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# QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 AUGUST–15 NOVEMBER 2003

COMPILED BY MICHELE K. ESPOSITO

*The Quarterly Update is a summary of bilateral, multilateral, regional, and international events affecting the Palestinians and the future of the peace process.*

## BILATERALS

### PALESTINE-ISRAEL

As the quarter opened, peace efforts were focused on U.S. Pres. George W. Bush's 4/30/03 road map plan (see Special Document section in *JPS* 128), which the Palestinian Authority (PA) had accepted in full on 5/3 and which the U.S. had pressured Israel to accept in principle on 5/25 (see Special Document section in *JPS* 129). While Israel still delayed beginning road map implementation in earnest, the PA had agreed (6/27) to Israel's demands to begin with a truncated Gaza First proposal, essentially as a confidence-building exercise to work up to road map implementation. At the same time, most Palestinian factions (notably excluding the Nablus and Jenin factions of the al-Aqsa Martyrs Brigade [AMB]) had agreed to observe a unilateral 3-mo. cease-fire covering all Israelis everywhere declared by Fatah, Hamas, and Islamic Jihad on 6/29. Israel turned over security control of northern Gaza and Bethlehem by 7/2, the PA deployed its security forces in those areas, and Palestinian violence decreased to a trickle. Nonetheless, Israel continued its aggressive military actions, and the PA managed only minor steps to disarm Palestinians (see Quarterly Update in *JPS* 129). By early 8/03, when Palestinian frustration at the lack of a noticeable easing of restrictions was high, Israel Defense Forces (IDF) staged (8/8) a major incursion into Hebron, assassinating 2 senior Hamas members. The security situation deteriorated further on 8/12 when, in response to the 8/8 raid, renegade AMB and Hamas members from Nablus staged suicide attacks in the West Bank, killing 2 Israelis. The IDF retaliated by assassinating Islamic Jihad military commander Muhammad Sidr in Hebron on 8/14.

As of 8/15, 22 Palestinians and 7 Israelis had been killed since the 6/29 cease-fire was declared. In total, at least 2,726 Palestinians (including 32 Israeli Arabs and 16 unidentified Arab cross-border infiltrators), 766 Israelis (227 IDF soldiers and security personnel, 175 settlers, 364 civilians), and 38 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada.

### *Israel and the U.S. Target Hamas*

Under pressure from the U.S. and despite the upswing in violence, Israeli DM Shaul Mofaz and PA Security Affairs M Muhammad Dahlan continued talks (begun 7/30) on a further transfer to PA control of Jericho (where there is no IDF presence) and Qalqilya (which is encircled by Israel's separation wall, with only 1 IDF-controlled gate allowing entry and exit). They reached an impasse on 8/17, when Israel refused to remove checkpoints around Jericho and Qalqilya or to relinquish control of the sole entry point to the latter. A planned meeting of regional commanders to discuss the mechanics of the transfer, set for 8/18, was initially canceled, then rescheduled for 8/19–20 at the urging of the U.S.

Before the 8/19 meeting could be held, a Palestinian suicide bomber from Hebron (site of the 8/8 and 8/14 IDF assassinations) detonated a device on a West Jerusalem bus, killing 18 Israelis and 5 Americans, and wounding more than 100. Initially, Islamic Jihad claimed the attack, and Hamas denied responsibility. PA PM Mahmud Abbas, who was meeting with Islamic Jihad leaders at the time to urge them to extend their cease-fire to 6 mos., denounced the attack, ordered PA security forces to arrest those responsible, suspended talks with Islamic Jihad, and canceled similar talks with Hamas set for 8/20. When the IDF quickly identified the bomber

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as a known Hamas member, spokesman 'Abd al-'Aziz Rantisi accepted (8/19) responsibility but stressed that it was a one-time action to retaliate for the 8/14 assassination of Islamic Jihad's Sidr, and vowed that Hamas still adhered to the cease-fire. (Israel later confirmed, on 9/10, what many had suspected in light of the timing of the attack and the contradictory Hamas statements: that the bomber had acted on his own, without the knowledge of the Hamas leadership.) Rejecting Hamas cease-fire assurances, Israel immediately (8/19-20) suspended all contacts with the PA, sent tanks and troops into Hebron, sealed the West Bank and Gaza, reinforced closures on all Palestinian cities, and sent tanks to the outskirts of Ramallah in preparation for a move against PA head Yasir Arafat, confined by the IDF to his headquarters since 12/01.

On 8/20, Israeli PM Ariel Sharon convened his security cabinet, which approved "a series of military steps" against Hamas and Islamic Jihad harking back to its 5/18 assessment that killing or deporting the Hamas political leadership was among Israel's only remaining options to curb Palestinian violence (see Quarterly Update in *JPS* 129). At the same time, Bush phoned (8/20) Sharon to tell him that Israel had a right to defend itself against the "vicious" 8/19 attack, with Israeli officials insisting that Bush not only did not call for restraint, but in fact was "much more forceful than Sharon in calling for the elimination of terror" (*Ha'Aretz* 8/24). The IDF intensified (8/20) its incursion into Hebron and imposed curfews on and launched raids into Jenin, Nablus, and Tulkarm.

Meanwhile, the 8/19 attack marked the first true test of whether Arafat would allow Abbas full, independent control of the PA security forces, as Israel and the U.S. were demanding under the road map. On 8/20, Abbas convened the PA Executive Authority (EA or cabinet) and put 4 recommendations to Arafat for approval, threatening to resign if all were not accepted. The recommendations were: (1) that Arafat and the Fatah Central Comm. (FCC) issue a statement supporting a crackdown on Hamas and Islamic Jihad; (2) that Arafat support a move to dismantle the armed wings of the 2 groups; (3) that Arafat authorize a ban on all media appearances by members of the 2 groups, a ban on their funding, and similar steps against their affiliated organizations (including mosques, schools, welfare organizations); and (4) that Arafat unify the PA

security forces under Interior Min. authority, giving Abbas more direct control.

On 8/21, Dahlan informed John Wolf, the U.S. special envoy overseeing road map implementation, that Arafat had accepted Abbas's recommendations and briefed him on PA plans to launch immediately a major campaign of raids on the homes of Hamas and Islamic Jihad members and affiliated organizations to search for weapons, arrest militants, and freeze their assets. Before the campaign could get underway, however, the IDF assassinated (8/21) senior Hamas political leader Ismail Abu Shanab, firing 5 missiles at his car as he drove through Gaza City; 2 bodyguards and a bystander were also killed and at least 18 were wounded. Israel said (8/21) that it targeted Abu Shanab, widely considered one of Hamas's top moderates, because "we were looking for a target important enough and who belonged to the leadership of Hamas." Acknowledging that "there is almost no doubt" that the assassination would increase violence, Israeli spokesmen vowed that if Hamas retaliated, Israel would eliminate all Hamas leaders one by one and anticipated that IDF operations against militants would last 3 to 4 weeks. Hamas and Islamic Jihad immediately declared (8/21) the cease-fire over and resumed firing rockets and mortars at Jewish settlements in Gaza and from Gaza into Israel, causing minor damage but no injuries. The IDF imposed (8/21) curfews on all Palestinian population centers, intensified its operations in Nablus, and launched a major demolition raid on Nazlat Issa on the Green Line, bulldozing 115 shops, 7 houses, 2 factories, and several warehouses. The U.S. stated (8/21) that Israeli actions were "understandable" and that Israel had indeed "shown restraint," with a senior official saying, "They've been somewhat limited in their actions, and we appreciate that" (*New York Times* 8/22).

The Abu Shanab assassination sparked demonstrations (8/21) by thousands of Palestinians in Gaza City at which Abbas and Dahlan were denounced as collaborators. Demonstrations escalated on 8/22, with tens of thousands of Palestinians marching in Abu Shanab's funeral procession. The IDF simultaneously took back (8/22) control of Gaza's main north-south road, set up checkpoints dividing the Strip into three zones, and reestablished other checkpoints abandoned in recent weeks as part of the Gaza First implementation, effectively reclaiming security control of all of Gaza. In addition,

IDF snipers attempted (8/22) to assassinate 3 wanted AMB members inside a Nablus hospital, killing 1 and wounding 2.

While the renewed Israeli attacks made it politically impossible for Abbas to proceed with a major crackdown on Hamas and Islamic Jihad, he attempted over the next two weeks to take some steps against militant groups and to secure greater control over the security forces from Arafat. The PA security forces began searches in Gaza on 8/23, sealing 8 smugglers' tunnels on the Rafah-Egypt border, seizing some arms, making a few arrests, and deploying dozens of officers near the northern Gaza border with Israel to halt the firing of Qassam rockets at the Israeli town of Sederot, reportedly exchanging gunfire (8/23, 8/28) with Hamas members. Abbas also approached (8/23) Hamas and Islamic Jihad about resuming the cease-fire; the groups said (8/23) they would discuss another truce provided Israel was a party as well, which it refused (8/23). Pres. Husni Mubarak of Egypt dispatched (8/22) his adviser Osama Baz to the territories to meet with Abbas and Arafat, as well as with Israeli FM Silvan Shalom to urge Israel to give the PA some time to mobilize its own response to the 8/19 bombing. The IDF began pulling troops out of Palestinian cities on 8/25 but maintained the closures on them, assassinated a senior Hamas member on 8/24, made an attempt on Hamas leader Khalid Massud on 8/26 that killed 1 bystander and wounded 25 (including Massud, who died of his injuries on 9/6), and approved \$2.8 m. for tourist projects in West Bank settlements (especially in Hebron). Anti-Abbas protests spread to Ramallah on 8/27. Meanwhile, Bush ordered (8/22) a freeze on the assets of 6 senior Hamas officials and 1 Lebanese and 4 European Muslim charities that the U.S. believes funnel money to Hamas for "terrorist" attacks but that provide necessary assistance to the poor. (Austria, Britain, and France confirmed that they had investigated the charity groups and found no wrongdoing.)

### ***Abbas Resigns***

As violence escalated, disagreements between Abbas and Arafat deepened. On 8/25, Arafat, who in light of the deteriorating political and security situation was even less inclined to cede power, preempted Abbas's moves to name Brig. Gen. Nasr Yusuf, the former chief of public security for the West Bank and Gaza, as interior minister to consolidate and oversee all PA security forces.

Though Yusuf was considered an Arafat man, the PA leader instead appointed Jibril Rajub, former West Bank security head and a more forceful supporter, as national security adviser, heading a new national security council that Arafat himself would chair. The White House denounced (8/25) the decree as undermining Abbas.

Arafat had not consulted the EA on either Rajub's appointment or creation of the security council. Abbas consequently convened (8/27) the EA and requested that Speaker Ahmad Qurai' assemble the Palestinian Council (PC) on 9/4 for a vote of confidence on his government. He also asked for and received cabinet approval for his candidate, Sakhir Besseiso, to replace Arafat-appointed Muhammad Abu Shari'a as head of the PA General Personnel Council that oversees the PA's 70,000 civil servants. Abu Shari'a refused (8/30) to step down unless the order came directly from Arafat and posted armed guards outside his office to prevent being removed forcibly. Abu Shari'a remained.

Between 8/27 and 9/4, Palestinian intermediaries shuttled between Arafat and Abbas, who were no longer speaking, in an attempt to repair the rift and save the government. Meanwhile, Hamas and PA representatives met (ca. 9/1-3) in Cairo to discuss renewing the cease-fire. Abbas froze (8/28) the accounts of 12 Palestinian Muslim charities linked to Hamas, prompting protests (8/28) in southern Gaza. The U.S. pressed Israel to make some gestures toward Abbas, though reportedly specifying that it was not necessary to halt targeted assassinations. As a result, Israel on 9/3 issued 18,000 permits for Palestinian laborers to enter Israel, even while the IDF assassinated 4 Hamas members (8/28, 2 on 8/30, 9/1) and completed (8/31) a section of the separation wall encircling Tulkarm, leaving only one point of entry. Sharon also dispatched (9/4) his chief of staff, Dov Weisglass, to Washington to promote the option of expelling Arafat. The U.S. reportedly did not reject the idea outright, as it had in the past, but said it did not want any "surprises" and wanted to be consulted before any such action is taken.

On 9/4, Abbas convened the PC to report on his first 100 days in office and asked the body either to affirm unequivocally his policies or demand his resignation. In his address, he directly blamed Israel for the first time for the collapse of the cease-fire and road map, said that all PA efforts to maintain contact with Israel since the 8/19 bombing

had been rebuffed, and stated that he would not crack down on militant groups but would continue the cease-fire dialogue. As a gesture to Arafat, he announced the reappointment of Arafat's choice of Saeb Erakat as PA negotiations affairs minister. (Erakat had resigned the post on 5/15, complaining of being sidelined by Abbas; see Quarterly Update in *JPS* 128.) To avoid a no-confidence vote, PC members opened discussion on a compromise formula to divide control of the various PA security branches (of which there are 7–9; e.g., separate West Bank and Gaza police forces, military intelligence, general intelligence, naval police, presidential guard) between Abbas and Arafat. Outside the session, a small group of Palestinian protesters, including at least 5 masked AMB gunmen, called for Abbas's resignation.

On 9/6, after a further day of discussions on PA security control and with Arafat and Abbas still not on speaking terms, Abbas convened the PC. In a surprise move, he announced his resignation. Citing the impossibility of reaching a workable security arrangement with Arafat, lack of support from the U.S., and a lack of substantive efforts by Israel to implement the road map, he declared his departure to be the only way to spur all the parties to serious efforts to move the peace process forward (see Doc. B2). Arafat immediately accepted Abbas's resignation.

Even as the PC was meeting, the IDF (9/6) attempted to assassinate Hamas spiritual leader Shaykh Ahmad Yasin, dropping a 550-lb. bomb on the building in which Yasin and his senior aides were meeting, lightly injuring Yasin and 14 others. Anticipating a massive retaliation, the IDF sealed (9/6) the West Bank and Gaza and tightened restrictions on Palestinian movements across the territories.

#### *Qurai' Takes Over*

Abbas's resignation and the IDF attempt on Shaykh Yasin opened a period of violence and uncertainty. Arafat quickly nominated (9/7) PC speaker and Oslo architect Qurai' to replace Abbas. Qurai' accepted in principle on 9/8 but vowed (9/8–9) that he would not take office unless he had assurances that the European Union (EU) and U.S. would work with him and press Israel to comply with the road map. He also demanded that Israel leave all attempts to rein in Palestinian violence to him, halt all construction of the separation wall and Jewish settlements, remove all roadblocks hindering Palestinian

movement, and lift the siege on Arafat. The U.S. said (9/9) only that the new Palestinian PM would have to dismantle militant groups and take full control of all security forces. Israel declared (9/8, 9/9) that it would not cooperate with anyone taking orders from Arafat and would make no gestures to the PA until Qurai' took steps to dismantle militant groups.

Meanwhile, Hamas responded to the attempt on Yasin by staging two suicide bombings in Israel on 9/9: the first at a bus stop outside an IDF base at Rishon Letzion, killing 9 IDF soldiers and wounding 12; the second at a popular Jerusalem café, killing 7 and wounding 30. The IDF immediately responded by assassinating (9/9) 2 Hamas regional commanders in Hebron (also killing 1 bystander and wounding 2 others) and attempting (9/10) to assassinate Hamas spokesman Mahmud Zahar, dropping a half-ton bomb on his home, wounding him, his wife and daughter, and 24 bystanders and killing his son, bodyguard, and 1 bystander. On 9/11, the IDF declared Arafat "a complete obstacle to any process of reconciliation" and vowed "to remove this obstacle in a manner, and at a time, of [Israel's] choosing," simultaneously reinforcing troops encircling Ramallah, occupying the PA Culture Min. overlooking Arafat's headquarters and flying low-level sorties over the compound. In response, thousands of Palestinians surrounded (9/11) the headquarters as human shields to protect Arafat, and a week of daily demonstrations in support of the PA leader began across the territories, also spreading to Cairo (9/12) and Palestinian camps in Lebanon (9/11, 9/12, 9/14).

With the situation rapidly deteriorating, the U.S. began heavily pressuring Qurai' to form a government quickly and to consolidate control over the security forces. In Washington, Bush stated (9/10) that Qurai' must "get the security forces under control—all security forces—and then to unleash those security forces against the killers," adding that "probably the most important condition for peace to prevail is for all parties to fight off terror, to dismantle organizations whose intent is to destroy the vision of peace." (Some admin. officials viewed Bush's statement as a green light for Israel to strike hard at Hamas.)

The same day, Qurai' dropped his conditions for assuming the premiership and announced that he would begin forming a government immediately. He also stated

that he might seek PC approval to form a security-oriented "crisis cabinet" of 6–8 members within days rather than the 5 weeks usually required to form a full cabinet endorsed by the PC. On 9/11, he met with Arafat and proposed a crisis cabinet with security forces united under Abbas's choice of Brig. Gen. Yusuf (see above). Arafat again rejected Yusuf as well as the crisis cabinet idea, proposing once more the national security council. After the meeting, Qurai' declared that he was suspending work on forming a government, ostensibly to protest Israel's threat to remove Arafat.

Over the next several days, the U.S. kept up pressure on Qurai', repeating (9/12) that the U.S. would not press Israel to take actions to bolster the peace process until the PA demonstrated progress on dismantling militant groups and that a renewed Palestinian cease-fire would not be sufficient. The U.S. also reportedly quietly informed (ca. 9/15) Arab governments that the administration "has disengaged from the Israeli-Palestinian conflict" and that Bush had determined that "Israel should not feel any restraint in defending itself" (as quoted in *Palestine Report* 10/15). Meanwhile, Israel explicitly stated (9/14) that killing Arafat was an option; declared (9/14) the Ramallah–al-Bireh area a closed military zone; tightened (9/14, 9/15) restrictions on Palestinian movement in Jenin, Qalqilya, Tulkarm, and the Jordan Valley; stepped up (9/11) construction of the separation wall; and increased home demolitions and bulldozing operations, especially in s. Gaza (see Chronology).

On 9/15, Qurai' resumed efforts to form a full cabinet, asking the Fatah leadership to choose candidates for up to 16 of the 24 cabinet posts—a move the U.S. criticized as effectively allowing Arafat to control the cabinet's composition. Arafat met with Fatah leaders on 9/18 and chose 15 candidates, leaving Qurai' to lobby (9/18–27) independents and other Palestinian factions to join a unity government and take over the remaining seats; Hamas, Islamic Jihad, the Democratic Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine declined. At the same time, Arafat and Qurai' reopened talks with Hamas and Islamic Jihad on a new cease-fire. On 9/27, the FCC approved Qurai''s tentative slate of 23 cabinet members, which was not made public, but Qurai' chose to keep negotiating to bring in other factions. When none agreed, Qurai' shifted back (9/30) to pressing for a crisis cabinet.

While Qurai' vacillated, the U.S. kept up its diplomatic pressure. Notably, at the opening of the new UN General Assembly (UNGA) session, Bush stated (9/23) that "the Palestinian cause is betrayed by leaders who cling to power by feeding on old hatreds and destroying the good work of others" and that Palestinians would only obtain their "well-deserved" state "by embracing new leaders committed to reform, to fighting terror, and to building peace." Echoing Sharon's position, he stated that "no government should ignore the threat of terror, because to look the other way gives the terrorists the chance to regroup and recruit and repair," adding that "all nations that fight terror . . . will earn the favorable judgment of history." On the sidelines of the UNGA session, the Quartet issued (9/26) its strongest statement to date condemning "the vicious [Palestinian] terror attacks of August and September" as "morally indefensible" and recognizing Israel's "legitimate right to self-defense in the face of terrorist attacks."

Meanwhile, Israel stepped up its targeting of Hamas and Islamic Jihad members, assassinating Islamic Jihad Hebron commanders Ahmad Abu Dush (9/16) and Diab Shuwayki (9/25), Islamic Jihad Dura commander 'Abd al-Rahim Talhami (9/25), and wanted Hamas member Muhammad Bashir Akel (9/25); killing Hamas Nussayrat refugee camp (r.c.) commander Jihad Abu Sawarih (9/18) and wanted Hamas member Basil Qawasmi (9/22) in what may have been assassinations; attacking the home of Bureij r.c. Islamic Jihad leader Jawad Shahin in what may have been an assassination attempt; and staging major raids into Jenin (9/18–20) and Bureij r.c. (9/25). Sharon also dispatched (9/18) Mofaz to Washington, reportedly to lobby for Arafat's expulsion from the occupied territories. Among the relatively few Palestinian incidents reported through the end of 9/03 were a raid (9/26) on a Hebron settlement by an Islamic Jihad gunman that left 2 settlers dead and an attempted Islamic Jihad raid (9/23) on a Gaza settlement. Generally Palestinian violence after the suicide bombing was low, probably to avoid a major Israeli retaliation. As of 9/28, the third anniversary of the start of the al-Aqsa intifada, 2,787 Palestinians and 804 Israelis had been killed.

#### ***Israel's Strike on Syria and Its Aftermath***

As Israel entered the Yom Kippur holidays (10/3–6), it further increased

restrictions on Palestinians, already tightened for Rosh Hashanah (9/26–28), by sealing (10/3) the West Bank and Gaza and closing all gates in the completed stretches of the separation wall, thereby denying Palestinians access to olive groves in the buffer zone between the wall and the Green Line as olive harvesting season began. The IDF also assassinated 2 Islamic Jihad members on 10/1 and fatally shot a third in what may have been an assassination on 10/2. Stating that it had no responsibility to meet its road map obligations until the PA dismantled militant groups, Israel approved (10/2) construction of 600 new housing units in settlements in and around East Jerusalem. Around the same time, the U.S. recalled special envoy Wolf to Washington indefinitely for “consultations.”

On 10/4, in retaliation for the 10/1–2 killings, an Islamic Jihad female suicide bomber detonated a device in a Haifa restaurant, killing 21 Israelis and wounding around 50. Arafat and Qurai’ immediately condemned the attack, but Israel blamed the PA for not taking steps to disarm the group. Bush denounced (10/2) the bombing as “despicable,” saying it “underscores once again the responsibility of the Palestinian authorities to fight terror”; significantly, he did not call for Israeli restraint. Secy. of State Colin Powell also phoned (10/2) Sharon to express condolences and strong condemnation of the bombing, similarly not urging restraint. That evening the IDF attempted to assassinate an Islamic Jihad member in Gaza and successfully assassinated an AMB member in Tulkarm.

In the predawn hours of 10/5, Israeli warplanes struck an alleged Islamic Jihad training camp at ‘Ayn Sahib deep inside Syria, injuring 1 person. The site was not listed as an active camp in the State Dept.’s 4/03 terrorism report, and the State Dept. said (10/5) it had no evidence to support Israel’s allegations. Meanwhile, Islamic Jihad denied any connection to the site, but the Popular Front for the Liberation of Palestine–General Command (PFLP-GC) claimed it was its former training base, saying the sole civilian security guard patrolling the site was the only injury. While an IDF spokesman told the press that the army believed Islamic Jihad leaders in Damascus had orchestrated the 10/4 suicide bombing (though Israel acknowledged on 10/5 that it had not believed the strike would diminish the organization’s capabilities), Israel’s initial official statement delivered (10/5) by Sharon adviser Dore Gold was that the strike on ‘Ayn Sahib was

meant to emphasize Syria’s support for terrorist groups. Specifically, it was “intended to send a message that no one can strike Israel with impunity” and claimed that “there is an axis of terror that begins in Iran, and it reaches the Gaza Strip, and its main crossroads is in Syria.”

The attack was important especially for the escalation it marked in Israeli and U.S. relations with Syria (see below). On the ground, its potential for escalation was immediately recognized: Arafat immediately invoked (10/5) the Basic Law to declare a 30-day state of emergency in the occupied territories and simultaneously issued a presidential decree appointing a 9-member emergency cabinet (not covered under the Basic Law) with Qurai’ as PM and 3 portfolios assigned: Fatah’s Nabil Shaath as FM, independent Salam al-Fayyad as finance minister, and Fatah’s Yusuf (whom Arafat had earlier rejected) as interior minister. Five other senior Fatah members, Saeb Erakat (previously negotiation affairs minister), ‘Abd al-Rahman Hamad, Nabil Abu al-Humus (previously education minister), Jamal Shubaki (previously local affairs minister), and Jawad Tibi rounded out the group. All Palestinian factions, including a group of Fatah members, denounced (10/5–6) Arafat’s move as an undemocratic (and arguably unconstitutional) attempt to concentrate power and avoid any process of accountability through the PC. The AMB and some individual Fatah members went so far as to accuse (10/6) Arafat and Qurai’ of collaborating with Israel and the U.S.

On 10/7, Arafat swore in his emergency cabinet in Ramallah, and Qurai’ vowed to consolidate the security forces immediately under one command, though he said he would not use force against militant groups for fear that it could lead to civil war. Yusuf refused to attend the swearing-in ceremony, saying he would not assume the post of interior minister without PC approval and a clear delineation of his mandate. With many PC members also demanding clarification on the legality and mandate of the emergency cabinet, Arafat agreed (10/7) to a confidence vote. On 10/9, the PC convened in Ramallah as planned but disbanded without taking action amid confusion over whether a vote of confidence would automatically confer upon the emergency cabinet the status of a permanent cabinet, not subject to a limit on time in office. Moreover, Arafat was again refusing Yusuf as interior minister. PC members declared (10/9) the situation a

“constitutional crisis,” and Qurai’ told Arafat he no longer wanted to be PM. Arafat quickly convened (10/9) the FCC to discuss whether to appoint a new PM or urge Qurai’ to stay, but before the end of the day, Qurai’ rescinded his resignation.

Meanwhile on 10/7 and 10/8, the IDF placed closures on all West Bank towns; shut the main Gaza roads, dividing the Strip into 4 isolated enclaves; called up additional reserves to strengthen patrols along the Green Line; banned Palestinian vehicular traffic in the northern West Bank until after the Sukkoth holidays (i.e., 10/19); and otherwise continued military operations (arrest raids, bulldozing, etc.) in the occupied territories. At the opening of the new Knesset session on 10/7, Sharon stated that Israel would attack its enemies “any place, in any way.” Simultaneously, the IDF reinforced troops and artillery on the Israeli-Lebanese border and released a map pinpointing what it said were the homes and offices of Palestinian militant leaders in Damascus (including Hamas’s Musa Abu Marzuq and Khalid Mishal, Islamic Jihad’s Ramadan Shalah, and the PFLP-GC’s Ahmad Jibril and 10 sites listed as the military or media offices of Fatah, Hamas, Islamic Jihad, and the PFLP-GC), as an illustration of the extent of the Palestinian “terror network” in Syria. Asked his reaction to Sharon’s statements and actions, Bush stated (10/7), “I have constantly said Israel should defend herself. . . . [T]he decisions he makes to defend her people are valid decisions. We would be doing the same thing.”

#### *Operation Root Canal*

On 10/10, the IDF launched a massive predawn raid on Rafah, dubbed Operation Root Canal, sending in some 100 tanks and armored personnel carriers, 2 helicopters, and special forces units, allegedly to look for smugglers’ tunnels to Egypt. The forces immediately seized a strip of land some 150 m. deep, occupying 8 apartment buildings (some for use as sniper towers, knocking holes in the walls to position guns), and ordering Palestinians in the “front-line area” to evacuate their homes. The AMB and Hamas put up resistance, detonating roadside bombs and exchanging gunfire with the IDF, wounding 1 soldier. By the close of the first day, 7 Palestinians (4 armed men, 3 children) had been killed and 56 wounded (including 19 women, 6 children, 6 elderly, and 1 medic evacuating the wounded), most when a helicopter fired missiles at a crowd

in Brazil r.c., others when soldiers fired machine guns to “drive families away” from their homes. Rafah’s Najjar Hospital reported that it was “overwhelmed” with casualties but could not transport them to other hospitals because of IDF travel restrictions and that the IDF was barring ambulances from entering the combat zone to retrieve wounded for hours at a time.

The first phase of Operation Root Canal lasted until 10/13. During that time, according to international aid organizations on the ground, the IDF demolished at least 114 Palestinian homes and heavily damaged another 117 in the Yibna, J block, and O block areas, leaving more than 2,000 Palestinians homeless, with additional bulldozing in the Salam neighborhood and Brazil r.c. In some areas, the IDF cleared 2 full blocks of homes to create an empty zone along the Rafah-Egypt border, tearing up water and sewage networks in the process. Amnesty International declared (10/14) the Israeli actions a war crime. IDF southern Gaza commander Col. Pinky Zoaredez accused the international organizations of exaggerating and put the number of homes demolished at “no more than a dozen. . . we behave very gently with innocent people.” Asked to comment on the house demolitions, the State Dept. replied (10/14), “We continue to be very concerned about terrorism. We understand Israel’s need to defend itself.”

The IDF pulled troops out of Rafah briefly on 10/13, but reinvaded the Salam neighborhood the same evening. On 10/14, the IDF officially launched Operation Root Canal 2, sending troops back into Rafah in force, bulldozing more land, demolishing up to 75 more houses, and shelling residential areas, killing another 9 Palestinians (including a 14-year-old boy crushed to death when his house was bulldozed) and wounding dozens before withdrawing troops on 10/19 to “regroup and refresh” before resuming operations. During the entire 20 days of Operation Root Canal, the IDF uncovered and sealed only 3 tunnels. (The IDF also bulldozed 30 houses in Rafah 11/9–13 but did not declare this part of the same mission.)

In the midst of the operation, unidentified Palestinians, apparently protesting the U.S. veto (10/14) of a UN Security Council (UNSC) resolution condemning Israel’s separation wall, detonated (10/15) a massive roadside bomb outside Erez crossing as a U.S. embassy convoy passed (at the same time and using the same route regularly used

by CIA details monitoring road map implementation), killing 3 U.S. security officers and wounding 1 U.S. diplomat. The AMB, Hamas, Islamic Jihad, and the Palestinian Resistance Comms. (PRCs) denied (10/15) responsibility, but a statement faxed (10/15) to the press claimed the attack on the PRCs' behalf. The PA, still struggling with its "constitutional crisis," arrested (10/16-18) 10 Palestinians (4 PRC members and 6 PFLP members) "in connection" with the attack, but it was uncertain whether they were merely being questioned or were actual suspects. The U.S. declared (10/15) that the FBI would lead the investigation and dispatched (10/17) a team to the region to work with PA and Israeli officers. Later (by 11/4) it offered a \$5 m. reward and protection for the families of any Palestinians coming forward with information leading to the arrest of the perpetrators.

By this time, Arafat and Qurai' had given up efforts to seek PC endorsement of the emergency cabinet. On 10/12, they declared that the cabinet would have a 1-month mandate only, after which, Qurai' stated, "there will be a new government and a new prime minister also." Yusuf refused to serve, and Qurai' and Arafat entered a new phase of haggling over security officials. Arafat declared (10/13) senior Fatah official Hakam Balawi interim interior minister, but Qurai' contended (10/14) that the role would be filled by the national security council until the permanent government was formed. As a half-step, they appointed (10/15) former Gaza police commander Ghazi Jabali, who had been fired in 7/02 after strong accusations of corruption, as overseer of the West Bank and Gaza police forces. Much frustrated, the U.S. declared (10/20) that it would not return special envoy Wolf to the region until the future of the Qurai' government became clear.

Meanwhile, IDF operations continued elsewhere in Gaza and the West Bank, including significant raids on Bayt Hanun (10/11), Dayr al-Balah (10/12), Tulkarm (10/14), and Ramallah (10/19). The AMB ambushed an IDF patrol outside a West Bank settlement on 10/19, killing 3 soldiers. By 10/19, the death toll had reached 2,826 Palestinians and 823 Israelis.

#### *Addressing the Stalemate*

With Israel's absence of restraint, PA paralysis, and U.S. disengagement, violence continued to grind on at a level that had become "normal." The continuing stalemate

did, however, foster a growing sense that Sharon in particular had no vision of a way out. In Israel, there had already been some open criticism of Sharon's handling of the intifada. Notably, former Knesset speaker Avraham Burg had published (8/29) an open letter to Israelis calling for a new leadership with a vision of hope rather than a reliance on violence (see Doc. C1), and 27 IDF pilots had issued (9/24) a pledge not to participate in any West Bank or Gaza operations, which they termed "illegal and immoral."

The first indication of serious and mounting frustration at the deadly stalemate was the announcement in Amman on 10/13 that a group of Israelis and Palestinians, led by 2 former Oslo negotiators, had drafted their own unofficial peace plan, the Geneva Accord, which they hoped would replace the road map and provide the general outline of final status (see Special Document file). Sharon deemed (10/13) the initiative "subversive," denounced it for ignoring Palestinian violence, and went ahead with a bellicose speech to the Knesset on 10/20 in which he criticized the Geneva Accord drafters for "creating a false impression of alternative plans." In that address, Sharon insisted that the government's policy of "removing" Arafat "is becoming more and more conceivable to various international bodies." If the Israelis remained "determined and patient" and got through "the necessary period of waiting and ripening," he assured the Knesset, they would then "be able to reap the benefits of quiet and peace."

The same day (10/20), the IDF launched 5 major strikes over a 15-hour period against targets in Gaza, killing 10 Palestinians and wounding more than 135, most of them innocent bystanders. One of the strikes involved the assassination of 2 Hamas members in Gaza City, another was an attempted assassination of 2 PFLP members in Nussayrat r.c., and the other 3 targeted 2 alleged Hamas armories in Gaza City. Most casualties occurred in the Nussayrat incident, when the IDF, after failing to kill the 2 PFLP members with their first missile, fired a second salvo as rescuers and onlookers gathered, killing at least 7 bystanders and wounding more than 100 Palestinians. Of the wounded, 4 were left brain dead, including the 2 PFLP members. Over the next week, the IDF assassinated (10/22) a Hamas member in Hebron and a PFLP member in Qalqilya. Another Hamas member died (10/22) in a mysterious explosion in Balata r.c. that may have

been an assassination. A Palestinian gunman infiltrated (10/22) Tal Rumayda settlement and wounded 2 Jewish settlers before being shot dead. Islamic Jihad and Hamas gunmen infiltrated (10/23) an IDF barracks at Netzarim settlement, killing 3 IDF soldiers and wounding 2. The IDF blew up (10/24) 3 Gaza City apartment buildings in response, then assassinated (10/28) an AMB member in Tulkarm.

By the time of Sharon's 10/20 speech and military escalation, even the U.S. was reportedly becoming concerned that Sharon was using only force, and had begun quietly pressing Israel to offer the Palestinians a carrot along with the stick: to ease restrictions on the Palestinians so as to aid Qurai' in forming a permanent government and get the road map back on track, ideally before Bush's major visit to London (11/18–20) for talks on Iraq. Of the same opinion was IDF chief of staff Lt. Gen. Moshe Ya'alon, who reportedly had been urging an easing of restrictions in internal meetings since 9/03. On 10/23 he went public. Calling a press briefing, he told reporters that Israel's military tactics against the Palestinians, which he called "too repressive," were fomenting explosive levels of "hatred and terrorism" that might spin out of control, and that they were responsible for the failure of the Abbas government. Not long after, former Shin Bet heads Ami Ayalon, Carmi Gillon, Yaacov Perry, and Avraham Shohat gave (11/14) a long and hard-hitting interview to the Israeli daily *Yedi'ot Abaronot* (see Doc. C2) in which they said, inter alia, that Israeli treatment of the Palestinians was "patently immoral," that if Israel continued "living by the sword, we will continue to wallow in the mud and destroy ourselves," and that conditioning political progress on a halt to Palestinian violence was "an excuse for doing nothing." On the street, tens of thousands of Israelis participated (11/1) in a peace rally in Tel Aviv, commemorating the eighth anniversary of PM Yitzhak Rabin's assassination.

By the end of 10/03, the effect of Israeli and U.S. pressure was felt on the ground. On 10/29, Mofaz announced an immediate, albeit minor, easing of restrictions on Palestinians, allowing 3,000 Palestinian businessmen from the West Bank and 1,000 from Gaza into Israel, and 1,000 West Bank laborers into Atarot industrial area; the number of permits for Gazans was increased to 10,000 on 11/2. On 10/30, Sharon authorized the reestablishment of contacts with the PA.

On 11/1, Mofaz met with PA Finance M Fayyad to discuss resuming road map implementation. Follow-up talks between Rajub and Shin Bet head Avi Dichter were held ca. 11/2. On 11/5, the IDF eased the encirclement of 6 main West Bank cities, excluding Jenin and Nablus, in place since the 9/9 suicide bombings.

Meanwhile, as the 11/4 deadline for the PA emergency cabinet neared, Arafat asked (10/28) Qurai' to stay on and form a government. Qurai' agreed and began (11/1) holding consultations on cabinet members, but ran into a dispute with Arafat yet again over naming Yusuf as interior minister. When no decision had been reached by the 11/4, Fayyad announced (11/4) that he would suspend his ministerial work until the PC approved a new cabinet, arguing that under the Basic Law, the state of emergency could not be renewed and therefore it was illegal for the emergency cabinet's mandate to be extended. Qurai' gave in (11/7) to Arafat and appointed Balawi as interior minister. On 11/12, Qurai's 24-member cabinet (see Doc. B4) was presented to the PC and approved (46-13, with 5 abstentions, and 23 absent). Critics complained that the cabinet (comprising 18 PC members and 8 first-time ministers) included too many old faces, including Arafat confidants and some previously charged with corruption, indicating it would not be the reform-minded, independent body that Israel and the U.S. demanded. As his first act, Qurai' issued (11/12) a memo from the PLO Executive Comm. and PA leadership ordering the PA security forces to be united under the command of the PA national security council within 1 month. When the cabinet met for the first time on 11/13, Qurai' announced that talks were already underway with Israel on a possible Qurai'-Sharon summit as early as the end of the Id al-Fitr holiday (ca. 11/27).

The U.S. welcomed (11/13) the new Palestinian cabinet while expressing reservations regarding Arafat's role. To build on the positive momentum, the U.S. had earlier asked Mofaz to draft a package of conciliatory gestures that Sharon could present to Qurai' at their hoped-for meeting so as to jumpstart road map implementation. Mofaz's proposals, which he brought to Washington for preplanned talks on bilateral relations and the peace process 11/10–13, included creation of 100,000–200,000 Palestinian jobs in industrial zones bordering Israel, pulling the IDF out of key Palestinian cities, and

removing a number of road blocks. The U.S., which apparently had hoped for something demonstrating an Israeli plan for ending the conflict, was reportedly not impressed.

At the close of the quarter, there were modest signs that all parties were making efforts to break the impasse. Violence was ongoing, with Palestinians being killed almost daily under the IDF's loose open-fire regulations, and significant IDF raids into Palestinian areas, involving house demolitions and bulldozing land, continued (see Chronology). Nonetheless, as the quarter ended, there had been no Israeli civilian deaths since 10/9, no settler fatalities since 10/22, no IDF fatalities since 10/23, and no IDF assassinations since 10/28.

### *Intifada Data and Trends*

During the quarter, at least 162 Palestinians and 62 Israelis were killed, bringing the toll at the close of the quarter to at least 2,888 Palestinians (including 38 Israeli Arabs and 15 unidentified Arab cross-border infiltrators), 828 Israelis (245 IDF soldiers and security personnel, 180 settlers, 403 civilians), and 47 foreign nationals (including 2 British suicide bombers).

As for broader trends, the UN Commission for Human Rights noted (9/8) that curfews had not been as severe in 2003 as in 2002. Whereas an average of 520,000 Palestinians were under curfew at any one time during the second half of 2002, this number had dropped to an average of 390,000 during the first months of 2003. Curfews in Hebron, Jenin, and parts of Gaza, however, have frequently been tighter and longer than in 2002. As of 10/31, the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) counted 757 barriers blocking Palestinian roads and entrances to towns in the West Bank, including 73 manned checkpoints, 58 trenches, 95 concrete barriers, 34 gates, 33 walls, and 464 berms.

The UN Conference on Trade and Development (UNCTAD) reported (9/16) that Israeli restrictions during the intifada had caused real Palestinian GDP to fall below its 1986 level, meaning all economic growth achieved from 1986 to 2000 had been erased. It further reported that the Palestinian economy had become more dependent on Israel, with 45 cents of every dollar channeled into the Israeli economy through imports (Israel accounts for 71% of the Palestinian trade deficit) and more than two-thirds of Palestinian foreign borrowing (largely donor funds) going to purchase Israeli goods,

meaning donor aid was not generating the desired multiplier effect in the occupied territories.

This quarter, Israel carried out 22 killings that were clearly or almost definitely assassinations (up from 16 last quarter), in the process killing 15 bystanders and wounding 81: AMB's Sirhan Sirhan (10/4), 'Abd al-Hadi Natsha (10/21), Ibrahim al-Nanish (10/28), and an unidentified wanted AMB member (8/22); Hamas's Ismail Abu Shanab (8/21), Ahmad Aishtawi (8/24), Khalid Massud (wounded 8/26, died 9/6), Hamdi Kalakh (8/28), Abdallah Akel and Farid Mayat (8/30), Khadir al-Husary (9/1), Muhammad Hanbali (9/5), Ahmad Badr (9/9), Muhammad Bashir Akel, Iyad Hilu (10/20), and Khalid Masri (10/20); Islamic Jihad's Ahmad Abu Dush (9/16), Diab Shuwayki and 'Abd al-Rahim Talhami (9/25), Rabah Abu Dakka and Mazin Badawi (10/1); and the PFLP's Ahmad 'Atiya (10/21). At least 4 other killings (9/18, 9/22, 10/2, 10/22) were probable assassinations but could not be confirmed; 1 bystander was killed and 2 were wounded in these incidents. Attacks on 8/22, 9/6, 9/7, 9/10, 10/4, and 10/20 were clearly failed assassination attempts, which killed 10 bystanders and wounded 58. An attack on 9/25 may have been an assassination attempt.

During the quarter, there were 12 Palestinian suicide attacks (down from 13 last quarter), which killed 67 and injured around 203 (compared to 38 killed and around 142 injured last quarter). Of these, 6 were bombings (8/19, 2 on 9/9, 10/4, 10/9, 11/3). The other 6 attacks (9/2, 9/8, 9/26, 10/22, 2 on 10/23) could be called "suicide" insofar as they were certain to result in the deaths of those who staged them. The AMB and Islamic Jihad each officially claimed 3 attacks, Hamas claimed 2, and Hamas and Islamic Jihad jointly staged 1 (10/23). The 8/19 bombing was attributed to a break-away Hamas cell, and 2 attacks were staged by unaffiliated individuals. The 10/4 suicide bombing on behalf of Islamic Jihad was the fifth carried out by a Palestinian woman. The Palestinian use of mortars, rockets, and roadside bombs seemed to be slightly down from last quarter, though still at a very high level. Besides the 10/15 roadside bombing that killed 3 Americans and wounded 1, only 4 incidents reportedly caused material damage and light injuries to 4 Israelis. The AMB also assassinated 2 Palestinian collaborators on 10/23.

IDF demolition of Palestinian houses remained high this quarter (see Chronology for

details). Once again, the vast majority were in Gaza, with at least 280 concentrated in the Khan Yunis/Rafah area, 6 in central Gaza, and 5 in the north (not counting the demolition of 3 Gaza City apartment buildings on 10/26). There were relatively few house demolitions in the West Bank: roughly 15 in the Hebron region, 12 in Jenin, 11 in Tulkarm, 9 in East Jerusalem, 5 in Ramallah, 4 in Nablus (not counting 1 apartment building on 9/5), and none in Bethlehem or Qalqilya. The IDF also continued bulldozing Palestinian land in Gaza: about 727 dunams in south Gaza, 287 dunams in north Gaza, and 72 dunams in central Gaza. Bulldozing in the West Bank was reported in Hebron (120 dunams) and East Jerusalem (45 dunams).

IDF attacks on ambulances and delays of medical personnel remained roughly at the same level as last quarter. IDF raids on hospitals and clinics (8/21, 8/26, 9/24, 10/13, 10/25) were more aggressive, including searching operating rooms and seizing patients from intensive care units. (The IDF vowed to continue the practice of raiding hospitals to arrest wanted Palestinians on 10/25.) On 8/22, IDF snipers fired into a "semi-open room" of Nablus hospital in an attempt to assassinate 3 AMB members, killing 1 and wounding 2 (who were later seized during a hospital raid). There were also reports of 2 ailing Palestinians dying as a result of IDF delays (9/6, 9/29) and of 1 baby being born at a checkpoint (11/1). The IDF also fired (9/15) a percussion grenade at an ambulance and fatally shot (8/17) a mentally handicapped Palestinian who strayed too close to a settlement. On 9/28, the PA Health Min. reported that since the intifada began more than 90 Palestinians had died in ambulances delayed by the IDF.

Israel announced (11/4) that journalists, Israeli and foreign, would have to undergo Shin Bet security checks in order to receive the accreditation permitting access to the occupied territories, scenes of suicide bombings, and events featuring the PM or other senior officials. The order, which was to ensure that "terrorists cannot exploit the freedoms afforded journalists," was rescinded on 11/10 under intense international and domestic pressure. An AP cameraman filming clashes was beaten by the IDF on 10/22, and 3 Palestinian journalists were barred (ca. 10/1) from traveling abroad. One photographer was shot and wounded in the face by IDF gunfire on 10/14.

Around the time of the 10/5 strike on Syria, Israel renewed internal discussions

on expelling West Bank Palestinian administrative detainees to Gaza for 2 years (see Quarterly Update in *JPS* 129) and reportedly had a list of 25 candidates. On 10/14-15, the IDF transferred 18 detainees, all members of Hamas or Islamic Jihad, to a facility at Erez crossing in preparation for expulsion, giving them 48 hours to appeal the orders, which they did. Officials confirmed (10/14) that none of the men had participated directly in an attack or had "blood on their hands," but argued that placing them on trial would jeopardize intelligence sources. The Israeli High Court ultimately rejected (10/24, 11/1) 13 of the expulsion orders and accepted (11/4, 11/12, 11/13) 4. At the close of the quarter, 1 case was still undecided, and 3 of the 4 orders approved had been carried out (11/10, 2 on 11/13).

Also of note: After nearly 3 years of investigation, Israel's Or Commission issued (9/1) its report on the use of force by Israeli police against Israeli Arabs during the 10/00 riots following the outbreak of the intifada. The commission, which focused only on the 10/00 incidents, in which 13 Israeli Arabs were killed, found that the police had used excessive force, covered up their actions, refused to investigate civilian deaths, and treated Israeli Arab as "enemies." Israeli police commissioner Shlomo Aharonishky immediately ordered his staff to look into legal means of "preemptively" pardoning or quashing the investigations of officials cited for wrongdoing in the report before they were charged, but he halted his efforts on 9/3 in the face of negative reporting in the Israeli press. Sharon stated (9/17) that he would not implement the Or recommendations without the mediation of a ministerial panel appointed earlier that week, which is expected to water down the recommendations. No further action was taken this quarter.

### *Separation Wall*

Israel continued work this quarter on the buffer zones, concrete walls, and electric fences running through the West Bank collectively known as the separation wall (see Lagerquist article in this issue). As of 9/23, completed segments of the wall had effectively annexed to Israel 10 Jewish settlements with 19,000 settlers, carving away 47 mi<sup>2</sup> (or 2%) of the West Bank, home to 13 Palestinian villages with 12,000 residents. The construction had demolished an estimated 100,000 olive and citrus trees, 75 acres of greenhouses, 23 mi. of irrigation

pipes, and 85 commercial buildings. Based on the first official map of the wall route released by the IDF on 10/24, the UNOCHA estimated (10/31) that when the wall is complete, 16% of West Bank land (with 500,000 Palestinians in 136 villages) will be sandwiched between the wall and the Green Line, inaccessible to Palestinians without special "green permits." In mid-9/03, Sharon adviser Gold acknowledged that the wall "could evolve over time into a permanent political border if the Palestinians fail to seriously enter into a negotiating process with Israel."

In the 90 mi. of wall constructed by 9/23, there were some 41 gates through which Palestinians with permits in principle could access their cut-off lands, though Palestinians and the UN estimated (9/23) that only 6-14 were open, with the IDF routinely closing the gates for 10 days at a time during the harvest season. By late 10/03, there were numerous reports of IDF soldiers posted at the gates telling Palestinians they needed "visas to enter Israel" to access the buffer area.

This quarter, Israel broke ground for new sections of the separation wall north of Abu Dis (8/22) and west of Ramallah (11/14), and completed (8/31) the section encircling Tulkarm. The PA expected Israel to confiscate 173 dunams (4 dunams = 1 acre) of Palestinian land for the Abu Dis segment, including 62 dunams of the al-Quds University campus (a third of its property). Under pressure from the U.S., Israel agreed (9/29) to reroute the stretch to cause "less" damage to the campus but did not give details. The IDF also issued confiscation orders for 360 dunams in Nazlat Issa (8/24), 300 dunams in Baqa' al-Sharqiyya (8/24), 130 dunams s. of Tulkarm (9/15), and 424 dunams in the Jordan Valley (11/5) for the separation wall.

The U.S. position on the wall had been that it should roughly follow the Green Line and not jut too deeply into Palestinian territory so as not to prejudge final status. (The UNOCHA estimated that only 11% of the wall would follow the Green Line.) This quarter, the U.S. expressed particular concern about whether the wall would run west or east of Ariel settlement, 13 mi. inside the West Bank. On 10/1, the Israeli cabinet approved (18-4) plans to route the wall east of Ariel but for the time being not to connect it to the north or south segments, leaving a gap to be heavily patrolled by the IDF. The cabinet said it would not make a decision

on joining the segments for several months; by that time the Bush administration would likely be focused on the 2004 presidential elections. The U.S. said (10/3) that the resolution was "not satisfactory" and the "fence" was still a "problem."

The U.S. also sent (10/22) a team of airport security experts to the region to assess Israel's claim that the wall would have to be routed east of Bet Arye settlement to protect planes taking off from Ben-Gurion Airport from shoulder-launched missiles fired from Palestinian territory. (Palestinians have used no such weapons to date.) The experts were not convinced, and the White House reportedly (11/4) "agreed to disagree" with Israel on the issue. Israeli officials acknowledged (11/9) that they had held "very detailed and technical discussions" with the Bush administration regarding the route of the wall, the number of gates in the fence, and how many hours per day the gates would be open.

On 11/9, Palestinians in the territories and activists around the world (including in Argentina, Austria, Bangladesh, Belgium, Brazil, Britain, Canada, Chile, France, Germany, Holland, Italy, Jordan, Norway, South Africa, Spain, Sweden, and the U.S.) observed a day of protests against the separation wall. Through the end of the quarter, Palestinians, along with international and Israeli peace activists, held nonviolent protests and marches (e.g., 11/12) at points along the wall, occasionally being met with IDF tear gas and percussion grenades.

#### INTRA-PALESTINIAN RELATIONS AND REFORM EFFORTS

Arafat's declaration of a state of emergency and an emergency cabinet following Israel's 10/5 attack on Syria raised constitutional questions relating to emergency powers permitted the government under the Basic Law and what checks and balances existed to differentiate a declaration of emergency government from a de facto coup. In light of such concerns, the Palestine National Council (PNC) convened an emergency session in Gaza on 10/6, attended by 208 PNC members—an amazing feat given conditions on the ground. Members expressed deep concern over the "paralysis suffered by the PLO and its components"; stated the need for a comprehensive national dialogue, formation of a unified political platform, democratic reforms, clear separation of PLO and PA institutions, and active Arab and international support in pursuit of these ends;

and reaffirmed the PLO's commitment to the right of return and the right to struggle against occupation.

Given the deterioration of conditions this quarter, the PA was largely unable to implement wide-scale, comprehensive reforms. There were, however, several positive developments with implications for the rule of law:

#### ***Political Developments***

With the formation of the emergency cabinet, Qurai' resigned (10/5) as PC Speaker and appointed PC member Ibrahim Abu al-Naja as interim speaker until a replacement could be elected. On 11/3, the PC elected (53-10, with 7 abstaining) official Fatah candidate Rafiq Natshe (Hebron) over Rawhi Fatuh (Fatah-Rafah), Burhan Jarrar (Fatah-Jenin), and Abbas Zaki (Fatah-Hebron).

Qurai' announced (10/14) a target date of 6/04 for Palestinian presidential, legislative, and municipal elections.

#### ***Fiscal Reform***

IMF officials reported (9/20) that an audit of PA finances revealed that from 1995 to 2000, Arafat had diverted \$900 m. of government revenue to private bank accounts controlled by himself and his then financial adviser, Muhammad Rashid, and that the money had been invested in the occupied territories and abroad. The IMF could account for \$700 m. When the press heralded the IMF report as proof that Arafat had stolen public funds for his personal use, Finance M Fayyad clarified (9/20, 9/22) that the \$900 m. was not transferred to Arafat's personal accounts, but to accounts on which he had signing authority; that these were legitimate holdings of the Palestinian Investment Fund (PIF), as detailed in his 2/28/03 report (see Quarterly Update in *JPS* 128); and that the "unaccounted-for" \$200 m. reflected a decline in portfolio value.

Fayyad convened (9/22) the PIF board of governors in Cairo to discuss the fund's strategic plan. The board agreed to privatize about half of the 79 companies totally or partially owned by the PA, to bar the PA from investing in areas targeted by the private sector (to avoid competing with the private sector and so that PA funds could be directed to areas underfunded by the private sector), and to invest PA funds in labor-intensive projects.

#### ***Judicial Affairs***

Arafat issued (9/5) a presidential decree creating the Palestinian National Comm. for

International Humanitarian Law to promote awareness and understanding of its principles and to assure development of national legislation conforming with it.

The PA High Court ordered (9/16) the PA atty. gen. to explain within 8 days why the Palestinian Monetary Fund froze (8/28) the assets of Palestinian charities linked to Hamas (see above). There was, however, no indication that the atty. gen. responded.

#### ***National Unity***

Aside from ongoing attempts to secure or maintain a cease-fire, the only significant move relating to unity this quarter was the announcement (8/28) by FIDA (the Palestinian Democratic Union), the Palestinian People's Party, and the Palestinian Popular Struggle Front that they would merge as of 9/2, becoming the Palestinian National Initiative (PNI). PNI issued its political platform on 9/13. The groups continued to issue statements independently, however, suggesting that PNI may serve more as a coalition than as a new party per se, similar to the DFLP and PFLP's occasional joint statements as the "Democratic and Popular Front."

Meanwhile, factional fissuring and general antagonism toward the PA seemed to increase this quarter (see Quarterly Update in *JPS* 129). Intrafactional strife involving the AMB included a shootout in Nablus (8/19) between rival factions from Nablus and Balata r.c. that left 1 AMB member dead and, on 9/20, a leadership dispute in Tulkarm (possibly involving a split between town and r.c.) that left 2 dead. On 9/13, 5 armed AMB members raided the Ramallah offices of al-Arabiyya TV and smashed some equipment; the station speculated that the AMB was angry over recent coverage of internal PA rifts. Arafat condemned (9/13) the attack and ordered an investigation.

The PA was the target of several incidents. Armed Hamas members in Shati' r.c. kidnapped (9/17) a PA security officer and accused him of collaboration for his participation in the arrest of a senior Hamas activist in Gaza City. Security forces detained (9/18) 7 Hamas members for questioning, sparking an exchange of gunfire that injured 5. The PA released the 7 Hamas members in exchange for its security officer.

In Gaza, rumors that Muhammad Dahlan was not among Qurai's preliminary cabinet nominees sparked (9/27) protests by some 1,000 Dahlan supporters who burned pictures of various Fatah officials.

When PA Housing M 'Abd al-Rahman Hamas visited Rafah r.c. on 10/15 to assess the damage from Israel's Operation Root Canal and announced that the PA would not be able to provide housing for the estimated 2,000 homeless, he was attacked by a mob and trapped in the local governate offices, while several armed masked men fired on his empty car. PA security officers were eventually able to escort Hamas out of the camp safely.

In mid-10/03, 30 PA military intelligence officers stormed the Khan Yunis governate building, destroyed furniture and equipment, and smashed windows to protest their pay, which is lower than other PA security branches. On 11/9, the same group occupied the offices again, demanding higher wages, better working conditions, and the removal of military intelligence chief Musa Arafat. There was no indication the PA met their demands.

Unidentified gunmen ambushed and wounded Sa'ad Sihaybar, aide to the PA atty. gen., outside his home in Gaza City on 10/12.

**PALESTINIAN OPINION**

*The following data are excerpted from a poll conducted by the Palestinian Center for Policy and Survey Research (PCPSR) between 7 and 14 October 2003. Results are based on a survey of 1,318 men and women from the West Bank and Gaza. The poll, the ninth in a series, was taken from PCPSR's Web site at [www.pcpsr.org](http://www.pcpsr.org).*

**1. Who in your opinion is the person or side responsible more than anyone else for the resignation of Abu Mazin [Abbas] and his government?**

	West Bank	Gaza	Total
a. Former PM Abu Mazin and his government	14.2%	20.7%	16.6%
b. President of the PA Yasir Arafat	26.4%	27.2%	26.7%
c. The U.S.	15.1%	9.2%	12.9%
d. Israel	25.8%	28.6%	26.8%
e. Others	8.5%	6.3%	7.7%
f. No opinion	10.1%	8.0%	9.3%

**2. Some argue for putting the Palestinian security services under the control of the prime minister and his government, but others argue for putting**

**these services under the control of a national security council [NSC] headed by the president of the Palestinian Authority [Arafat]. What do you think?**

	West Bank	Gaza	Total
a. Under control of the PM	13.5%	11.3%	12.7%
b. Under control of the NSC and the president	58.0%	64.4%	60.4%
c. Keep things as they are: police and preventive security under the interior minister; national security forces and intelligence under the president	19.7%	18.8%	19.4%
d. No opinion	8.8%	5.5%	7.5%

**3. Do you think the U.S. is sincere or not sincere when it says it works for the establishment of an independent Palestinian state alongside the State of Israel?**

	West Bank	Gaza	Total
a. Sincere	3.3%	3.2%	3.3%
b. Not sincere	95.6%	95.8%	95.7%
c. No opinion	1.1%	1.0%	1.1%

**4. Do you think the U.S. is sincere or not sincere when it says it wants political reform and that it seeks to fight corruption in the Palestinian Authority?**

	West Bank	Gaza	Total
a. Sincere	7.3%	6.1%	6.8%
b. Not sincere	90.9%	92.7%	91.6%
c. No opinion	1.8%	1.2%	1.6%

**JORDAN-ISRAEL**

Jordan increased its diplomatic contacts with Israel significantly this quarter despite the escalating intifada. King Abdallah received (9/7) the credentials of the new Israeli amb. to Jordan, Yaacov Haddas. Jordan has not had an ambassador in Tel Aviv since 10/00, shortly after the intifada began, and Israel said (9/15) it was exploring a possible deal under which Jordan would return its ambassador in exchange for the release of the 81 Jordanians held in Israeli jails as part of an Israeli-Hizballah prisoner trade (see below). Jordan said (10/9) that it did not

oppose an Israeli-Hizballah deal in principle but refused to be involved, since domestically it would appear as a coup for Hizballah at the expense of the Jordanian government. Instead, Jordan sent (ca. 10/19) a delegation to Israel to discuss a bilateral arrangement for the Jordanians' release. Talks were still underway as of 11/6.

The Israel-Jordan Chamber of Commerce held (10/21) its first conference on bilateral cooperation and trade at the Shaykh Hussein border crossing. Attended by some 300 Israeli and Jordanian businessmen, the event featured inaugural speeches by Israel's Trade M and Dep. PM Ehud Olmert, Jordanian Trade M Muhammad Abu Hammur, U.S. Amb. to Israel Dan Kurtzer, and U.S. Amb. to Jordan Edward Gnehm.

The same week, a Jordanian Export Institute delegation attended (10/20) a training session in Israel hosted by the Israeli Export Institute, the first of several planned efforts to improve coordination between the groups. Instruction covered organizing exhibitions, business intelligence, and database management.

Israel announced (8/20), without coordination with Jordan, that it would move forward with plans to upgrade the Elat airport and build a railway linking it to Elat port. Under their 1994 peace treaty, Israel's Elat airport was to be expanded into an Aqaba-Elat "peace airport" straddling their border as part of a larger plan to create a joint Aqaba-Elat-Taba tourism zone. A memorandum on the project had been signed in 1997, but no progress has been made since. The plan has not been discussed since the outbreak of the intifada.

The Central Bank of Jordan ordered (9/4) all local banks quietly to freeze the assets of the 6 Hamas leaders and 5 charitable organizations named by Bush on 8/22, making Jordan the first Arab country to follow the U.S. directive. The move was seen as a gesture to the U.S. in advance of King Abdallah's upcoming visit to Washington on 9/18. The Jordan Banks Association leaked word of the orders on 9/15, the day the king's U.S. visit began. In light of public outrage at the disclosure, the Jordanian government rescinded (9/16) the order, claiming ignorance of the bank's action; the State Dept.'s urging (9/16) that Jordan reimpose the order was not heeded. Meeting with Bush on 9/18, King Abdallah stressed that both Israel and the PA must "engag[e] positively in the right direction, while Bush reportedly stated that Arafat "is a loser" and that "I'm not go-

ing to spend my political capital on losers, only winners. I'm still in a war mode, and the war is terrorism. If people don't fight terrorism, I am not going to deal with them" (*Washington Post* 10/6).

Jordan granted (8/25) Jordanian women married to Palestinians permission to enter the kingdom with their families provided that they had valid travel documents. The women, who had been living in Iraq, had been stuck since the war at al-Ruwayshid r.c. The UN said the decision would affect some 386 persons.

#### SYRIA-ISRAEL

Israel's 10/5 strike on 'Ayn Sahib, the single main event of the quarter for Syria, opened a diplomatic onslaught against Damascus from the U.S. and Israel and brought U.S.-Syria relations to a new low. Immediately after the attack, Bush phoned Sharon to say that he concurred with Israel's "need to continue fighting terrorism," and a U.S. official statement noted that "we have repeatedly told the government of Syria that it is on the wrong side in the war on terror and that it must stop harboring terrorists." The following day, Bush publicly stated that "Israel must not feel constrained in terms of defending the homeland."

Syria reacted (10/5) by denouncing the attack while declaring that its own response would be diplomatic. To that end, it requested and received (10/5) an immediate emergency session of the UNSC, where it submitted a draft resolution strongly condemning the Israeli strike, demanding that Israel "desist from any such attacks or threats," and accusing Israel of violating the UN charter and international law. The U.S. blocked a vote and called a debate on the measure to allow Israel to respond. At the debate (10/5), U.S. Amb. to the UN John Negroponte claimed that "specific directions for terrorist acts continue to be issued from terrorist groups based in Syria" and stated the clear "need for Syria to cease harboring terrorist groups," vowing to veto any resolution that did not condemn the 10/4 Hamas suicide bombing and demand the immediate disbandment of all Palestinian militant groups. Israeli amb. to the UN Dan Gillerman denounced Syria's request for an emergency session, saying "for Syria to ask for a debate in this council is comparable only to the Taliban calling for such a debate after 9/11." Gillerman added that Syria should "count itself fortunate that it has not yet, for unfortunate reasons, been the subject of

concerted international action as part of the global campaign against terrorism—not yet.”

Even before the 10/5 attack, the U.S. campaign to depict Syria as a dangerous exporter of global terrorism (see Quarterly Update in *JPS* 129) had been heating up. U.S. Undersecy. of State for Arms Control John Bolton testified (9/16) before a House committee that Syria had “permitted volunteers to pass into Iraq to attack and kill our service members during the war” and continued to do so. Bolton also reiterated accusations that Syria supports “terrorist groups” and seeks to develop biological, chemical, and nuclear weapons. Bolton’s prepared statements, approved by intelligence agencies (see Quarterly Update in *JPS* 129), were leaked to the *New York Times* (9/16) “by individuals who feel that the accusations against Syria have received insufficient attention.” Powell also accused (9/15) Syria of not doing enough to halt “terrorist” activity and cross-border infiltrations into Iraq. These allegations came despite statements from U.S. military commanders (10/28, 11/18) responsible for monitoring the Iraq-Syria border that there was no evidence of significant infiltration (the senior U.S. commander for border patrol stated that between mid-9/03 and mid-11/03, his forces had detected only 20 infiltrators, of whom 13 were captured and 7 killed) and by Defense Secy. Donald Rumsfeld (9/10) that even if U.S. forces in Iraq had another division, they could not prevent cross-border infiltration from Syria into Iraq because the border is so long it is impossible to seal.

The intensification of Washington’s anti-Syrian rhetoric in September was prompted by anger over Syria’s tabling (9/15) a UNSC resolution condemning Israel’s 9/11 threat to “remove” Arafat (see below). Two weeks later (10/3), the White House quietly informed Congress that it would not oppose the Syria Accountability Act when debate on the measure resumed, essentially guaranteeing passage of the bill, which already had 275 cosponsors in the House and 75 in the Senate. (Previously the Bush administration had urged Congress to delay consideration of the act on the grounds that Congress should not dictate foreign policy to the White House and that the bill would complicate the peace process.) Under current drafts, the act would force the U.S. to impose sanctions (the pres. would have to pick several from a long list) unless Syria ends all support for Palestinian militant groups; withdraws completely from Lebanon; ceases supporting insurgents in

Iraq; and halts all biological, chemical, and nuclear weapons programs. Immediately after the 10/5 attack, the House International Relations Comm. rushed to resume (10/7) debate. The full House approved (398-4) its draft on 10/15, and the Senate followed (89-4) on 11/11, meaning the bill could become law before Congress adjourns for winter recess.

Dept. of Homeland Security agents arrested (9/28) American Muslim Council head Abdurahman Alamoudi, a U.S. citizen of Yemeni origin from Eritrea, on charges of attempting to smuggle to Syria \$340,000 allegedly given him by a Libyan official and “intended for delivery in Damascus to one or more of the terrorists or terrorist organizations active in Syria”; Hamas, Hizballah, Islamic Jihad, and al-Qa’ida were named as possible recipients. Alamoudi also founded the Pentagon’s Muslim chaplain program, which trained U.S. army chaplain James Yee, who counseled Taliban and al-Qa’ida detainees at Guantanamo Bay, previously studied in Syria, and was arrested on espionage charges on 9/10. Another Guantanamo serviceman, U.S. Air Force translator Ahmad Halabi, was arrested on 9/28 on charges of attempting to deliver to Syria classified material regarding Guantanamo prisoners. Halabi, a Syrian citizen who has applied for U.S. citizenship, had recently been to the Syrian embassy regarding a visa for his Syrian fiancée, raising suspicions. Syria denied (9/28) any link to the men.

#### LEBANON-ISRAEL

The main event of this quarter was Israel’s announcement (8/20) that it had authorized Germany to reopen long-dormant talks with Hizballah on a prisoner exchange, with Hizballah head Hassan Nasrallah declaring (8/24) that the sides were closer to an agreement than ever before. Ca. 8/24, Hizballah allowed a German mediator to visit captured IDF Col. Elhanan Tennenbaum (res.), a suspected Mossad agent lured to Lebanon and kidnapped by Hizballah in 10/00, to certify that he was in “reasonable condition.” In return, Israel turned over (8/25) to Hizballah the remains of 2 Hizballah members killed in s. Lebanon (1 in clashes with the IDF in 11/98; 1 in a suicide attack against an IDF convoy in 12/99). By 9/27, Hizballah leaders had opened contacts with Fatah, Hamas, Islamic Jihad, and representatives of Jordan and Syria to discuss a large-scale Israeli prisoner release. As a result of Israel’s 10/5 attack on Syria, talks slowed.

On 10/27, however, Israel, in an apparent goodwill gesture to revive them, handed over to Lebanon a Lebanese crew member of a ship carrying arms for the PFLP-GC that was captured off the Israeli coast on 5/7/01 (see Chronology in *JPS* 120). Hizballah was rumored (10/28) to have given Israel in return DNA samples of the remains of 3 IDF soldiers who disappeared in a 1982 battle. Sharon met (11/6) with the families of the dead and missing Israelis to urge them to back a plan to free around 400 Palestinian prisoners (possibly including Fatah's Marwan Barghouti) and dozens of Arab prisoners from Lebanon, Libya, Morocco, Sudan, and Syria (regarding Jordan, see above) in exchange for Tennenbaum and the bodies of the 3 MIAs but not including missing Israeli airman Ron Arad, whose plane was downed over Lebanon in 10/86. The families cautiously agreed, and Sharon sent the deal to the Israeli cabinet, where it was narrowly approved (12-11) on 11/9 on the condition that Lebanese prisoner Samir Kantar, who killed 3 Israelis in a 1979 attack, not be included. Hizballah objected (11/9). In response, Mofaz threatened (11/9) that if Hizballah rejected the deal, Israel was prepared to undertake a major hostage-taking campaign in Lebanon that could include Nasrallah. Mofaz further stated (11/13) that "terrorist bases in Lebanon," including those of Hizballah, were training "foreign fighters who are moving into Iraq to kill American troops." Nothing had been finalized by the end of the quarter.

Meanwhile, Israel and Hizballah continued to spar militarily. On 9/3, Israeli warplanes struck Hizballah targets in s. Lebanon, drawing the first Hizballah anti-aircraft fire since early 8/03, when cross-border exchanges had nearly spiraled out of control (see Quarterly Update in *JPS* 129). Israeli overflights continued throughout the quarter, increasing after Israel's 10/5 attack on Syria and prompting a warning (10/13) from the UN. After the 10/5 'Ayn Sahib attack, an IDF soldier was fatally shot (10/6) inside Israel by a shot apparently fired from Lebanon; no group claimed responsibility, and Hizballah denied involvement. Hizballah fired (10/7) a Katyusha toward Israel, but it fell inside s. Lebanon, killing a Lebanese boy and wounding his brother. Though Israel noted (9/25) a significant decline in retaliatory Hizballah fire from last quarter, it also lodged (11/7) a protest with the UN against Hizballah for planting roadside bombs along the Israeli side of the blue line in the occupied Golan Heights.

On 8/28, 21 former South Lebanon Army (SLA) members and their families returned to Lebanon from Israel in the largest repatriation since the IDF pulled out of Lebanon in 5/00 and some 6,000 SLA members and their families were granted residency in Israel to protect them from retaliation for collaboration. Another 49 Lebanese returned on 9/4, and 7 SLA members and their families returned on 10/1. More than 4,000 of the 6,000-7,000 Lebanese given asylum in Israel have now returned.

Lebanon's Central Bank announced (9/21) that it had ordered banks to disclose any accounts linked to 6 Hamas officials and 5 Muslim charities whose assets were frozen by the U.S. on 8/22, but said that no decision had been made to freeze any accounts discovered. The government rescinded the order on 9/25 after a huge public outcry by a wide spectrum of Lebanese political parties and organizations, which also demanded the resignation of the Central Bank governor. On 9/26, Pres. Emile Lahoud stated that Lebanon would not agree to U.S. demands to freeze the accounts.

Fatah-Islamist disputes apparently continued in 'Ayn al-Hilwa r.c. this quarter (see Quarterly Update in *JPS* 129). Unidentified assailants threw (8/17) a grenade at the main Fatah office in 'Ayn al-Hilwa, causing light damage but no injuries. On 9/11, unidentified assailants threw hand grenades and fired rifles at some 400 Palestinians marching in support of Arafat, wounding 17.

Also of note: The Jewish Agency, Israeli Housing Min., and the Authority for Development of the Galilee launched (9/18) a new project to encourage Jewish settlement in 23 areas along the northern border with Lebanon by offering free land and financial assistance for developing infrastructure.

## REGIONAL AFFAIRS

### RELATIONS WITH ISRAEL

Official contacts between Israel and the Arab states increased slightly this quarter, probably as a result of ongoing U.S. pressure to normalize relations with Israel following the Iraq war. Nonofficial relations continued to be very poor, however, if not to worsen. In addition to making threats and accusations against Syria, Israel significantly increased its hostile rhetoric against Saudi Arabia and Egypt.

Israel reported (8/19) that Saudi Arabia requested evidence linking Saudi government

officials and businessmen to fund transfers to Hamas, so as to be able to halt such transactions. The request came after Sharon adviser Gold testified (7/15) to a congressional comm. that Saudi Arabia provides more than half of Hamas's funding (see Quarterly Update in *JPS* 129). Israel dismissed the request as being motivated solely by Saudi Arabia's desire to restore its standing with the U.S. The IDF nonetheless reported (9/18) that it had documents seized during raids of PA security offices in 12/02 showing that the Saudi regime was indirectly funding Hamas terrorist operations to the tune of \$5-14 m./year. The documents were not released.

In addition, IDF intelligence commander Maj. Gen. Aharon Ze'evi told (10/22) the Knesset Foreign Affairs and Intelligence Comm. that Saudi Arabia's Crown Prince Abdallah had concluded during a visit (10/18-19) to Islamabad a deal to obtain Pakistan's nuclear weapons technology in exchange for discounted Saudi oil. Comm. chairman Yuval Steinitz stated (10/22) that the report meshed with information recently received from U.S. senators. Senior U.S. officials and intelligence experts said (10/22), however, that there was no evidence of such a plan, while both Saudi Arabia and Pakistan strenuously denied (10/22) the claim.

Similarly, Israeli DM Mofaz began (ca. 10/13) warning that Egypt was increasing its stockpile of weapons and building new fortifications in the Sinai (allegedly in preparation for war). Mofaz acknowledged that Egypt continued to adhere to their 1979 peace agreement but warned that "within a few years Egypt's leadership might be replaced, and the new regime might have a different attitude toward Israel."

Israeli FM Shalom traveled (9/1-2) to Morocco to discuss expanding bilateral ties, marking the first high-level Israeli visit to an Arab state since the intifada began. King Muhammad VI received Shalom at his royal palace in Tetouan and ordered his FMin. to resume issuing visas to Israelis wishing to visit the kingdom. On the sideline of the UNGA opening session in New York, Shalom met (9/24) again with King Muhammad VI, who offered to host a meeting between Shalom and Shaath to discuss the road map. No such meeting was reported.

Bank of Israel governor David Klein addressed the annual IMF and World Bank conference, held this year in Dubai, marking the first official Israeli visit to the UAE. The representatives of Lebanon, Libya, Sudan, and Yemen left the hall during Klein's address;

Syria had boycotted the meeting. UAE representatives temporarily moved back two rows while the speech was delivered. On the sidelines of the conference, however, the crown prince of the UAE stated that Israelis were welcome to visit his country. On 9/24, the UAE government "clarified" that it would establish ties with Israel only after a lasting Israeli-Palestinian peace had been achieved.

#### INTER-ARAB HIGHLIGHTS

The only inter-Arab meetings relating to the peace process this quarter were held by the Arab League FMs. These included consultative talks on Iraq and Palestine in Cairo on 9/8 and emergency sessions in Cairo on 9/13 and New York on 9/22 to discuss Israeli threats (9/11) to "remove" Arafat. At a 9/13 meeting, FMs drafted a UN resolution condemning the Israeli threats, which was presented to the UNSC and vetoed by the U.S. on 9/16 (see below).

On 9/24, Kuwait announced that under U.S. pressure it had frozen the accounts of the 6 Hamas leaders and 5 Muslim charities targeted by Bush on 8/22.

The U.S. Treasury Dept. announced (9/24) that Saudi Arabia was complying with requests to investigate 2 Saudi charities suspected of "supporting terrorism" via donations to Hamas affiliates. The U.S. also demanded that the kingdom shut all the overseas offices of one of the groups, the International Islamic Relief Organization, and order members of the royal family sitting on the group's board to step down.

Oman declared (10/8) that it would exempt all Palestinian products from customs duties and remove all restrictions on the quantity and quality of imported Palestinian goods, retroactive to 9/14/03.

#### INTERNATIONAL

##### UNITED STATES

The Israeli-Palestinian conflict remained peripheral to the administration's Middle East concerns, with focus on stabilizing the increasingly difficult situation in Iraq; a further disincentive for reengagement in the peace process was the approach of the 2004 presidential elections. When the administration did take action, it appeared to follow Israel's lead even when seeming to pressure it. A case in point involved loan guarantees and the separation wall. Under the 4/03 legislation granting Israel \$9 m. in loan guarantees

over 3 years (see Quarterly Update in *JPS* 128), the U.S. may reduce the amount transferred dollar for dollar up to the amount of Israel's total spending on West Bank projects, with Congress to be informed of the amount to be deducted by 9/30 each year. On 9/15, the U.S. announced that it would withhold some money from Israel because of continued settlement construction, but said that the exact amount would be negotiated with Israel (known to obscure settlement expenditures by spreading them among various government budgets) and that no decision had been made as to whether the costs of constructing the wall would be included. Privately, U.S. officials stated (9/15, 10/22) that the administration had "backed away from confrontation" over the wall and that it was "wishful thinking in an election year" to believe the U.S. would deduct the costs of the wall. Sharon dispatched Weisglass (9/22) and Shalom (9/24) to the U.S. to discuss the issue with National Security Adviser Condoleezza Rice and Powell, but they did not agree on an amount, forcing the U.S. to declare (9/30) that it would not deduct anything from the FY 2003 transfer. Of note: *Ha'Aretz* released (9/26) its own report (see Settlement Monitor) estimating that the government spends more than \$550 m./year on "unusual civilian expenditures" in Jewish settlements (defined as "the average amount of extra money spent on settlers compared to an ordinary Israeli civilian") and has spent roughly \$900 m. on special security needs for settlements since the intifada began.

The U.S. even subverted its own efforts in order to shield Israel. The *Washington Post* reported (8/28) that the U.S. embassy in Tel Aviv had refused repeated requests for interviews with special envoy Wolf, essentially preventing him from commenting publicly on road map implementation, as was his mandate. Wolf also reportedly (*San Francisco Chronicle* 9/25) had compiled a document showing how both Israel and the PA had failed to implement their road map requirements, but the U.S. chose not to make it public "to avoid embarrassing disclosures."

The Israel-Palestine conflict became an explicit issue in the presidential campaigns for the first time this quarter when Democratic candidate Howard Dean (VT) stated (9/8) that the U.S. should not "take sides" in the Israeli-Palestinian conflict if it sought to broker peace. Other Democratic hopefuls attacked (9/8) Dean for, in the words of Sen. John Kerry (MA), "promoting a radical shift

in United States policy toward the Middle East." Dean, who has previously stated that his views are closer to the American Israel Public Affairs Committee (AIPAC) than Peace Now and whose national campaign co-chair is former AIPAC pres. Steve Grossman, initially stuck by his remarks but ultimately backtracked. On 9/10, he stated to CNN that his call for an "evenhanded" U.S. policy was not the best choice of words, saying, "I've since learned that is a sensitive word . . . in some communities." Asked in the same interview his opinion on Israeli assassinations, he said, "There is a war going on in the Middle East, and members of Hamas are soldiers in that war, and therefore it seems to me that they are [also] going to be casualties." Kerry slammed (9/10) Dean for not calling Hamas members "terrorists," saying calling them soldiers "insults the memory of every innocent man, woman, and child killed by these suicidal murders." Also of note: *Ha'Aretz* reported (9/23) that some 100 members of Congress visited Israel during summer recess.

Several appointments this quarter highlighted the administration's close ties with pro-Israel groups. David Wurmser, drafter of the 1996 policy paper entitled "A Clean Break" for the incoming Israeli PM Benjamin Netanyahu, was promoted (9/03) to senior State Dept. adviser to VP Dick Cheney's national security team. (The paper had called for the removal of Saddam Hussein, the replacement of Arafat, the "roll-back" of Syria, and "democratization" of the Middle East, including further military actions against Iran, Saudi Arabia, and Egypt.) Meanwhile, outgoing White House spokesman Ari Fleischer joined (9/03) the board of the Republican Jewish Coalition in hopes of "educating Jews about the Republican party."

Pentagon adviser Richard Perle was honored (10/14) at the inaugural Jerusalem Summit, a 3-day conference on Israeli security bringing together conservative Israeli and American Jewish and Christian analysts and politicians opposed to the creation of a Palestinian state. In his address, Perle denounced the unofficial Geneva Accord (see above) as damaging to Israeli security and undemocratic, stating that it would be illegal in the U.S. He also said, referring to Israel's 10/5 strike on 'Ayn Sahib, that he was "happy to see the message was delivered to Syria by the Israeli air force, and I hope it is the first of many such messages."

Bush appointed (8/22) controversial Middle East scholar Daniel Pipes, widely

believed to hold virulent anti-Muslim and pro-Israeli views, to the board of directors of the U.S. Institute of Peace (USIP). By making the appointment while Congress was in recess, Bush avoided a confirmation vote. Members of the Senate Health, Education, Labor, and Pensions Comm., which oversees nominations to USIP, had already blocked Pipes's nomination at a hearing on 7/23, concluding, in the words of Sen. Edward Kennedy (D-MA), that Pipes's record does not "reflect a commitment to bridging differences and preventing conflict." Former presidential adviser and prominent Middle East scholar William Quandt suspended (9/5) his affiliation with USIP in protest.

U.S. Supreme Court justice Stephen Breyer stated (9/18) that the U.S. should learn from Israel's experience in balancing national security and civil rights by adopting Israel's practice of barring defendants from naming their own lawyers so as to prevent them from passing instructions to "terrorist" groups through their legal counsel, instead allowing them to choose from a list of court-appointed attorneys.

The Israeli-U.S. Joint Political Military Group met (10/29-30) in Israel regarding regional security and defense cooperation issues, including stabilization in Iraq and preventing Iran from achieving nuclear capability. The sides exchanged letters confirming the Bush administration's intention to seek \$2.22 b. in military aid for Israel from Congress for FY 2005, in keeping with the staged plan agreed during the Netanyahu administration to reduce U.S. economic assistance to Israel by \$120 m./year and increase military assistance by \$60 m./year until economic aid is phased out in 2008.

The White House informed (ca. 10/15) Congress of 3 pending military deals with Israel: the "supply" of \$65 m. worth of medium-sized trucks for the IDF; \$50 m. of alterations in the aircraft warning system that Israel is developing with Singapore; and the "supply" of 420 machine guns to the IDF. It was unclear whether Israel would be purchasing these items or if the U.S. would be covering the cost. Also of note: Israel received (11/14) the first of 102 F-16A warplanes ordered from a U.S. manufacturer.

The U.S. stated (11/10) that it plans to allocate \$75 m. to the Palestinians in the USAID budget for FY 2004. U.S. regular and supplemental aid to the Palestinians for FY 2003 totaled \$254 m. (\$88 m. to the UNRWA regular budget, \$41 m. to the UNRWA emergency budget, \$75 m. through the USAID

regular budget, \$50 m. supplemental aid through USAID). USAID reported (9/6) that some \$5 m. of the \$20 m. in U.S. annual grants to Palestinian NGOs for health, education, and community service projects have been frozen because the recipient organizations have refused to sign pledges (required as of 12/31/02 under post-9/11 antiterrorism legislation) not to provide resources to individuals or groups identified as "terrorist" by the State Dept. Some groups say they cannot sign the statements under PA laws forbidding accepting foreign assistance with strings attached; others fear being branded as U.S. puppets.

Invoking the 2001 Patriot Act, the Bush administration declared (9/22) that it would pursue a 16-year-old deportation case against 2 Palestinians, Khadir Hamida and Michel Shehadeh, for allegedly distributing magazines and raising funds for the leftist PFLP when they were students in California in the mid-1980s, years before the State Dept. declared the PFLP a terrorist organization in 10/97. When the Reagan administration in 1987 sought deportation of Hamida, Shehadeh, and 6 other Palestinians (known as the LA 8), it cited the cold war era McCarran-Walter Act, outlawing membership in communist groups. The FBI admitted in 1987 that none of the LA 8 had engaged in terrorist activity and that they would not have been arrested if they were U.S. citizens, and in 1990 Congress repealed the act as unconstitutional. Cases against the other 6 were subsequently dismissed on minor technical violations, but the Hamida and Shehadeh cases remained in bureaucratic limbo. In 1/03, the Bush administration was ordered to declare by summer 2003 whether it would pursue the cases.

Palestinian activist Abdelhaleem Ashqar was jailed (9/5) and indicted (10/10) in Chicago for civil contempt of court for refusing to testify to a grand jury investigating Hamas's financing and activities; Ashqar had been subpoenaed for questioning on his alleged contacts with Hamas in 1993-94, before the group was placed on the State Dept. terrorism list in 1995. He was released on 11/3 after serving a 2-month sentence. Ashqar, who was on a USAID-sponsored exchange visa in 1989-98 and had been allowed to remain while his request for political asylum was reviewed, was jailed in 1998 for refusing a similar request. He revoked his request for asylum in 6/03. Another witness who refused to testify, Sharif Alwan, was convicted on

criminal contempt charges and is serving a 2-year sentence.

FBI officials confirmed (10/7) reports that in 1998-99, the FBI in cooperation with Israeli intelligence secretly funneled several thousand dollars to Hamas's Abu Shanab (assassinated on 8/21) to determine whether Hamas would use it for terrorist attacks. Abu Shanab reportedly gave the money to Palestinian orphanages and health clinics, and the sting never resulted in any arrests. The reports emerged when Arizona businessman and FBI informant Henry Ellen testified in a closed immigration hearing in 6/01 that from 1994 to 1999, he had permitted the FBI to bug his own home, car, and office; allowed the activities of his charitable group in Gaza, al-Sadaqa Foundation, to be monitored by the FBI; arranged meetings between major Palestinian activists; and met with Arafat.

The State Dept. released (10/3) its annual terrorism list, for the first time including Internet sites, among them 4 sites operated by Kach and Kahane Chai.

As regards the war on Iraq: *Ha'Aretz* reported (9/3) that a Mossad team visited Iraq in 8/03 to "coordinate antiterrorism efforts with U.S. forces," conducting a field tour of Baghdad and aerial tours of Mosul, Ramadi, and Tikrit, with particular emphasis on "possible security cooperation" between Iran and Syria and elements of Ansar al-Islam and al-Qa'ida.

Also of note: The embassy of Palestine in Baghdad reopened on 8/18 with a 2-person diplomatic staff. As of that date, 3 of the 6 embassy officials detained by U.S. forces on 5/28 (see Quarterly Update in *JPS* 129) remained in custody.

#### RUSSIA

Russia was active diplomatically during the quarter. Russian Dep. FM Yuri Fedotov visited (8/27-31) Israel and the occupied territories for consultations regarding the upcoming UNGA session in New York in 9/03 and to discuss ways of deescalating Israeli-Palestinian violence. During his meetings (8/29) with Fedotov, Shalom stressed the nuclear threat from Iran. The following month (ca. 9/3-12), Fedotov visited Egypt, Jordan, Lebanon, and Syria for consultations on the peace process and Iraq.

Russian special envoy Andrei Vdovin toured the region ca. 9/2, also holding consultations (9/8-10) in Israel and the occupied territories with Qurai', EU special envoy Marc Otte, U.S. special envoy Wolf, and U.S. Consul General Jeff Feltman. Vdovin stepped

down as special envoy for the Middle East in 10/03 and was replaced (ca. 10/16) by Alexander Kalugin, who had accompanied Vdovin on his final tour of the region.

On a visit to Moscow (11/2), Sharon pressed Pres. Vladimir Putin to drop a UN resolution endorsing the road map (see below) and brought new intelligence showing Iran as a threat to regional peace.

#### EUROPEAN UNION

The new EU special envoy Otte made his first trip to Israel on 8/27, meeting with FMin. Dir. Gen. Yoav Biran and Sharon chief of staff Weisglass. EU foreign policy dir. Javier Solana followed up (8/31) with talks with Mofaz. Though Solana did not meet with PA officials, Sharon canceled a planned meeting with him on 9/2 after Solana phoned (9/1) to urge him to halt targeted assassinations. Solana and Otte also visited (ca. 9/1-3) Jordan, Syria, Lebanon, and Saudi Arabia for talks on reviving the peace process.

During their 9/03 visit, neither Otte nor Solana met with Palestinian officials or traveled to the territories as a gesture to Israel and so as not to be seen as interfering in the ongoing Abbas-Arafat power struggle (see above). However, when Otte toured the region in early 10/03, around the time of Israel's Operation Root Canal, he did meet with Arafat in Ramallah, after which Israeli officials refused to meet with him. The EU warned (11/1) Israel that it would boycott the Israeli FMin. if it continued to boycott EU officials having met with Arafat, but no major EU-Israeli visit took place before the end of the quarter.

At an EU meeting in Riva del Garda, Italy, Solana briefed (9/5-6) EU FMs on his 8/03 trip to the region, discussed the EU role in the Middle East, and debated the U.S. request that they freeze the assets of Hamas leaders and Muslim charities named by Bush on 8/22. The FMs agreed (9/6) to declare the political wing of Hamas a terrorist organization; a meeting was set for 9/8 to discuss the details of blacklisting Hamas, such as freezing assets. FMs also expressed regret over Abbas's 9/6 resignation and dispatched Solana and Otte back to the region (9/7-8) to brief Arab leaders personally on the EU decision regarding Hamas. The official declaration was made on 9/11 but did not include affiliated organizations or individuals, meaning freezing of assets was in doubt.

Within days of the EU declaration blacklisting Hamas, Britain informed the EU that for "budgetary reasons" it would stop

paying the salary of Alistair Crooke, the widely respected and highly praised MI6 operative who had been seconded by the British Foreign Office to Solana's office to serve as the back channel security coordinator between the Israelis and Palestinians when official ties were cut during the intifada. Crooke was also the unofficial envoy to Hamas to facilitate cease-fire talks and the cease-fire itself.

The EU issued (10/10) a policy statement saying that Israel must adhere to international law in defending itself against Palestinian violence, cease construction of the separation wall, and halt settlement expansion and assassinations. The EU issued (10/17) a separate statement warning that the separation wall would prejudice final status negotiations, jeopardize a 2-state solution, and cause extreme suffering for thousands of Palestinians.

A major incident in EU-Israeli relations occurred on 11/1, when data of an EU poll was leaked to the press showing that among 7,500 Europeans (500 from each of 15 countries) asked whether various countries posed a "threat to world peace," Israel ranked highest, with 59% of respondents replying in the affirmative. Iran, Iraq, and the U.S. tied for second with 53%. Afghanistan and North Korea ranked lower still. In reaction, the international pro-Israel Simon Weisenthal Center (with 400,000 members in the U.S. alone) launched a lobbying effort to have the poll condemned and the EU removed as a Quartet member. The EU issued an apology on 11/3.

#### UNITED NATIONS

This quarter was characterized by an Israeli and U.S. campaign to curb "anti-Israeli" measures placed before the UN. On 9/2, Israeli amb. to the UN Gillerman met with 25 UN ambassadors representing present and prospective EU members to urge them either to block all UN resolutions containing denunciations of Israel or to demand that resolutions contain parallel denunciations of the Palestinians. Gillerman particularly noted the 21 annually reaffirmed UN resolutions on the Arab-Israeli conflict. The ambassadors reportedly were surprised by the request and did not respond.

Of the UN resolutions renewed annually, at least 12 came before the UNGA this quarter, on 11/14. Taking a cue from Gillerman, the U.S. sought to combine the 7 resolutions regarding UNRWA into 1 omnibus resolution to "depoliticize" them, but the move

did not succeed due to EU and Arab pressure. In a compromise, the PLO dropped 3 of the 7 UNRWA resolutions, and the U.S. allowed the other 4 to move forward. But due to bureaucratic procedure, the U.S. could not withdraw the omnibus resolution. As a result, a total of 10 resolutions were passed on 11/14. The new omnibus resolution on assistance to the refugees and support for UNRWA passed 109-0, with 54 abstentions (including Israel, U.S.). The 9 old measures to be reaffirmed covered assistance to Palestinian refugees, passing 159-1 (Israel), with 8 abstentions; persons displaced by the 1967 war and later hostilities, passing 156-5 (Israeli, Marshall Islands, Micronesia, Palau, U.S.), with 6 abstentions; UNRWA operations, passing 150-5 (Israel, Marshall Islands, Micronesia, Palau, U.S.), with 11 abstentions; Palestinian refugee properties and revenues, passing 153-5 (Israel, Marshall Islands, Micronesia, Palau, U.S.), with 9 abstentions; the work of the Special Comm. to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories, passing 85-7 (Australia, Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 73 abstentions; the applicability of the Fourth Geneva Convention, passing 155-6 (Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 7 abstentions; condemnation of Israeli settlements in the occupied territories, passing 149-7 (Israel, Marshall Islands, Micronesia, Nauru, Palau, Solomon Islands, U.S.), with 12 abstentions; Israeli practices affecting human rights, passing 141-7 (Israel, Marshall Islands, Micronesia, Nauru, Palau, Solomon Islands, U.S.), with 19 abstentions; and the occupied Golan Heights, passing 155-3 (Israel, Nauru, Solomon Islands), with 11 abstentions (including the U.S.).

This quarter, Israel also began working on a campaign to test the evenhandedness of the UN by introducing resolutions condemning Palestinian attacks on Israelis using wording mirroring resolutions that condemn Israeli attacks on Palestinians. To this end, Israel circulated (11/4) its first UNGA resolution since 1976, which denounced attacks against Israeli children by Palestinian suicide bombers. The UNGA draft did not come to a vote this quarter, but it reportedly complicated U.S. efforts to persuade states to curb the number of resolutions on Palestine overall. Israel was also reportedly crafting a UNSC resolution condemning Palestinian suicide attacks to be presented after the next such incident.

At the UNSC on 9/15, Syria put forward a strongly worded resolution calling on Israel to rescind its 9/11 threat to "remove" Arafat, denouncing Israeli assassinations, and condemning Palestinian suicide bombings. The U.S. vetoed the measure on 9/16, on the grounds that it was "lopsided" for failing to criticize Palestinian "terrorism" sufficiently. At the urging of the Arab states, the UNGA held (9/19) an emergency session to vote on a similarly worded resolution, which passed 133-4 (Israel, the Marshall Islands, Micronesia, and the U.S.), with 15 abstentions. At the 9/15 UNSC session, Israel's Gillerman accused Arafat of exporting global terrorism, prompting Amb. of Palestine to the UN Naseer al-Kidwa to walk out, telling reporters that Gillerman's comments did not merit a response.

On 10/8, Gillerman met with senior Bush administration officials in Washington to urge the U.S. to block 2 UN resolutions being drafted by Arab states, calling on Israel to halt construction of the separation wall and calling on Israel and the PA to implement the road map. Gillerman expressed particular concern over the latter resolution, which would effectively make the road map a UN-sponsored plan. Fearing that the U.S. would be wary of using its veto so soon after its 9/16 veto, Gillerman held (10/8) a conference call with the Conference of Presidents of Major American Jewish Organizations to urge members to launch a campaign to "strengthen the resolve of the White House" to support Israel at the UN.

On 10/14, just days after Cheney's 10/10 denunciation of the UNSC's tradition of allowing permanent members a veto as a "policy of doing nothing," the U.S. used its veto to block the separation wall resolution. In response, the Arab states sent (10/20) 2 resolutions on the separation wall (1 declaring it a violation under the UN charter, 1 asking the world court at The Hague to rule on its legality) to the UNGA. On 10/21, the UNGA overwhelming approved (144-4, with 12 abstentions) the first resolution, with Israel, the Marshall Islands, Micronesia, and the U.S. voting against. The Arab states withdrew (10/21) the second.

On 10/30, after months of preparation, Russia began circulating a UNSC resolution endorsing the road map formally so as to give it international backing. The U.S. had opposed "internationalizing" the issue in this way, but after Russia had signed on to a U.S.-drafted UNSC resolution on Iraq shortly before, Moscow went ahead. After tenta-

tively lobbying against the measure without effect, the U.S. informed (11/15) Israel that it planned to approve the resolution when it came to a vote, which did not happen before the end of the quarter.

In early 10/03, unidentified sources leaked a UN report set for release by the UNCHR on 11/18 that accused Israel of "collective punishment" of the Palestinians and causing starvation in the territories. The report was written by Swiss sociologist Jean Zeigler, based on his 10-day mission to the West Bank and Gaza in 7/03. Israel was outraged by the draft and, in concert with the U.S., pressured the UN to reject it before it could be presented to the UNGA and to discipline Zeigler for overstepping his mandate of rapporteur and issuing a "highly political" report. Israel and the U.S. also denounced (10/6) the report for failing to address the "rampant corruption" in the PA, while Israel hinted (10/9) that Zeigler had a personal history of bias against Israel, making him unfit for rapporteur. The UN delayed the release of the report until spring 2004. In comment, Zeigler stated (10/6) that his "is a very explosive report about the silent tragedy behind the visible tragedy of the Palestinian territories. . . . The High Commission hoped that I would soften it. I will not. I will defend it." Of note, Israel had welcomed Zeigler's 7/03 visit, granted him full access to Israeli officials, and facilitated his travel in the territories at a time when it was actively frustrating international fact-finding missions, including barring entry to another UN investigative team (see Quarterly Update in *JPS* 129).

UNRWA held (9/24) a pledging conference in Amman, seeking \$103 m. toward its emergency appeal for the second half of 2003. (The regular budget for 2003 has been fully funded.) The U.S. pledged \$31 m., while other nations pledged \$7 m. When no further pledges came in, UNRWA announced (10/10) that it would have to cut back its programs significantly.

The UN Comm. on the Exercise of the Inalienable Rights of the Palestinian People (CEIRPP) held (9/4-5) a conference in New York on civil society in support of the Palestinian people.

Also of note: At a meeting of the UN budget comm. U.S. Amb. Negroponte suggested (10/28) closing the offices of the UN representation to Washington (the UN Information Center) as a cost-cutting measure. Other members denounced the idea, fearing that the U.S. would press the matter as a

way to cut direct UN access to Congress (for briefing members of Congress and tracking critical legislation) and noting that they had been promised that the Washington office would not be included in plans to consolidate information centers around the world. The U.S. is the only country that does not donate office space in its capital to a UN information center.

#### IRAN

Iran, the target of U.S. and Israeli threats and accusations last quarter (see Quarterly Update in *JPS* 129), fell off the U.S. and Israeli radar this quarter when the International Atomic Energy Agency (IAEA) intervened (9/12) and gave Tehran until 10/31 to clear up questions regarding its nuclear program or face UN action. Iran cooperated, acknowledging that it had undertaken and ceased a very limited nuclear enrichment program. The IAEA certified (ca. 11/10) that Iran had secretly made small amounts of enriched plutonium and uranium and deliberately hid evidence of its nuclear program, but that there was no proof that Iran tried to build a weapon. The U.S. called (11/19) for UN sanctions but did not pursue the matter.

#### TURKEY

On 11/15, 2 synagogues in Istanbul were the targets of massive truck bombings that killed at least 23 (6 Jews inside, 17 Muslims outside) and wounded more than 300. The attacks were claimed by the Abu Hafs al-Masri Brigades, a group previously linked to al-Qa'ida that also claimed responsibility for 3 major attacks in Iraq this quarter (the UN headquarters on 8/19, the Iraqi Governing Council offices on 10/12, and the Italian military outpost in Nasiriyya on 11/12). The group stated that the Istanbul bombings were to protest Israel's treatment of the Palestinians.

The IDF held (9/30-10/6) a military exhibition in Ankara. On the sidelines, Israeli and Turkish defense officials and industry executives held talks on possible joint projects and expanding bilateral military trade.

#### OTHER

The International Comm. of the Red Cross (ICRC) announced (10/21) that its

emergency food program serving 50,000 West Bank Palestinian families and costing the ICRC \$40 m. since it began in 6/02 as a temporary measure in the wake of Israel's Operation Defensive Shield, had run out of money and would be discontinued. The ICRC stated (11/17) in explanation, "This kind of assistance is appropriate to an emergency situation, but this is now a prolonged economic crisis," and as such, under the Fourth Geneva Convention, Israel is required to provide for Palestinian needs—"The ICRC cannot substitute itself for the occupying power's responsibilities."

Canada (ca. 9/25) and Japan (9/30) complied with U.S. requests to freeze the assets of the 6 Hamas leaders and 5 Muslim charities targeted by the U.S. on 8/22.

#### DONORS

Because of the long delay in forming the new Palestinian government, donors tentatively rescheduled a meeting of the Ad Hoc Liaison Comm. (AHLIC) set for 11/18-19 to 12/11-12 in Rome. The International Task Force for Reform is also slated to meet then to assess Palestinian reform efforts to date and to reaffirm the course of future reforms.

The Local Aid Coordination Comm. (LACC) met in Gaza on 8/28. This quarter the LACC also established a secretariat to improve external communication.

Donor officials noted (11/18) that sector working groups (SWGs) had virtually ceased meeting, with donor energy focused on the reform agenda. Some SWGs are meeting occasionally, with little impact.

Of note, the PA has not been able to raise \$150-250 m. of additional funds for budget support that it requested at the LACC in 7/03. It has, however, had some success in raising the \$150-250 m. in additional funds for emergency job creation and other emergency needs.

World Bank officials noted (11/18) that international efforts to provide assistance to Iraq seemed not to have led to a decline in aid to Palestine, though some donors were reducing their planned commitments for FY 2004 due to domestic economic woes.