be down this quarter (see Chronology for details). In only two cases (7/10, 7/11) were mortars fired at targets inside Israel, though on 7/17, the first mortar attack staged within the West Bank targeting East Jerusalem was launched. On 6/21 and 6/28, Palestinians reportedly fired 120 mm mortars (typical mortars are 80 mm). Incidents of Palestinian grenade throwing were much higher this quarter (e.g., 5/25, 6/4, 6/27, 6/29, 7/3, 7/5, 7/8, 7/13, 7/24). Bombings and attempted bombings—mostly roadside bombs and small, hidden devices causing little damage—were a near daily occurrence. There were a high number of car bombs (e.g., 5/25, 5/26, 5/27, 5/20, 7/2, 7/29), which caused only a few light injuries, and of suicide bombings and attempted bombings (e.g., 5/18, 5/25, 6/1, 6/22, 7/9, 7/16, 8/8, 8/9, 8/12). Of note: By mid-7/01, Hamas was routinely sending videotapes of its actions to Israeli TV stations, as Hizballah did with its attacks on the IDF in Lebanon.

As noted above, Israel stepped up assassinations this quarter. The 15 deaths attributed to assassinations include Fatah's Azzam 'Abd al-Fatah Mezher (5/25), Fatah's Ashram Bedroll (hit 6/4, died 6/5), AMB's Osama Jawabiri (6/24), Hamas's Fawwaz Badran (7/13), Izzeddine al-Qassam Brigades's Omar Saada (7/17), Fatah *tanzim* leader Raja Abu Rajab (7/20), Islamic Jihad's Mustafa Yassin (7/23), Hamas's Salah al-Din Darwaza (7/25), three wanted Fatah members (7/30), Hamas's Jamal Mansur and Jamal Salim (7/31), Hamas's 'Amr Hadiri (8/5), and Fatah *tanzim* leader Imad Abu Sunayna (8/15). Unsuccessful attempts were made on PSF head Rajub (5/20), Islamic Jihad's Imad Abu Thyab (6/11), Islamic Jihad's Muhammad Bisharat (7/1), Fatah's Hazim Natshe (7/4), and Fatah *tanzim* leader Marwan Barghouti (8/4). Israel also began sending helicopters or under-cover units into areas to kidnap wanted individuals, nabbing senior Hamas member Ayoub Sharawi (7/8), Islamic Jihad member

Mahmud Hamdan (7/15), and a Palestinian suspected of plotting a suicide bombing (8/6). The IDF mistakenly abducted (8/2) low-level Fatah member Murad Bisharat, confusing him with a wanted man with the same last name; he was released the same day. The IDF also admitted (6/12) that three bedouin women killed on 6/9 were killed by flechette shells fired from IDF tanks. Flechette weapons are banned under international law. The Israeli daily *Ha'Aretz* reported (6/18) evidence that at least since the beginning of the year, Israeli police have been equipped with soft-point (dumdum) bullets, also banned under international law. The Israeli Arab organization Mossawa was investigating whether police had the bullets during the riots in 10/00 (see *Peace Monitor* in *JPS* 118).

Jewish settlers remained primary targets and instigators of violence. They routinely shot at and beat Palestinians, blocked roads, uprooted Palestinian crops, and vandalized and attempted to occupy Palestinian property (see *Chronology* for details). A new settler group, the Brigade of Gilad and Shalhavet (named for two settlers killed during the uprising) claimed responsibility for two ambushes (6/13, 6/14) that left two Palestinians dead and six wounded. The Committee for Road Safety, the armed wing of the militant Kach group, claimed responsibility for a drive-by shooting (7/19) that left three Palestinians dead and four wounded. Settlers also tried to set up new enclaves (e.g., 5/20, 6/1, 6/8, 6/19, 6/25, 6/30), but it was unclear how many of these were still in place by the end of the quarter. Of the 15 enclaves established last quarter, 12 were evacuated voluntarily by 7/16, two more were removed by 7/18, and one was retained as an IDF post.

The Israeli government exacerbated the settlement issue by taking numerous steps to facilitate settlement expansion. Most significantly, Housing M Sharansky and Interior M Avigdor Lieberman recommended (6/27) that the government transfer the marketing of land and planning of construction in the settlements to local authorities and that it halt the publishing of construction tenders so as to remove central government control over settlement expansion and block public awareness. The government approved (7/1) special aid incentive packages for \$5,750 to \$23,000 to Israelis who purchase homes in 16 locations between 6/01 and mid-10/01.

Those areas include the Jewish settlements of Ariel, Beitar, Givat Ze'ev, Kokhav Ya'aqov, Kiryat Sefer, and Ma'ale Adumim; areas near Israeli Arab population centers, such as Karmiel, Safad, and Upper Nazareth; and areas near the border with Lebanon, such as Kiryat Shimona. The Knesset Finance Committee approved (8/7) a \$400 m. incentive package to encourage real estate developers to build in the ultraorthodox settlement of Kiryat Arba in Hebron and endorsed (7/10) a \$115 m. budget supplement mostly for settlements and ultraorthodox education. Israel also allocated (8/14) \$16 m. for improving infrastructure in East Jerusalem, reversing a decision by the previous administration to freeze funding in this area; the Jerusalem Municipality had yet to decide how the money would be spent.

Israeli peace activists, who had been almost silent since the start of the al-Aqsa intifada, revived slightly this quarter. In Tel Aviv on 8/5, 5,000–10,000 Israelis participated in a Peace Now protest against Israeli violence. During Sharon's address opening the Maccabiah games (7/15), eight Jewish women stood silently in the audience holding signs saying "War Criminals" and "Stop Ethnic Cleansing." They were beaten by other Israeli spectators, removed by Israeli police, arrested, charged with "improper behavior," and released. Their assailants were not detained.

Foreign nationals residing in Israel and the territories increasingly initiated activities, often along with Israeli or Palestinian peace groups, to protest Israeli actions. In 7/01 and 8/01, foreign nationals maintained a presence in Bayt Jala, acting as "human shields" to deter Israel from conducting major attacks on the town in retaliation for Palestinian sniping at neighboring Gilo settlement. Some of these nonviolent protests were violently dispersed by the IDF, including an attempt to set up a "peace camp" in al-Khadir (6/29).

International groups continued to hold rallies in solidarity with the Palestinians this quarter. Events were held in most major U.S. and Canadian cities, as well as in Australia, Bahrain, Cuba, Egypt, France, Germany, Iraq, Iran, Italy, Japan, Jordan, Lebanon, Pakistan, Qatar, Spain, South Africa, Sudan, and the United Kingdom. On 6/8 alone, more than 145 rallies and vigils in solidarity with the Palestinians on the anniversary of the 1967 war were held in 15 countries and 27 U.S. cities.

**Palestinian Authority**

The PA remained virtually unable to function this quarter. Ministries continued operating on a crisis management basis, doing little beyond monitoring the decline of their sectors.

The PA Central Bureau of Statistics estimated (6/8) that 2.5 m. Palestinians (64%) were living below the poverty line (79.9% in Gaza, 56.6% in the West Bank); 14.2% had lost all their sources of income. The PA Finance Min. estimated (6/21) that between 9/28/00 and 6/15/01, total Palestinian economic losses as a result of the Israeli siege and aggression had reached \$5.2 b., with losses resulting from production stoppages comprising around \$3.75 b. and lost wages totaling \$570 m. Damages to agriculture, residential buildings, industrial installations, infrastructure, transportation, and lost investment opportunities were estimated at \$670 m. Israel was also holding \$190 m. in VAT taxes owed the PA. According to Globes (7/23), since the start of the al-Aqsa intifada, 30% of Israeli businesses in the West Bank had suspended operations, 10% had closed completely, and 7% had moved operations inside the Green Line.

PA security courts sentenced (7/31, 8/2, 8/9) a total of six Palestinians to death for collaboration. None of the orders had been carried out by the end of the quarter, though one Palestinian arrested for collaboration died in PA custody on 8/15. Several incidents of suspected collaborators being murdered were reported this quarter (e.g., 5/31, 6/27, 7/11, 8/1, 8/3).

**INTRA-PALESTINIAN COORDINATION**

There was no appreciable change in the level of day-to-day coordination among Palestinian factions this quarter. Groups continued to act independently and within the framework of the NIHC (also referred to simply as the nationalist and Islamist groups). Efforts to unify the various centers of intifada decision making moved forward: On 6/7, the NIHC presented PLO Exec. Comm. secy. Mahmud Abbas with a memorandum calling on Arafat to open a "national dialogue" to develop a unified program on political, economic, organizational, and security matters and to discuss forming an emergency government that would include all the factions. After weeks of exploratory talks between Arafat and the NIHC, the PC announced (8/6) that it had established a subcommittee to draw up terms of a deal under which op-

position nationalist and Islamist groups would join the council. Many doubted a deal could be reached: some PA political and security service officials, such as Planning M Shaath (8/10), anticipated it would be impossible to draft a comprehensive political program acceptable to all parties. Indeed, Hamas declared (8/10) that the PA would have to completely disengage from the Oslo process before it would join. Arafat planned to chair the first serious talks on the issue with NIHC leaders on 8/9 but canceled the meeting after the Jerusalem suicide bombing, believing the meeting would be a prime retaliatory target.

One serious case of intra-Palestinian fighting was reported this quarter: In Gaza City on 7/23, hundreds of Hamas supporters and members of the Palestinian resistance committees (PRCs), who had been attending a rally to protest the PA's crackdown on activists in implementation of the Tenet plan, attacked guards outside the home of PA military intelligence chief Musa Arafat. Both sides fired shots into the air, and the PSF arrested seven demonstrators, but no one was injured. When word of the clashes spread, hundreds of Palestinians in Nussayrat camp rioted outside the local PSF offices in protest. The NIHC and AMB issued statements condemning the incidents.

**PALESTINIAN OPINION**

*The following data are excerpted from a poll conducted by Khatil Shikaki's Palestinian Center for Policy and Survey Research (PCPSR) between 5 and 9 July 2001. Results are based on a survey of 1,318 men and women from the West Bank and Gaza. The poll, second in a series, was taken from PCPSR's Web site at [www.pcpsr.org](http://www.pcpsr.org).*

1. Concerning armed attacks against Israeli targets, I . . .

	West Bank & Gaza	West Bank	Gaza
a. Strongly support	48.2%	40.4%	60.7%
b. Support	37.7%	43.5%	28.5%
c. Oppose	9.4%	10.8%	7.1%
d. Strongly oppose	1.9%	1.4%	2.8%
e. No opinion/ Don't know	2.8%	4.0%	1.0%

[When asked about specific targets, 91.7% supported or strongly supported armed attacks against Israeli soldiers in the West Bank and Gaza Strip; 58.1% supported or

strongly supported attacks on Israeli civilians inside Israel.]

- 2. Do you believe that armed confrontations so far have achieved Palestinian rights in a way that negotiations could not?

	West Bank & Gaza	West Bank	Gaza
a. Definitely yes	25.1%	19.6%	34.0%
b. Yes	44.5%	47.5%	39.7%
c. No	22.2%	24.0%	19.4%
d. Definitely no	4.5%	3.9%	5.3%
e. No opinion/ Don't know	3.6%	4.9%	1.6%

- 3. Five to ten years from now, how do you see relations between Palestinians and Israelis?

	West Bank & Gaza	West Bank	Gaza
a. More peace and cooperation	11.1%	12.1%	9.5%
b. Less peace and cooperation	22.4%	23.5%	20.6%
c. Conflict and violence	58.5%	54.4%	65.0%
d. Other	8.0%	10.0%	5.0%

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

	West Bank & Gaza	West Bank	Gaza
a. Definitely possible	2.1%	1.2%	3.4%
b. Possible	24.3%	26.0%	21.6%
c. Impossible	31.8%	36.0%	25.1%
d. Definitely not possible	38.4%	32.3%	48.1%
e. No opinion/ Don't know	3.4%	4.4%	1.8%

- 5. Which of the following forms of government do you want to have for the Palestinian state after the state is established?

	West Bank & Gaza	West Bank	Gaza
a. Nationalist, as in other Arab countries like Egypt, Syria, or Jordan	22.5%	21.4%	24.2%

- b. Democratic, as in the U.S., Europe, or Israel
  - c. Islamic, as in Iran
  - d. Other
- |  |       |       |       |
|--|-------|-------|-------|
|  | 21.2% | 22.0% | 19.8% |
|  | 45.6% | 43.9% | 48.3% |
|  | 10.7% | 12.6% | 7.7%  |

Also of note: The Institute for Peace Research at Givat Haviva released (5/22) a survey of 1,202 Israeli Arabs conducted 1-3/01. Of those polled, 58% felt that the intifada had estranged them from the state; 42.9% had participated in at least one Palestinian solidarity strike; 13.6% had been harassed by Israeli authorities; 15.6% said Israel had no right to exist as a state; 46.1% said Israel had no right to exist as a Jewish-Zionist state; and 4.7% said they would want to move to a Palestinian state if one were created in the West Bank and Gaza.

**JORDANIAN-ISRAELI TRACK**

Jordan kept its interactions with Israel to a minimum this quarter in light of the ongoing al-Aqsa intifada. As in previous months, the kingdom's primary concern was to strike a balance between mediating on behalf of the Palestinians and allowing citizens an outlet to express their anger at Israel's treatment of the Palestinians on the one hand and curbing pro-Palestinian expressions so as not to antagonize Israel or the U.S. on the other. For example, at the 5/19 Arab League meeting, Jordan, along with Egypt, formally presented the final statement calling on Arab states to halt all political contacts with Israel (see below), but at the same time it assured the U.S. on 5/20 that it would not undermine its peace agreement with Israel. Of note: Jordan's Center for Strategic Studies released (7/1) a poll showing that the percentage of Jordanians satisfied with the level of government support for the al-Aqsa intifada had dropped from 82.2% to 43.7% within six months.

The ban on demonstrations and public gatherings imposed last quarter (see Peace Monitor in *JPS* 120) remained in place this quarter. Security officials generally allowed protests within confined areas but cracked down on them when they threatened to spread. For instance, on 5/18, Jordan allowed more than 15,000 Palestinians in Baqa' camp to demonstrate against Israel's F-16 air strikes on Gaza that day, but clashed with protesters who attempted to leave the camp. The government also allowed the Muslim Brotherhood to stage (5/25) antinormalization rallies

in Irbid and Zarqa commemorating the Nakba, which were attended by 15,000 protesters. Small antinormalization protests and sit-ins were permitted on 5/27, 7/19, and 7/30. Large demonstrations set for 6/6 in Amman to mark the anniversary of the 1967 war, however, were banned.

Citing fears that Israel might begin mass expulsions of West Bank Palestinians following the Hamas bombing on 6/1, Jordan tightened (ca. 6/5) its immigration rules for Palestinians, who traditionally have had almost free access to the kingdom. Green card holders (Palestinians with temporary two-year Jordanian passports) were henceforth required to apply in advance for entry permits from the Interior Min., whose offices were virtually impossible to reach given Israeli restrictions on movement. Although the government said the ban would not affect yellow card holders (full Jordanian citizens) or green card holders who were PLO officials, students studying in Jordan, or those seeking medical care, some East Jerusalem yellow card holders claimed they were denied entry to the kingdom as well. Jordan said the restrictions were temporary, but they were still in place at the end of the quarter. Israeli DM Ben-Eliezer reportedly made a low-key visit to Jordan on 7/25 to discuss "regional security matters."

On 6/22, Sharon ordered the arrest of Jordanians and Palestinians with Jordanian travel documents who had "implemented the right of return" by overstaying their visas. He proposed that, since prisons are near capacity, a "detention camp" be set up to hold at least 1,000 people. Israeli security officials estimated that at least 50,000 Arabs were residing illegally inside the Green Line. By the end of the quarter, there was no indication that an unusually high number of immigration violators had been arrested.

Jordan's Land Survey Dept. completed (7/25) computerization of property deeds and land registries of properties seized from Jordanian citizens in the 1948 and 1967 wars. The department gave (7/29) the Palestinian embassy in Amman a set of the data and copies of maps showing the locations of the properties.

At the PA's request (7/30), Jordan intervened with Israel regarding elections for the new patriarch of the Greek Orthodox Church, which owns or leases large sections of Jerusalem. On 7/11, the Israeli Justice Min., citing "security considerations" and "interests in Jerusalem," had banned five of the

15 candidates to replace Diodoros I, who died in 12/00. After Jordan's intervention, Israel permitted all 15 candidates to stand. Eireneos I, one of those who had been banned, was elected on 8/13.

Jordan reached (late 6/01) an agreement with Israel to allow three trucks per day to enter the West Bank from Jordan, bringing food and medical supplies donated to the Palestinians by the Arab states. The arrangement was to last until all goods donated since the start of the uprising were delivered, but was reportedly suspended by Israel around 8/1. Jordan also arrested (ca. 7/1) a Lebanese man and several accomplices in Zarqa for attempting to smuggle arms, including Katyusha rockets, into the kingdom and possibly into the West Bank.

Jordan scrapped (8/13) a seven-year-old plan for an Israeli-Jordanian "peace airport" straddling the Aqaba-Elat border. The kingdom said that ongoing differences over security, sovereignty, and environmental issues, as well as the bleak political climate and the creation of the Aqaba Special Economic Zone in the same area, had rendered the project unfeasible. Since spring 2000, little action had been taken on the project, which was conceived in 1994 as a symbol of the new peace agreement between the countries (see Peace Monitors in *JPS* 115, 116).

Jordan opened (7/18) its fourth qualified industrial zone (QIZ); QIZs aim to promote Israeli-Jordanian joint initiatives. Jordan's lower house passed (6/5) a measure restricting the sale and transfer of agricultural land and land in the Jordan Valley to Jordanian nationals only, overriding a government amendment to a law that would have allowed sales and transfers to foreign nationals. MPs acted specifically to prevent Israelis from obtaining Jordanian land.

Israeli businessman Yitzhak Sneur was found (8/7) murdered outside his villa in Amman. A previously unknown group, Nobles of Jordan, took responsibility, claiming Sneur was a Mossad agent, though Jordanian authorities said his death might stem from a business dispute.

Hamas spokesman Ibrahim Ghawshah, one of the four Hamas members deported to Qatar in 11/99 despite their status as full Jordanian citizens, attempted (6/14) to return to Jordan on a Gulf Air flight from Doha. The government refused him entry and detained him in the transit area of the Amman airport, suspended Qatar's weekly flights to Jordan, and barred the Gulf Air plane and male crew



members from departing until Qatar agreed to fly Ghawshah back to Doha. Ghawshah remained in the transit lounge until 6/28, when he unexpectedly left on a plane to Thailand. Within hours, Jordan announced that Ghawshah had agreed to “freeze” his ties with Hamas and would be allowed to return; he entered the kingdom on 6/30. Soon after, Jordan released the Qatari plane and allowed flights between Qatar and Jordan to resume.

### SYRIAN-ISRAELI TRACK

The Israeli-Syrian track remained frozen this quarter. The only contact between the sides was an Israeli message sent (ca. 5/20) to Damascus via Russia, the UN, and the U.S., warning that any Hizballah action on Israel’s northern border to mark the anniversary of the IDF withdrawal from Lebanon would be met with “an extremely harsh military response by the IDF against Syrian targets.” Israel indeed struck a Syrian radar station on 6/30 in response to a Hizballah attack (see below).

During a visit to the Golan (7/10), Sharon stated that “the danger of a withdrawal from the Golan Heights has passed” and that “only by expanding the settlements and increasing the Jewish population on the Golan Heights will it be possible to turn settlement on the Golan Heights into an irreversible reality.”

Syrian pres. Bashar al-Asad made (6/25–27) an official visit to France. Israel urged French pres. Jacques Chirac to rescind the invitation in light of anti-Israeli statements Asad made during Pope John Paul II’s visit to Syria in 5/01 (see Peace Monitor in *JPS* 120), but Chirac refused. Asad and Chirac discussed the Israeli-Palestinian situation and addressed economic reforms Syria would have to undertake before an EU-Syrian association agreement (which includes free trade provisions) can be signed.

### LEBANESE-ISRAELI TRACK

In late 5/01, Lebanon marked the first anniversary of Israel’s withdrawal. Though Israel placed its forces on alert in anticipation of a Hizballah attack marking the event, only minor incidents occurred. In a random act, a Lebanese man stole (5/24) a Cessna from Beirut airport and flew it across the border into Israel, where he was shot down by the IDF. The plane crashed into a school, killing the pilot but causing only material damage. Lebanese also held demonstrations (5/25) along the blue line marking the unof-

ficial Israeli-Lebanese border; one man who attempted to scale the border fence was shot and wounded by the IDF.

During the first half of the quarter, the IDF routinely overflowed Lebanese territory (e.g., 5/24, 5/28, 6/3, 6/24), conducting surveillance and breaking the sound barrier to harass residents. On 6/28, UN special envoy Steffan de Mistura secured a pledge from DM Ben-Eliezer to halt the violations of Lebanese airspace. This was quickly broken on 6/29 following a Hizballah rocket attack on IDF troops in Shaba’ Farms, which injured two soldiers. Although Hizballah had been quiet since its 4/14 attack, which resulted (4/15) in a major Israeli strike on a Syrian radar station outside Beirut (see Peace Monitor in *JPS* 120), the group termed the strike a “regular operation”—reminding Israel that it was still an active, independent force. Israel replied by flying 5 or 6 sorties over Lebanon (6/29) and by firing missiles at a Syrian radar station in Baalbek (6/30), injuring one Lebanese and two Syrian soldiers. Hizballah and the IDF exchanged fire later on 6/30, causing no injuries. This was the only Hizballah incident this quarter.

The UN Security Council (UNSC) voted unanimously (7/31) to extend the mandate of the UN Interim Force in Lebanon (UNIFIL) through the end of 1/02. With the renewal, Secy. Gen. Annan’s recommendations for a staged troop reduction (endorsed on 5/18) went into effect: the Nepalese battalion and half of the Finnish battalion departed, cutting the force from 4,500 to 3,600 troops.

The U.S. rejected (7/19) Jordan’s request to donate 50 of its U.S.-supplied tanks to Lebanon. Lebanon had reportedly asked Jordan and Saudi Arabia for tanks for the army to deploy along the border with Israel as a defensive maneuver in case the Israeli-Palestinian conflict spread. Israel warned (7/19) that it would deploy tanks to the border as well if Lebanon followed through.

Israel’s 5/00 withdrawal continued to have domestic ramifications for Lebanon this quarter. Notably, Syria withdrew some 6,000 troops from the Beirut area between 6/13 and 6/19; most were sent back to Syria, though some were reportedly redeployed to the Biqā’ Valley. The Syrians kept posts outside their military intelligence headquarters, Sabra and Shatila camps, and two other strategic locations in the capital, but turned over all checkpoints around the airport to the Lebanese army. The redeployment (which reduced Syria’s troop presence by

roughly 20%) came as a surprise and was only confirmed by Lebanese authorities on 6/14, though officials reportedly had been discussing the move for months. Beirut and Damascus reportedly decided not to announce the pullout in advance or explain it after the fact so that no party (i.e., Israel or any Lebanese faction) could construe it as a "gain." The troop reduction was explained by various analysts as (1) Syria's natural removal of forces no longer needed in Lebanon in light of Israel's withdrawal; (2) a way to appease Lebanese Christians, who ever since Israel's pullout have been protesting Syria's continued troop presence; (3) a move to bolster Pres. Emile Lahoud against his rival Rafiq Hariri, who had been capitalizing on Lebanese Christian disaffection with Lahoud; and (4) an effort to strengthen Lebanese-Syrian relations in light of the deteriorating Israeli-Palestinian situation.

On 7/6, the UN admitted that it had misled Israel about the existence of a videotape recorded a day after the 10/7/00 abduction of three IDF soldiers in Shaba' Farms and that might provide clues as to where they are being held. The tape, whose existence the UN had denied for months, shows two blood-stained abandoned vehicles with fake UN license plates and suspected Hizballah members trying to prevent peacekeepers from towing the vehicles away. The UN initially (7/6) offered to give Israel the tape with the faces of the Hizballah members blurred, arguing that the UNIFIL mandate bars it from providing either side with military intelligence. Israel (7/8, 7/11), Lebanon (7/6), and Hizballah (7/6, 7/9) all denounced this suggestion. Secy.-Gen. Annan ordered (7/11) an investigation into the mishandling of the tape, which concluded (8/3) that the UN had made errors but had not conspired against Israel in bad faith. Annan invited (8/3) Israel and Lebanon to send officials to New York to view the edited footage and evidence collected at the scene. Israeli military officials, experts, and the families of the three IDF soldiers did so on 8/8.

## REGIONAL AFFAIRS

### RELATIONS WITH ISRAEL

Israeli-Arab relations reached a nadir this quarter. On 5/19, the Arab League held a FMs meeting to discuss Israel's sharp escalation of violence against the Palestinians and issued a statement calling on Arab states to halt all political contact with Israel as long as

the intifada continues. Although League statements are nonbinding, the declaration was announced by the new Arab League secy. gen., Amr Musa—Egypt's former FM—and Jordanian FM 'Abd al-Ilah Khatib; support from the two countries having signed peace accords with Israel was believed to give the statement weight. This symbolism was undermined a day later, however, when Egypt and Jordan informed the U.S. that despite the statement, they had no intention of abrogating their peace agreements with Israel. The Organization of the Islamic Conference (5/26) made a similar appeal to member states to break ties with Israel. Mauritania promptly violated the Arab League call by sending (5/22) its FM to meet with Sharon and Peres, as did Qatar by refusing (7/12) to bar Israel's participation in a World Trade Organization conference to be hosted in Doha in 11/01. On 8/9, a small bomb exploded outside the Beirut offices of Qatar Airways, lightly injuring one person. The Organization of Revolutionary Cells—Arab Gulf, a group opposed to Qatar's moderate stance toward Israel, claimed responsibility.

Egypt, as a primary mediator in the Israeli-Palestinian conflict, continued to keep lines of communication with Israel open, though relations between the states remained strained and contacts were sharply limited (see Peace Monitor in *JPS* 120). Mubarak outraged the Israelis (7/18) when he declared, following a briefing by Peres (7/15), that there is no hope for peace as long as "Sharon and his group of extremists" are in power, because Sharon is "a man who only knows killing, hitting, and war." Egypt did not return its ambassador to Tel Aviv, but it approved (6/3) Israel's choice of Gideon Ben-Ami as its next ambassador to Cairo; Ben-Ami was due to take up his post in late 8/01. An Egyptian court acquitted (6/13) an Egyptian on charges of spying for Mossad (see Peace Monitor in *JPS* 119) but convicted a Russian intelligence officer in absentia on the same charges. Under pressure from the Egyptian government, an Israeli company pulled out (5/31) of a joint oil venture, selling its 20% share to the National Bank of Egypt. The project had reportedly stalled because no other Arab investors were willing to sign on to a project involving an Israeli company.

The Central Office for the Boycott of Israel met (7/29–30) for the first time since 4/93, before the Oslo process began, to discuss reimposing the Arab boycott on Israel.

The Comoro Islands, Djibouti, Egypt, Jordan, Morocco, Oman, and Qatar did not attend. The participants (representing Algeria, Bahrain, Iraq, Kuwait, Lebanon, Libya, the PA, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the UAE, and Yemen) agreed to draw up a list of Israeli firms and foreign companies doing business with Israel that should be targeted and to forward their findings to the Arab League.

The Arab Chambers of Commerce boycotted (5/28) a Euro-Mediterranean conference of regional chambers, refusing to attend alongside an Israeli delegation.

### INTER-ARAB HIGHLIGHTS

As in previous months, inter-Arab interactions focused on supporting and mediating on behalf of the Palestinians. Egypt and Jordan again took the lead in this regard, staying in constant contact with the PA. Notably, Mubarak held meetings on the crisis with Syrian pres. Bashar al-Asad in Cairo (5/16), Saudi Arabia's Crown Prince Abdallah (5/26, 7/3), and the UAE's Shaykh Zayid (5/26). Similarly, Arafat made frequent trips to Arab states to urge leaders to lobby on behalf of the Palestinian cause. His tours included stops in Egypt (5/24, 6/18–19, 7/2–3, 7/31), Jordan (5/24, 6/18, 7/3, 7/10, 7/31, 8/7), Saudi Arabia (7/23), and Tunisia (5/16, 7/31).

As of 6/27, the Islamic Development Bank (IDB), in charge of the two funds for assistance to the Palestinians established at the 10/00 Arab summit, had paid out \$385 m. On 7/10, the IDB released the last of four monthly installments of \$55 m. promised by the Arab states in 3/01 (see *Peace Monitor* in *JPS* 120). On 7/18, the Arab states agreed to provide the PA with \$45 m./mo. (as published) through the end of the year.

In addition to the Arab League FMs meeting mentioned above, the Arab League Follow-up Committee, created at the 10/00 Arab summit to monitor the deteriorating Palestinian situation, convened (7/18, 7/22) in Cairo to discuss the ongoing violence. Arafat called (7/18) for international protection for the Palestinians and urged member states to convene an emergency Arab summit to address the conflict. Although the Arab FMs were lukewarm on the summit idea, Arafat raised it again (7/31) with Mubarak and King Abdallah, who said they would take the idea under advisement. When Arafat pressed the issue (8/1) with Mubarak a third time, the Egyptian leader reportedly rejected it outright, saying, "It's not logical to shout 'Sum-

mit! Summit!' every time something happens." Publicly, Egypt said it would be willing to call a summit if clear, achievable goals were laid out in advance. In a quadrilateral meeting on 8/15, Arafat, Egyptian FM Maher, Jordanian FM Khatib, and Arab League secy.-gen. Musa agreed to convene a lower-level FMs meeting soon to discuss the Israeli-Palestinian situation. In light of the Israeli assassinations in Nablus on 7/31, the PA sent (8/1) letters to all Arab FMs asking them to fulfill their obligations under the joint Arab defense pact by pledging to protect the Palestinians militarily should Israel launch an all out-attack and by suspending cooperation with the U.S. until it pressures Israel to halt its violence.

Arab League information Ms met in Cairo (8/15) to plan a \$2 m. to \$5 m. public relations campaign to promote the Palestinian position on the al-Aqsa intifada. The information Ms also recommended (6/29) the creation of an Arab satellite channel broadcasting in Hebrew to spread Arab perspectives inside Israel.

Kuwait invited the PLO's Faisal Husseini to attend a conference on normalization with Israel in Kuwait City on 5/31. Husseini's presence marked the first visit of a PLO official to the emirate since the 1991 Gulf War and was seen as a significant step toward Kuwaiti-Palestinian reconciliation, although Kuwait stressed that its strong solidarity with the Palestinian people did not imply support for the PLO. The morning of the session, Husseini died unexpectedly of a heart attack before he could give what was expected to be an important address with implications for Palestinian-Kuwaiti relations.

In a sign of warming Palestinian-Syrian relations, PLO Exec. Comm. secy. Mahmud Abbas visited (8/5) Damascus at the official invitation of Syrian VP 'Abd al-Halim Khaddam, whom he briefed on conditions in the territories. Syria reportedly said that it hopes to resume normal ties with the PA.

After talks on 7/7 and 7/11, Syria agreed (7/11) to supply Jordan with an additional 2 mcm of Syrian water beginning 7/14 to help the kingdom combat a drought (see *Peace Monitor* in *JPS* 120).

## INTERNATIONAL

### UNITED STATES

The new Bush administration continued to adjust its Middle East policy this quarter. As described above, pressure on the U.S. to

become more involved in resolving the Israeli-Palestinian conflict steadily increased as the situation deteriorated throughout the quarter. The administration, however, considering mediation unlikely to succeed, insisted that the time was "not right" for a U.S. initiative, which, if it failed, would reduce U.S. influence ("political capital") with the parties, and thus harm U.S. interests. Instead, Bush and his officials repeatedly asserted (e.g., 8/1, 8/7, 8/13, 8/14) that the U.S. was "fully engaged" because it was "in contact" with the parties. By late 6/01, certain State Dept. officials reportedly were coming around to the idea that unless Israeli-Palestinian violence were contained, the al-Aqsa intifada could lead to "the biggest political realignment since the Gulf War" by "inflamm[ing] the Arab world and erod[ing] support for U.S. efforts to isolate Iraq, stabilize oil prices, nurture moderate Arab states, and engage with Iranian reformers."

The U.S. conceded (5/30) that, because of its de facto disengagement on the Israeli-Palestinian front, it did not have enough support in the UNSC to obtain approval for a revised sanctions regime for Iraq. The UNSC approved (5/31) a one-month extension of the existing oil-for-food regime, followed by a short-term extension (7/3), allowing the U.S. and Britain until 12/01 to lobby support for the change.

Saudi Arabia's Crown Prince Abdallah repeatedly declined invitations to visit the U.S. (e.g., 5/17, 6/29), citing his disapproval over the lack of a serious U.S. effort to halt Israeli escalations. In talks in Paris (6/29), the crown prince warned Powell that Saudi Arabia would consider cutting off business with U.S. defense and other contractors which supply Israel if the U.S. bias toward Israel continued. (U.S. officials reported, ca. 7/15, that former U.S. pres. George H. W. Bush, in hopes of reducing Saudi-U.S. tensions, had phoned Abdallah before and after the Paris meeting to assure the crown prince that his son's "heart is in the right place" when it comes to the Middle East.) Saudi DM Prince Sultan called (6/17) on Arab states to boycott Western firms doing business with Israel to protest the world powers' failure to stop Israeli attacks on Palestinian civilians. The Gulf Cooperation Council also appealed (7/11) to the U.S. to suspend its double standard in favor of Israel and to turn the conflict over to the UN for resolution.

In response to Israel's use of F-16s in its attack on Gaza on 5/18, Rep. John Conyers (D-MI) appealed (5/18) to Bush to open an

investigation into whether Israel's use of U.S.-supplied military equipment in strikes on Palestinians violated the Arms Export Control Act. The administration had not taken action by the close of the quarter, saying (8/8), "We don't feel at this time that the facts have justified [seeking] a determination" under the act. As "an expression of displeasure with the Israelis" over their use of F-16s and because it could not guarantee troops' protection, the U.S. canceled (5/22) marine participation in joint exercises with the IDF. (On 6/22, the U.S. curtailed maneuvers with Jordan and placed its forces in the region on Delta alert, the highest level, as a result of threats against U.S. targets.) Motivated by the 5/22 decision, the American Israel Public Affairs Comm. (AIPAC) stepped up lobbying on Capitol Hill, pressing the view that F-16 air strikes were preferable to ground assaults and therefore would be appropriate in future cases. On 6/8, Israel exercised its option to buy 52 F-16I fighters from Lockheed Martin. The \$2 b. purchase will be financed largely by U.S. military aid. The new F-16Is have a more advanced radar system as well as a longer range, enabling Israel to strike targets in Libya and Iran. Israel should receive the planes between 2006 and 2009, after Lockheed completes delivery of an earlier order for 50 F-16s, placed in 1999. The U.S. arms manufacturer Colt won (7/16) a bid to supply the IDF with new semiautomatic sniper rifles.

Aside from the F-16 issue, U.S.-Israeli bilateral relations generally continued as usual. Israel and the U.S. held semiannual Joint Political Military Group meetings (5/30-31) to discuss "mutual strategic concerns," especially how Israel could benefit from Bush's missile defense plan. The U.S. Army Corps of Engineers broke ground (5/16) for a \$266 m. IDF military base in the Negev to replace an IDF training site in the West Bank. In late 5/01, Peres again requested that the U.S. disburse the \$800 m. in supplemental aid promised by the Clinton administration (\$450 m. for the first year, \$350 m. for the second), citing threats from Iran and Iraq. The State Dept. reportedly did not expect to distribute the money in 2001 given the ongoing crisis but feared fallout with U.S. Jewish leaders. On 6/4, Sharon warned the Likud Knesset faction that if Israel did not receive the \$800 m., the government deficit would increase by 0.5%, since the government already figured the funds into the FY 2001 and FY 2002 budgets.

The administration clashed with AIPAC a second time over the Iran-Libya Sanctions Act (ILSA). AIPAC had been lobbying Congress on ILSA for months and had already lined up 74 senators and a majority of representatives to support a five-year extension of the act when it came up for its first renewal in 8/01 when, on 6/8, the administration announced that it wanted the act extended for only two years, so as to encourage Iranian moderates. (However, on 7/6 Powell stressed that the impetus for improving relations must come from Tehran.) The Senate (7/25) and House (7/26) went ahead and passed a five-year extension for ILSA.

Citing national interests, Bush invoked (6/11) the presidential waiver under the Jerusalem Embassy Act, suspending the process of moving the U.S. embassy in Israel from Tel Aviv to Jerusalem for another six months. This was the first time that the measure had come up for review since Bush took office (see Peace Monitor in *JPS* 120).

At the end of the quarter, the House had approved several detrimental amendments to the FY 2002 foreign appropriations bill. The proposed House amendments would prohibit virtually all U.S. aid to the Palestinians and make the PLO office in Washington illegal (passed 7/10), place sanctions on the PLO if the U.S. determines it is in violation of its commitments to renounce terrorism (passed 7/25), delay funding to the Red Cross until Israel's Magen David Adom is allowed equal participation with the Red Crescent Society (passed 7/25; see Peace Monitor in *JPS* 116), and deny \$625,000 in U.S. military training assistance to Lebanon if its army has not taken full control of the south and secured the border with Israel within six months (passed 5/16). The Senate had not voted on companion legislation by the end of the quarter.

The State Dept. reportedly told (7/17) Israel that it would consider its request to classify the *tanzim* and Force 17 as terrorist organizations but said the request was problematic because the groups were under Arafat's control. The terrorism list will be reissued in 10/01 (see Peace Monitor in *JPS* 120).

In late 7/01, Rabbi Shlomo Riskin, the chief rabbi of the right-wing Efrat settlement in the West Bank, conducted an American fund-raising tour, which he anticipated would net \$2 m. in private U.S. donations toward "equipment to help protect settlers." In Washington (7/26), Riskin encouraged the audience to support settlers, saying he was

confident that Sharon would "unleash fury against the Palestinians" when he was sure that Israel is unified and that the UN will not intervene, as it did in Kosovo.

A Rhode Island district court judge allowed (7/27) a \$250 m. lawsuit against the PLO to proceed. The case stems from a 1996 incident in which a Jewish settler couple, one of whom was a U.S. citizen, was fatally shot by Hamas members while driving in the West Bank. The couple's children are suing the PLO for international terrorism, wrongful death, and emotional distress, arguing that the PLO is culpable because it provided Hamas with support and a base of operations. Federal judges also awarded \$352 m. to former Lebanon hostage Thomas Sutherland and his family (ca. 7/1) and \$314.6 m. to the family of Lebanon hostage Lawrence Jenco in rulings against Iran. As in previous cases (see Peace Monitor in *JPS* 120), the U.S. may pay out compensatory damages from Iran's frozen assets, which are estimated to be worth \$450 m. to \$1.5 b.; plaintiffs probably will not be able to collect punitive damages.

## RUSSIA

Russia was active this quarter in attempting to secure an Israeli-Palestinian cease-fire. On 6/4, soon after the Hamas bombing of the Dolphinarium, Russia dispatched special envoy Vdovin to the region to help stabilize the situation. Vdovin spent nearly the entire quarter shuttling throughout the region attempting to mediate an agreement. FM Ivanov also held consultations in the region (ca. 6/12-14). Arafat (5/28-29) and Peres (5/21-22) made trips to Russia to brief Pres. Vladimir Putin and FM Ivanov on their positions.

## EUROPEAN UNION

The EU was also active this quarter in attempting to mediate a cease-fire. Unlike Russia and the U.S., the EU from the outset stated (5/16) that it was incumbent upon Israel to make the first move to halt violence and that Israel should cease all settlement construction immediately. Upon the release of the final Mitchell Committee report (5/20), EU foreign policy dir. Solana (5/21-23, 6/6, 6/22), EU special envoy Miguel Moratinos (6/6-11), and Swedish FM Goran Persson (the incoming EU president) toured the region to explore ways of quickly implementing a cease-fire. At their meeting in Gothenburg, Sweden (6/15-16), EU FMs issued a declaration urging Israel and the PA

to implement the Tenet cease-fire plan and calling on Israel to suspend settlement construction and end the siege on Palestinian population centers (see Doc. D2). During Sharon's one-day visit to Europe (7/5), Belgium, France, and Germany urged him to be "more flexible" on a cease-fire and settlement freeze and not to discredit Arafat.

Meanwhile, the EU began (6/01) transferring monthly installments of \$9 m. to the PA to cover emergency budget expenses, per agreements reached last quarter (see Peace Monitor in *JPS* 120). The EU had made three of six payments from its Special Cash Facility by 8/15.

Throughout the quarter, the PA pressed the EU to send observers to monitor the situation in the West Bank and Gaza. Up until 6/1, the EU said it would not do so without Israel's accord, but after the Dolphinarium bombing on 6/1, the EU set up an informal observer group consisting of 24 military and intelligence experts attached to the embassies of Britain, France, Germany, and Spain to watch the main West Bank and Gaza hot spots—Bayt Jala and Rafah. The experts, coordinated by Alistair Crooke, security adviser to Moratinos, were told to observe and record only. The EU and the PA notified Israel and the U.S. of the deployment but did not seek the permission of Israel, which strongly opposes international observers. (On 6/7, Crooke said that the Palestinians were making good efforts to implement a cease-fire.) On 7/26, the EU stated that it had been forced to withdraw observers from Bayt Jala. The status of the Rafah observers was uncertain at the end of the quarter.

Israeli-European relations soured further this quarter over several efforts to question whether Sharon could be tried for war crimes or crimes against humanity for his role in the 1982 massacre of 800 to 3,000 Palestinians in the Sabra and Shatila refugee camps in Lebanon. The BBC aired (6/17) a documentary, denounced by Israel as defamation and propaganda, that concluded through interviews with legal experts, Palestinian victims, and current and former Israeli and Lebanese officials (including Sharon's own aide, Ranaan Gissin) that Sharon probably could be convicted. On 6/19, 28 survivors of the massacres brought a war crimes case against Sharon before a Belgian court, citing a 1993 law that permits prosecution of foreign officials for violations of the Geneva Convention committed outside Belgium. (Two other survivors filed a similar case in the same court earlier in 6/01.) When the

Brussels public defenders office ruled (6/30) that the cases were admissible, Israelis vandalized (7/4) the Belgian consul's residence in Jerusalem in protest. Belgian FM Louis Michel told Sharon (7/5) that Belgium was "embarrassed" by the cases against him and was looking into amending the 1993 law so that sitting heads of state could not be prosecuted. (Belgium is Israel's second largest trading partner; the two countries signed a preferential shipping agreement on 7/16.) Motivated by the Belgian cases, a Lebanese lawyer filed a claim (6/28) in Lebanese court on behalf of 24 survivors, arguing that the statute of limitations for a Lebanese government investigation into the massacre had not run out; one was not conducted at the time.

Danish politicians, human rights organizations, and legal experts urged (7/11) their government to arrest Israel's newly appointed ambassador to Copenhagen, Karmi Gilon, upon his arrival, in accordance with UN conventions signed by Denmark requiring prosecution of those who have committed torture. In two recent interviews on Danish TV, the former Shin Bet chief had said that Israel might have to reconsider its 1999 ban on using force during interrogations because of continued Palestinian attacks and that he had personally authorized some 100 uses of "moderate physical pressure" (i.e., torture) while heading Shin Bet. The Danish Justice Min. warned (7/25) that Gilon could be arrested if he entered the country, but the FMin. said (7/25) that as ambassador, he would be protected by diplomatic immunity. Gilon arrived in Denmark on 8/15, where he will formally take up his post on 9/11. Danes demonstrated outside the Israeli embassy in protest. FM Peres said (8/14) that he hoped Gilon would "represent Israel honorably, as a country that knows how to protect itself."

Britain's House of Commons urged (7/4) citizens to boycott Israeli products and leisure tourism in order to send a message that "the British people are no longer prepared to indirectly fund Israel's war of aggression on the Palestinian people," saying the boycott should last until Israel ends the occupation and complies with UN resolutions. The declaration was nonbinding.

Under lobbying by Israeli diplomats, the BBC issued (8/4) a memo to staff stating that reporters should not use the word "assassinations" for Israel's policy of murdering leading Palestinian activists, but should use Israel's preferred euphemism "targeted killings." The memo reportedly says that "assas-

sination” may be used only “sparingly” and with “attribution.” The BBC defended its decision saying, “It was felt that ‘assassination’ should be used to refer to the killing of high-ranking political or religious leaders . . . rather than every killing which takes place.”

Egypt and the EU initialed (6/25) their association agreement, which includes staged implementation of a free trade accord. EU parliamentary endorsement is expected to take two years.

### UNITED NATIONS

The UN held various meetings on the deteriorating Israeli-Palestinian situation this quarter. The UNSC met (5/17) to hear the Mission of Palestine’s request for international observers and to discuss the escalating crisis. The UN Committee on the Exercise of the Inalienable Rights of the Palestinian People hosted (6/12–14) a meeting of Latin American and Caribbean nations to discuss the question of Palestine; similar talks were held in Madrid on 6/17–18. International NGO conferences were held in Geneva (6/9–11), Cuba (6/14), and Madrid (7/17).

At its annual meeting on 5/21, the World Health Organization adopted (92-3, with 11 abstentions) a resolution put forward by Arab and EU states regretting Israel’s excessive use of force against Palestinians, expressing concern over the effect of the ongoing closures and blockades on Palestinian areas, and noting grave concern regarding Israel’s settlement policy. Israel, Palau, and the U.S. voted against the measure. Canada and many Latin American countries abstained.

UN Secy.-Gen. Annan toured the region (6/11–17) to assess possibilities for achieving a cease-fire, stopping in Cairo, Amman, Damascus, Beirut, Tel Aviv, and Gaza. UNRWA issued (6/26) its third emergency appeal since the start of the al-Aqsa intifada, requesting \$77 m. to fund food aid, medical supplies, and emergency work programs through the end of the year.

The U.S. announced (7/27) that it would not attend the UN’s upcoming World Conference Against Racism (8/30–9/7) unless two items were dropped from the agenda: Israel’s treatment of the Palestinians, which threatened to revive the Zionism-is-racism equation, and reparations for slavery and colonialism. During preparatory meetings on the agenda in Geneva (8/2–11), African states and African-American groups dropped their calls for slavery reparations, but the Arab states, Israel, and the U.S. failed to agree on wording regarding anti-Arab bias. Israel and

the U.S. expressed frustration (8/10) but said they would continue negotiations during the run-up to the meeting and decide later whether they would boycott the summit.

House Republicans informed (8/15) the White House that they intended to hold up the release of \$582 m. to the UN—the second U.S. payment of arrears approved under the Clinton administration—unless the administration agrees to legislation designed to undercut the International Criminal Court (ICC), a permanent, non-UN tribunal being established in The Hague to prosecute war crimes, genocide, and crimes against humanity. (The U.S. has signed the ICC treaty, facilitating the court’s formation, but Congress must ratify the document before the U.S. can be considered a member.) The FY 2002 foreign appropriations bill, which has been passed in the House and in Senate committee, includes the UN money and the proposed American Service Members Protection Act (ASMPA), which would exempt Americans from ICC prosecution; prohibit U.S. troops from serving in any UN peacekeeping force unless the Security Council gives American soldiers immunity from ICC jurisdiction; cut off U.S. military aid to any non-NATO country that ratifies the ICC treaty; authorize the president to use military force to free U.S. service members held by the court; and bar any federal, state, or local governmental entity from cooperation in any way with the court. Critics noted that this last clause would bar the U.S. from providing evidence to support an indictment against Iraqi pres. Saddam Hussein. (Congress is also threatening to withhold the third and last payment of UN arrears until the U.S. is reinstated as a member of the UN Commission on Human Rights.) As a signatory to the ICC treaty, the U.S. “is obliged to refrain from acts that would defeat the object and purpose” of the treaty, meaning that passage of the ASMPA would place the U.S. in violation of international law.

### VATICAN

The Vatican followed the Israeli-Palestinian situation but did not make any significant resolutions this quarter. After the final Mitchell report was released, Pope John Paul II dispatched (5/30) two special envoys to the region to help mediate a cease-fire. Arafat had an audience with the pope on 8/2.

### IRAN

Iran was vocal in its solidarity with the Palestinians and in its support of efforts by

Arab states to aid Palestinians and mediate the conflict, but it did nothing directly to influence events. Instead, Iran continued to build bilateral relations with Arab states. It held talks with Lebanon on cultural and educational cooperation (5/21) and with Tunisia on expanding political, economic, and cultural ties (7/16). Iran and Syria held talks on expanding cultural, economic, educational, and scientific cooperation (5/27–29, 8/11) and signed a protocol on economic and trade affairs (5/29).

Iran and Turkey held talks on deepening diplomatic relations and border issues and security cooperation (6/25, 7/29), customs (5/17), and electricity (5/27). They also held extensive talks (6/11–14, 7/29) on expanding commercial relations and signed a commercial and economic protocol (6/21).

### TURKEY

Turkey, like Jordan, attempted to keep its relations with Israel and with the Arab states in balance, but maintaining economic and military ties with Israel and the U.S. remained paramount. Turkey and Israel held (7/9–10) talks on bilateral relations, the peace process, and a possible missile defense project with the U.S., during which DM Ben-Eliezer revived prospects of a deal for Israel to modernize up to 890 Turkish tanks (without Turkey putting the contracts up for bid). Turkey also hosted (6/18–30) war games with Israel and the U.S. in central Anatolia; held regular semiannual consultations with Israel on bilateral relations (6/19–20); explored possible Israeli-Turkish defense projects (7/31); and held technical talks on selling Manavgat water to Israel (5/24, 8/10). Israel gave (7/4) Turkey a \$165 m. grant for an irrigation project.

Turkey criticized Israel, however, for its excessive use of force in deploying F-16s in its 5/18 strikes on Gaza (5/22), condemned Israel's takeover of Orient House (ca. 8/9), and allowed small anti-Israel demonstrations. For example, 100s of Turks protested (8/7)

Sharon's visit (8/7), some 70 Marmara University students rallied against Israel's violence against Palestinians (5/29), and trade unions members and politicians demonstrated for Turkey to cut all bilateral ties with Israel (8/8). On 7/30–31, Turkish FM Ismail Cem made a trip to Egypt to discuss ways of achieving an Israeli-Palestinian cease-fire and to emphasize that Turkey's relations with Israel were not aimed at the Arab world. During Sharon's visit to Ankara (8/7–8), PM Bulent Ecevit warned that it would be difficult for Turkey to maintain warm bilateral relations unless Israel did more to halt violence, such as by accepting international observers.

Turkey also held talks (6/23) with Syria on expanding trade. Turkey and Iraq resumed (7/20) weekly passenger train service (via Syria) for the first time in 20 years; freight service had already resumed on 5/6/01.

### OTHER

OPEC approved (6/14) \$350,000 in grants to NGOs running health facilities for injured Palestinians.

Cyprus formally complained (6/8) to Israel over the Israeli air force's recent repeated violations of Cypriot air space, noting that Israel had even violated flight plans it had itself submitted to Cypriot authorities.

### DONORS

No donor meetings, formal or informal, were held this quarter, and none were planned. At the close of the quarter, the donor community was monitoring the Israeli-Palestinian situation and collecting data on the deterioration of the PA areas "to inform the decision-making process" when donor efforts resume, possibly when the six months of aid commitments agreed to at the last informal Ad Hoc Liaison Committee meeting run out in 11/01 (see Peace Monitor in *JPS* 120).

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