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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 MAY-15 AUGUST 2006

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.

THE PALESTINIAN-ISRAELI CONFLICT

This quarter was marked by Israel's reinsertion of ground troops into Gaza with Operation Summer Rains (launched on 6/28, 9 mos. after its unilateral disengagement), followed by its war on Lebanon with Operation Change of Direction (launched on 7/13). The two operations inflicted a heavy toll on Gaza and widespread devastation on Lebanon, but by the end of the quarter both operations were seen as having failed to achieve Israel's military objectives, even while undermining the government of newly elected Israeli PM Ehud Olmert, forcing him to shelve (most likely permanently) his convergence plan for unilateral declaration of Israel's borders by 2010 (see Quarterly Update in *JPS* 140). At the end of the quarter, Gaza's Operation Summer Rains continued, while a shaky truce was in place in Lebanon, where some 10,000 regular Israeli forces remained in the south, cheek-to-jowl with Hizballah fighters.

As the quarter opened, Israel and the U.S. continued their suspension of all contacts with the Hamas-controlled Palestinian Authority (PA) and to block all but humanitarian aid to the territories until Hamas met their demands (endorsed by the Quartet on 1/30/06) to recognize Israel, renounce violence, and adhere to previous agreements. (Israel also demanded that Hamas annul its charter and that the new PA government dismantle all Palestinian militant groups before contacts could resume.) Palestinians in the West Bank and Gaza continued to suffer severe economic hardship due to the U.S.- and Israeli-led economic sanctions resulting inter alia in nonpayment of government workers' salaries for 2 mos. (see Quarterly Update in *JPS* 140). An Israeli blockade of Gaza remained in place, with all crossings

for goods and persons almost entirely closed even as the Israel Defense Forces (IDF) continued the air strikes and shelling of Gaza under Operation Southern Arrow (begun on 4/4; see Quarterly Update in *JPS* 140) to halt Palestinian rocket fire (in a ratio of 10 IDF strikes to 1 rocket attack). The IDF also continued to separate the n. and s. West Bank by closing (since 4/12) the Zatar checkpoint s. of Nablus and severely to restrict movement into and out of the n. Jordan Valley. As of 5/15, at least 4,386 Palestinians (including 46 Israeli Arabs and 17 unidentified Arab cross-border infiltrators), 1,017 Israelis (including 311 IDF soldiers and security personnel, 206 settlers, 500 civilians), and 57 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada on 9/28/00.

Ongoing Positioning after Elections

On the diplomatic front, Israel's new Olmert government continued to pursue its unilateral convergence plan for a limited removal of isolated settlements in the West Bank, reinforcement of settlements around Jerusalem and along the Green Line, construction of the separation wall, and declaration of Israel's borders by 2010, while PA Pres. Mahmud Abbas and PM Ismail Haniyeh both pushed for an immediate resumption of final status negotiations with Israel.

As noted in last quarter's update, Abbas and elements of Fatah were willing to work with Israel and the U.S. to strengthen Abbas's roles as elected PA pres. and head of the PLO Executive Committee (PLOEC) to enable him to bypass the Hamas-controlled PA structures under Haniyeh's authority. By 5/19, Abbas and Israel reportedly were in active consultations through Abbas's negotiations adviser Saeb Erakat and Israel's Justice M Haim Ramon, as well as unofficial envoys

in Europe, on how to achieve this. In his speech to the World Economic Forum (WEF) in Cairo on 5/21, Abbas reiterated his call for Israel to resume talks directly with him as head of the PLOEC, arguing that negotiations were under the PLO purview and stressing that Haniyeh (who had not been invited to the WEF) had agreed to this (see Quarterly Update in *JPS* 140). On the sidelines of the WEF, Abbas met with Israeli Vice PM and FM Tzipi Livni and Dep. PM Shimon Peres in the first senior-level Israeli-Palestinian meeting since 6/05. The Israelis repeated their demands for changes by Hamas and spoke of a possible Abbas-Olmert meeting in the near future, but Olmert stated (5/21) that he would meet with Abbas only if he made efforts to disarm militant groups and force the Hamas-led government to recognize past deals with Israel, which Olmert doubted was possible. (“[Abbas] is helpless. He’s unable to even stop the minimal terrorist activities amongst the Palestinians.”) Also on the WEF sidelines, Livni met with Egyptian FM Ahmad Abu al-Ghayt and rejected his proposal of immediate resumption of final status talks, stating Israel’s interpretation (not accepted by the international community) that the road map required that Palestinians dismantle all militant groups and halt all violence (including incitement) before negotiations could be considered. (Of note: Israel’s long-standing position on the road map is that it is “dead” and “no longer relevant.”)

Meanwhile, Haniyeh endeavored to present his government as a rational interlocutor that could deliver significant progress toward peace, security, and internal reform if given a chance to act without undue political constraints. In a high-profile interview to the Israeli daily *Ha’Aretz* (published 5/23), he reiterated that if Israel were to withdraw to 1967 borders, peace would prevail and the issue of Palestinian recognition of Israel could be opened. He also restated readiness to deal with Israel immediately on day-to-day matters, though he refused to discuss amending Hamas’s charter on the grounds that he was speaking as the leader of “the government of all the Palestinians, and not as the leader of a movement (i.e., Hamas).” Haniyeh’s Dep. PM Nasr al-Sha’ir also stated (5/24) that the PA was setting up a national task force for negotiations with Israel charged with finding a way to accept “international realities” without caving in to foreign pressures to recognize Israel formally before parallel recognition by Israel of Palestine and the rights of Palestinians.

Olmert Meets with Bush

The main item on the agenda of Olmert’s upcoming first meeting (as prime minister) with U.S. Pres. George W. Bush was his convergence plan (renamed by advisers on the eve of the visit the “realignment plan,” believed to sound more benign in English) for which he was to seek U.S. endorsement. Well in advance of the 5/23 meeting, the U.S., whose unquestioning support of Tel Aviv was incurring criticism from the international community in light of the worsening conditions in the territories caused by U.S.-Israeli sanctions, made it known that it could not back further Israeli unilateral action, particularly defining borders, without compromising other foreign policy priorities, especially with regard to Iran’s nuclear program (see Iran section below). The U.S. pressed Israel to at least make a show of engaging Abbas in discussion on the convergence plan, also reportedly fearing that bypassing Abbas altogether would undermine his standing with the Palestinians and strengthen Hamas’s position further. Washington also wanted Jordan to be consulted on the plan. (Of note: The U.S. and Israel also took steps just before the Bush-Olmert meeting to soften their public image toward the Palestinians: USAID began distributing \$800,000 worth of medicine in the West Bank and Gaza on 5/17; the Israeli cabinet approved on 5/21 the release of \$11 m. in VAT taxes withheld from the PA to NGOs in the territories unconnected to Hamas for medical aid to Gaza hospitals.)

Given U.S. constraints, the 5/23 meeting largely became what former U.S. consul gen. Edward Abington characterized as the opening of Olmert-Bush administration negotiations on the convergence plan. According to U.S. officials, Bush privately pressed Olmert to clarify the IDF status in the West Bank after implementation, Israeli plans for the Jordan Valley, whether the separation wall would become the legal border, and the compatibility of convergence with a 2-state solution. Olmert reportedly presented the rough outlines of the plan without a timetable for implementation, noting that 6–9 mos. would be required to finalize details (in consultation with the U.S.) and hinting that this would give Abbas time to crack down on Palestinian militant groups and transform the PA into a “viable” negotiating partner.

Publicly, Bush praised Olmert’s “bold ideas” but stressed that “any final status agreement will be only achieved on the basis of mutually agreed changes, and no party

should prejudice the outcome of negotiations on a final status agreement." Bush welcomed Olmert's pledge to make a "serious attempt" to work with Abbas, though both men openly expressed doubts that Abbas could deliver an acceptable deal.

Keeping his pledge to Bush, Olmert met with Abbas for the first time in over a year on 6/22, at an informal breakfast hosted by King Abdallah of Jordan on the sidelines of a conference of Nobel laureates in Petra. Nothing of substance was discussed, but the men agreed in principle to hold a summit in the next few weeks. In statements afterward, the PA stressed (6/22) that it would only agree to the summit with a well-planned substantive agenda aimed at reaching some kind of agreement, while Olmert told (6/22) the press that Israel had 3 "nonnegotiable conditions" for resumption of substantive talks: the PA's "total disarmament of terrorist organizations and total cessation of violence; full implementation of agreements; and recognition of Israel's right to exist as a Jewish state."

The PA Cash Crisis and the EU's Temporary International Mechanism

Meanwhile, the PA faced a deepening cash crisis, with no money coming into the territories. EU plans launched last quarter to create a donor financing mechanism, the Temporary International Mechanism (TIM), to bypass the Hamas-led PA were not yet finalized, and emergency funds approved by international donors could not reach the PA because almost all international banks, Arab banks included, had suspended operations with public and personal accounts in the territories under threat of severe U.S. sanctions (see Quarterly Update in *JPS* 140). On 5/17, the Israeli Discount Bank, the last Israeli bank doing business with Palestinian banks, announced that it would suspend its operations in the territories in 3–6 mos.)

By mid-5/06, the PA had little option but to try to smuggle cash across the Rafah border, where Israel had no direct presence. From mid-5/06 to mid-6/06, at least \$26,815,000 (a fraction of the PA's \$125 m. monthly salary budget) was seized at the Rafah crossing by PA customs officials alerted by EU monitors and was released to the PA Treasury. The confiscations include \$815,000 on 5/19 from Hamas spokesman Sami Abu Zuhri; \$4 m. several days later by an unidentified Hamas official; \$20 m. on 6/14 by PA FM Mahmud Zahhar returning

from a well-publicized PA fundraising tour of Brunei, China, Egypt, Indonesia, Iran, Malaysia, Pakistan, and Sri Lanka; and \$2 m. on 6/14 from PA Information M Yusuf Rizqa. On 6/4, the PA began using the funds to pay the 3/06 salaries of PA employees making under \$330/mo. (around a quarter of the 165,000 civil servants), while arranging interest-free loans from banks equivalent to 1-mo. of pay for others. On 6/19, the PA began distributing back payments of \$300 to civil servants earning over \$330/mo., partially paying their 3/06 salaries; the payments were made through special postal accounts since banks would not handle the transactions.

On 6/8, the EU sent Quartet members a draft proposal for the TIM. With the PA able to generate only \$35 m. of its \$165 m. monthly budget needs as a result of the siege and sanctions, the plan envisioned 3 "windows" of support: window 1 would disburse upward of \$6 m./mo. to cover health and social service expenditures; window 2, up to \$15 m./mo. for utilities to ensure continued fuel supplies; and window 3, up to \$30 m./mo. in "social allowances" and "subsidies," still leaving the PA with a significant monthly deficit. The U.S. responded that window 3 could violate its sanction laws as it clearly entailed contributions to PA employee salaries and warned that even the World Bank could face penalties. On 6/17, after window 3 was modified to create a "social safety net" for poor Palestinians (some of whom may have received PA salaries previously) and to pay "emergency allowances" to some healthcare workers normally paid by the PA, the full Quartet endorsed the plan, with provisions for the U.S. to review implementation after 3 mos. to judge if the process should continue. The EU agreed to fund the TIM with an initial donation of \$125 m., pending a donor conference, and hoped to begin making disbursements in 7/06. EU special envoy Benita Ferrero-Waldner met separately with Abbas and Livni on 6/19 to secure their backing of the TIM and to press Israel to use the mechanism to channel tens of millions of dollars in VAT taxes owed to the PA. Both sides expressed reservations but hoped to see the plan implemented; Israel did not respond regarding the VAT funds.

The TIM disbursed its first funds to pay for fuel for Palestinian hospitals on 7/11 and began paying salaries of doctors and nurses on 7/27. By the end of the quarter, the EU had allocated \$12.7 m. to window 1, \$50.8 m.

to window 2, and \$12.7 m. to window 3, plus an additional \$15 m. outside TIM for technical assistance and capacity building to the PA Office of the President. By 8/15, the PA was also receiving some Arab donor aid through accounts controlled by Abbas, allowing the PA to pay civil servants back salaries for 3/06. The Palestinian Monetary Authority reportedly held (ca. 7/27) talks with Israel's Hapoalim and Discount banks, convincing them to continue fund transfers and defrayal services through the end of 2006.

Hamas-Fatah Tensions Escalate

On the ground, the internal security situation in Gaza was deteriorating rapidly as elements within Fatah (suspected to be led by units of the PA Preventive Security Force [PSF] linked to Fatah strongman and U.S. ally Muhammad Dahlan) continued to challenge Haniyeh's authority over the PA security services. Last quarter, Haniyeh, frustrated over the unwillingness of the various PA security branches to deploy on his orders to provide public security in Gaza and Abbas's unwillingness to intervene, had authorized his Interior M Said Siyam to create a volunteer Executive Support Force (ESF) to patrol Gaza's streets. While all factions had been invited to participate, Fatah members had balked, and the majority of the 3,000-member ESF was made up of Hamas members, with around 500 Popular Resistance Comm. (PRC) members comprising the remainder (see Quarterly Update in *JPS* 140).

On 5/17, the Interior Min. began deploying the ESF for the first time, prompting Abbas to order (5/17) 1,000s of PA police into the streets in a show of force. Fatah-Hamas violence quickly escalated, with reports of Hamas members in Gaza being killed in drive-by shootings and kidnappings by suspected Fatah gunmen (e.g., 5/16, 5/17, 5/24); exchanges of fire between Fatah-linked PA security forces and ESF members (e.g., 5/18, 5/19, 5/20, 5/22, 5/24, 5/25), often with fatal results; and show-of-force parades by armed Fatah members (e.g., 5/18, 5/21). Unidentified gunmen (suspected Fatah) fired (5/20) on the Gaza home of Hamas-affiliated Interior Min. spokesman Khalid Abu Hilal. Bombs planted by unknown individuals (suspected Hamas) exploded in the PA General Intelligence Service (GIS) offices in Gaza City in an apparent assassination attempt on Fatah's GIS Gaza head Tariq Abu Rajab (5/20) and un-

der the car of PSF central Gaza chief Nabil Hudud, killing him (5/24); a massive roadside bomb was also found (5/20) along the motorcade route of Internal Security Service dir. gen. Rashid Abu Shibak (appointed by Abbas to wrest control of the security forces away from Siyam; see Quarterly Update in *JPS* 140).

After an offer (5/22–23) by Egyptian security advisers (resident in Gaza) to broker emergency talks between Fatah and Hamas and following further talks, Siyam agreed (5/25) to limit the ESF's patrol areas to make the units less visible, and the senior leadership of Fatah and Hamas pressured their cadres to hold their fire, temporarily curbing the violence that as of 5/25 had left 4 Fatah members, 3 Hamas members, and a Jordanian embassy employee dead and at least two dozen people wounded.

Concerned over the escalation and seeking to reinforce Abbas, Israel agreed (5/25) to allow Jordan and Egypt to supply Abbas's presidential guard (Force 17) with weapons and ammunition, backing a U.S.-led initiative to expand Force 17 into a 3,500-member force to counterbalance the ESF (see Quarterly Update in *JPS* 140). Force 17 began receiving 3,000 M-16 rifles and 3 m. rounds of ammunition from Jordan on 6/14–15, and Abbas swore in the first group of 300 new recruits (of an anticipated 1,000) around the end of the quarter.

Abbas Threatens a Referendum

With deteriorating conditions in the territories and a dangerous diplomatic stalemate, Abbas unexpectedly seized the political initiative. At the opening (5/25) of video-linked national unity talks in Gaza and Ramallah aimed at reaching consensus on how to move forward, Abbas told the 500 or so reps. of Fatah, Hamas, smaller Palestinian factions, and civil society groups that unless Hamas endorsed a 2-state solution based on 1967 borders within 10 days, he would put this proposal to the Palestinian people in a nonbinding referendum within 2 mos. The referendum would be based on the 18-point prisoners' initiative issued on 5/11 by jailed senior Hamas and Fatah officials (see Doc. B8 in *JPS* 140). The initiative, which had the support of the majority of Palestinians according to polls (see the Palestinian Opinion section in Quarterly Update, *JPS* 140), called for a Palestinian state within 1967 borders, urged Palestinians to "focus their resistance on lands occupied in 1967," and used wording that could be the starting point

for a compromise on Hamas's recognition of Israel and renunciation of violence. Haniyeh had already called the initiative worthy of discussion, and Israel had not rejected this "internal" Palestinian document.

The move tested Change and Reform party claims that as the elected representatives of the Palestinian people as a whole, they would work within the democratic PA system and not as Hamas representatives. (An Abbas aide admitted on 5/25 that "We're escalating the tension a little bit to try to corner them [Hamas] and show them as rejectionist.") Even if Haniyeh politically could not endorse outright a 2-state solution (considering its recognition of Israel without a parallel Israeli recognition of Palestinian rights), he could not legitimately oppose a referendum, especially after having threatened Fatah with a referendum on Hamas's national unity platform during coalition talks and promised that any viable peace agreement with Israel would be put to a referendum (see Quarterly Update in *JPS* 140).

With the Hamas external leadership stating (5/30) opposition to a referendum, Haniyeh moved to negotiate with Abbas on the prisoners' initiative as the basis of a national unity platform. By Abbas's 6/4 deadline, the sides had narrowed their differences enough so that Abbas could extend his deadline until 6/6. Differences centered on (1) explicit recognition of Israel (Hamas refused to do this without parallel recognition from Israel) and (2) the details of implementing the initiative's call to restructure the PLO to include Hamas. (Of note: Haniyeh reportedly demanded that the talks with Abbas be held in Gaza, concerned that a Ramallah venue could enable elements of Hamas's West Bank leadership closely tied to the hard-line external leadership to scuttle the negotiations.)

With differences still outstanding on 6/6, Abbas met with the PLOEC, which endorsed moving forward with setting a date for a referendum. In response, jailed Hamas members involved in the drafting of the prisoners' initiative issued (6/6) a statement urging Abbas to continue the talks, arguing that forcing a vote would cause more division, that a referendum would be costly, that the details of participation (territories only or diaspora as well) needed to be worked out, and that in any case, the U.S. and Israel would undoubtedly reject the initiative as falling short of the 1/30 Quartet demands. (Indeed, Olmert on 6/11 criticized the initiative as "meaningless in terms of [creating the conditions for]

some kind of dialogue between us and the Palestinians" and, noting its failure to refer to Israel's right to exist as a Jewish state and its insistence on the right of return, stated that he could not "accept something that challenges the very fundamental principles of Israel's existence.") Abbas nonetheless declared (6/10) that a referendum would be held on 7/26, but added that talks with Hamas would continue up until the vote and that if a joint position was agreed before then, the referendum could be canceled. On 6/11, the Hamas and Islamic Jihad prison leaders withdrew their support for the prisoner's initiative, accusing Abbas of "playing politics" with the document. As a result, popular support for a referendum dropped to 47%, though the majority of Palestinians (75% as of 6/19) continued to support the initiative itself.

Meanwhile, Fatah-Hamas violence in Gaza had picked up again as of about 6/1, possibly in response to the referendum issue. Exchanges of gunfire occurred between Fatah/PSF and Hamas/ESF members (e.g., 6/1, 6/4, 6/14, 6/18, 6/21, 6/23, 6/24), causing casualties. Suspected Hamas members fired a mortar at the PSF headquarters in Gaza City on 6/6, wounding 4 officers and 2 janitors; Hamas members fired grenades at a PSF office in Khan Yunis; Fatah-affiliated PA security forces (6/1) and ESF members (6/8) paraded in shows of force; and Hamas members raided a pro-Fatah TV station (6/5). On 6/12, a massive clash took place outside the PSF headquarters in Rafah involving more than 100 Fatah and Hamas gunmen firing antitank weapons and rocket-propelled grenades (RPGs), leaving 1 Hamas member and a bystander dead and 15 Palestinians wounded; each side claimed the other provoked the incident by attempting to kidnap members of the other group. Hours later, 100s of pro-Fatah PA security forces and al-Aqsa Martyrs Brigade (AMB; a hard-line Fatah offshoot) members rampaged through Ramallah, raiding, firing on, vandalizing, and setting fire to the Palestinian Council (PC) building; kidnapping Change and Reform PC member Khalil Rabei and setting fire to his offices (he was released hours later after Abbas's intervention); and prompting 7 other Change and Reform PC members to seek refuge in the Muqata'a under Abbas's protection. The following day (6/13), 10,000s of Hamas supporters rallied outside the damaged PC building in solidarity with the Hamas-led government. There were also car bombings in Gaza, killing a

senior Hamas military commander on 6/5 and targeting a PSF member on 6/21 that may have been products of Hamas-Fatah tensions. The intra-Palestinian clashes left 7 Palestinians dead (including 2 Hamas members and 2 civilians) and more than 2 dozen (mostly gunmen) wounded between 5/26 and 6/24.

Israel Changes the Dynamic in Gaza

On 5/29, days after Olmert's return from Washington and Abbas's ultimatum to Hamas on a 2-state solution, the IDF stepped up military actions in Gaza. The IDF had routinely crossed the Gaza border since disengagement was completed in 9/05 to search for tunnels and to level land, especially for construction of a wall along the n. Gaza border, but this time the IDF made its first ground offensive into Gaza targeting Palestinian militants since disengagement; though brief, it marked a precedent-setting escalation. Undercover troops entered the former settlement area of Dugit to ambush and kill 3 Islamic Jihad members preparing to fire rockets into Israel, withdrawing back into Israel immediately after. After troops cleared the area, helicopters crossed the border to fire missiles at the site, wounding 4 Palestinian medics and 2 journalists. Hours later, helicopters returned, firing on a PA security detail investigating the scene, killing 1 PA officer and wounding a bystander.

Incidents soon spiraled: On 6/8, the IDF assassinated ESF commander and charismatic PRC leader Jamal Abu Samhadana in an air strike on Rafah, also killing 3 PRC members and wounding 10. On 6/9, IDF artillery shelled the Bayt Lahiya beach, killing at least 8 Palestinian civilians and wounding 32. (Though Israel immediately denied involvement and claimed that the explosion had been caused by a Hamas rocket or planted bomb, a senior military analyst with Human Rights Watch concluded with certainty that an Israeli shell had caused the fatalities.) Responding to the 6/9 IDF attack on the Bayt Lahiya beach, Hamas suspended (6/9) its 16-mo. cease-fire and began, along with Islamic Jihad, to lob 10s of rockets/day into Israel, wounding 4 Israelis and damaging a school and a house, before reimposing its unilateral cease-fire on 6/15. Although the IDF acknowledged (6/20) that Hamas was again observing a cease-fire, it announced (6/19) a new policy of attacking Hamas targets for each Palestinian rocket strike, regardless of what group was responsible for the fire. The IDF also increasingly targeted

Gaza militants with air strikes, blurring the lines between outright assassinations (2 Islamic Jihad members in n. Gaza on 6/5; another 2 in Gaza City on 6/13, also killing 9 and wounding 32 bystanders; an attempted assassination on 6/21) and more questionable attacks that the IDF claimed targeted Palestinian militants on their way to or from firing rockets into Israel (e.g., 6/9, 6/11, 6/16, 6/20). On 6/23, the IDF made its first major arrest sweep into Gaza since disengagement, temporarily sealing off the Rafah crossing and sending troops into Rafah to detain 2 wanted Palestinians (allegedly Hamas members, which Hamas denied).

Adding to tensions, a group of Egyptian border police patrolling at Rafah accidentally strayed (6/2) into the Negev and were fired on by IDF troops, who killed 2. Though Israel initially claimed the Egyptians intentionally crossed the border and attacked an IDF post, Olmert later (6/4) admitted that the incident had been an accident and apologized to Egyptian pres. Husni Mubarak.

Meanwhile, in the West Bank, the IDF continued to impose tight restrictions on Palestinian movement, expand the separation wall, conduct arrest raids and house searches, demolish Palestinian homes, confiscate and bulldoze agricultural land, raid and close Palestinian institutions, and fire on residential areas (see Chronology for details). The IDF also assassinated an Islamic Jihad member in Qabatiyya on 5/29 and 2 AMB members in Jenin on 6/13 and Ramallah on 6/22. Major clashes during an IDF arrest raid into Ramallah on 5/24 left 4 Palestinians dead and at least 35 Palestinians and 1 IDF officer wounded. Between 5/16 and 6/24, 75 Palestinians were killed in Israeli-Palestinian clashes—no Israelis were killed during that period—bringing the comprehensive intifada death toll to 4,461 Palestinians and 1,017 Israelis.

Capture of an IDF Soldier Triggers a Crisis

Against this background, 8 Palestinian militants representing Hamas's Izzeddin al-Qassam Brigades, the PRCs, and the previously unknown Army of Islam staged a predawn cross-border raid from s. Gaza on 6/25, sneaking through a sophisticated underground tunnel to attack an IDF border post near Israel's Kerem Shalom crossing. The militants, dressed in IDF uniforms, attacking with grenades, rifles, and antitank rockets, killed 2 IDF soldiers, wounded 4, and captured the lightly wounded Cpl.

Gilad Shalit, spiriting him back into Gaza; 2 of the gunmen were killed by IDF return fire. The attackers dubbed the assault Operation Dispel Illusion and said it was in retaliation for Israel's 6/8 assassination of ESF head and PRC leader Abu Samhadana, though many analysts suspected that it was staged to scuttle the Fatah-Hamas talks on the referendum and national unity platform (see *Mideast Mirror* 6/26, 6/27, 6/29).

Israel immediately sent tanks and bulldozers half a mile into s. Gaza to search for Shalit; sealed all crossings into Gaza, including the Rafah crossing (3,000–4,000 Palestinians were stranded on the Egyptian side of the border and 400 urgent medical cases seeking treatment abroad on the Gaza side) by barring the entry of EU monitors through Kerem Shalom; shut off fuel supplies; barred Palestinian fisherman from going out to sea; and tightened movement restrictions throughout the West Bank. Israeli Dep. PM and FM Tzipi Livni called on Abbas to order his security forces to secure Shalit's release, and Shin Bet head Yuval Diskin warned that Israel would ensure the collapse of the Hamas-led government unless the soldier was released alive.

Abbas immediately called for Shalit's release, but Haniyeh remained silent amid evident confusion within Hamas over the incident. Hamas's political echelon quickly denied (6/25) foreknowledge of the attack, with some figures urging that Shalit be freed immediately, and reports soon surfaced that a rogue cell from Khan Yunis was suspected. (Analysts noted that Hamas members who joined the PA cabinet and PC lost their positions in the Hamas leadership and were replaced, speculating that the resulting promotions within Hamas might have empowered more militant factions; see *New York Times* 7/21.) On 6/26, Haniyeh issued a statement urging the gunmen not to harm Shalit and to "respect him as a prisoner," but did not call for his release. He also urged all factions to maintain a cease-fire so as to avoid a massive IDF retaliation and, in coordination with Abbas, deployed security forces to conduct house-to-house searches for Shalit.

Egyptian intelligence officials resident in Gaza as mediators among the Palestinian factions and between Israel and the PA quickly stepped in to try to negotiate a release. Their judgment, first stated on 6/26, was that the soldier's capture had been spontaneous rather than preplanned, that he was not being held by the Hamas cadres, and that differences among the three factions on how

to deal with the situation would complicate negotiations for his release.

On 6/26, the gunmen issued their first demands, calling for the release of all 113 Palestinian women and 318 children held in Israeli jails in return for information on Shalit's medical condition. Israel refused and sent 2–3 armored battalions (around 3,000 troops) to the s. Gaza border, ignoring U.S. appeals (6/26) to give diplomacy time to work before launching a military operation. Egypt simultaneously deployed an additional 2,500 border guards along the Rafah border to prevent Shalit from being smuggled into Egypt. IDF preparations for a ground incursion into s. Gaza continued into 6/27, with the deployment of another 2 infantry regiments, bringing the estimated force strength on the border to 5,000 troops, backed by Merkava tanks and D9 bulldozers. Inside Gaza, Palestinian militants began building sand berms and setting explosive devices along likely invasion routes, fearing an assault on the level of the 2002 Operation Defensive Shield.

A Sidebar on the Referendum

In the midst of the confusion and disarray following the soldier's capture, the ongoing national unity talks between Abbas and Haniyeh were reaching their climax; by 6/25, Haniyeh was reportedly discussing with his leadership and Abbas the idea of dissolving his government to avoid a referendum and of appointing a government of technocrats in its place. The Hamas leadership reportedly was seriously considering the option but wanted guarantees that the siege on Gaza and sanctions on the PA would be lifted as a result and that the technocrats appointed would have no party affiliations. Meanwhile, at least 2 high-level meetings by West Bank Hamas leaders had reportedly been held on ways to foil the referendum, with Hamas's Damascus-based leader Khalid Mishal ordering cadres during a conference call in Nablus to ramp up tensions with Fatah to prevent any compromise deals.

On 6/27, hours before the IDF launched an all-out assault on Gaza, Abbas and Haniyeh, possibly eager to demonstrate movement toward meeting Quartet demands in order to preclude a harsh Israel retaliation, announced that they, in consultation with other factions, had agreed on a national unity platform and to work toward formation of a national unity government, thereby suspending plans for a referendum on a 2-state solution. The platform, based on but

not identical to the prisoners' initiative, added new emphasis on the inviolability of international law, especially the Palestinian right of return and to resist occupation, and the illegality of Israel's occupation and creation of settlements. Like the original, the text did not explicitly recognize Israel but implied endorsement of previously signed agreements recognizing Israel and the 2002 Arab League initiative calling for recognition of Israel in exchange for Israeli withdrawal from all territories occupied in 1967; called for formation of a Palestinian state on territories occupied by Israel in 1967; recommended "concentrating" armed operations in the occupied territories under a unified command; and prioritized the release of all Palestinian prisoners. It also called for the reorganization of the PLO by the end of 2006, so that Hamas and Islamic Jihad might join. Provided that a new, fully representative Palestine National Council (PNC) were formed and the principles of democracy upheld, the PLO would be reaffirmed as the Palestinians' sole legitimate rep., the PNC authorized to ratify any peace agreement, and the PA supported (as a substructure of the PLO) as the core of the future Palestinian state. The text was initialed (6/28) by all factions that participated in the national unity talks except Islamic Jihad and was passed to Abbas for implementation. At the end of the quarter, Abbas had not formally adopted the program, leaving open the possibility of further negotiations and changes. Israel dismissed (6/27) the agreement, stating, "There is an immediate crisis. . . . That the Palestinian leadership was putting energy into this document that has no bearing on the most pressing issue [freeing Shalit] is disappointing." Notwithstanding, Abbas and Haniyeh continued talks through the end of the quarter on implementation of the understandings.

Operation Summer Rains

The military onslaught that had become inevitable with the capture of Shalit on 6/25 began in earnest during the night of 6/27-28, when the IDF launched **Operation Summer Rains**. Initially, the operation seemed to have a dual aim of freeing Shalit and punishing the Palestinians to reduce their support for the resistance and the Hamas-led PA. Ground troops crossed into s. Gaza, taking the Dahaniyya airport area as a base of operations, demolishing 5 Palestinian homes and bulldozing wide swaths of land to clear sight lines, and blowing up 3 bridges link-

ing southern and central Gaza. The IDF's clear assumption, though not officially confirmed, was that Shalit was being held in the Khan Yunis/Rafah area, and Dahaniyya was well situated as a jump-off point for a raid to free him. Later that day (6/28), the IDF conducted 7 air strikes on Gaza's only electricity plant near Gaza City (insured by the U.S. government's Overseas Private Investment Corp., which was liable for up to \$48 m. in damages) and 6 transformer stations, blacking out 45% of the Strip and leaving it fully dependent on electricity from Israel; shelled open areas of s. and n. Gaza; and repeatedly broke the sound barrier over the Strip. The IDF also moved its elite Givati Brigade to the n. Gaza border, warning residents to evacuate the border area, and threatened to send in troops if Palestinian rocket fire intensified in response to Summer Rains. (Rocket fire continued at a rate of around half a dozen per day, causing no damage or injuries.)

Publicly, Olmert warned that IDF operations would continue to escalate until Shalit was released, placing "the full responsibility" for the current situation on "the Palestinian-Hamas government and elements that are connected to it in Syria." In a warning to Syrian pres. Bashar al-Asad and Hamas's Damascus-based leadership, the Israeli air force made (6/28-29) overflights of Asad's residence in Latakia (where he was staying) and along the Syrian coast, which Syria denounced as "an aggressive act and provocation." The U.S. (6/28) and UN (6/29) stated that Israel was within its rights to self-defense in launching Summer Rains but warned against actions that unnecessarily harmed Palestinian infrastructure and civilians.

Instead of making a quick assault to free Shalit, however, Olmert staged a major arrest raid across the West Bank the night of 6/28-29, detaining 64 senior Hamas political officials, including 8 PA cabinet members (Finance M Omar 'Abd al-Raziq, Planning M Samir Abu 'Aysha, Jerusalem Affairs M Khalid Abu 'Arafa, Labor M Muhammad Barghouthi, Local Government M Issa al-Jabari, Prisoners Affairs M Wasfi Kabaha, Religious Affairs M Nayif Rajub, Social Affairs M Fakhri Turkman) and 26 Change and Reform PC members, plus an additional 23 senior Izzeddin al-Qassam Brigades members. The plan had been prepared far in advance (some Israeli analysts said since the 1/06 elections; *Ha'Aretz* 6/29): the arrest warrants delivered by IDF soldiers had been ordered weeks earlier by Israeli Atty. Gen. Menachem Mazuz,

who had denied Shin Bet requests that the officials be held in administrative detention under the Unlawful Combatants Law, insisting that the arrests be made on criminal charges (participation in a terrorist organization) valid in a court of law. During the day, IDF air strikes, shelling, and overflights continued in Gaza, cutting all electricity to n. Gaza. Palestinians in s. Gaza (thought to be Hamas members) blew a hole in the Gaza-Egypt border wall, but PA and Egyptian security forces prevented all but a handful of Palestinians from crossing.

While heavy aerial assaults on Palestinian infrastructure and militant targets in Gaza continued over the next few days, it soon became clear that the IDF did not know Shalit's whereabouts: soldiers at Dahaniyya did not move off site except to bulldoze land, and DM Amir Peretz ordered (6/29) the Givati Brigade to suspend preparations to move into n. Gaza. Without a clear rescue plan, Summer Rains came to focus more obviously on punishing and destabilizing the Hamas-led government.

The direction the operation was taking was viewed with concern by large segments of the international community: the heavy damage to Gaza's civilian infrastructure, the arrests of elected PA officials, and the toll on civilians of cuts to electricity, fuel, and water delivery and sewage treatment (dependent in urban areas on electricity or gas) was seen as a disproportionate response to a raid on a military target that caused only limited casualties. The UN's emergency relief coordinator Jan Egeland warned (6/29) that a humanitarian crisis was imminent if electricity and fuel were not restored, particularly to hospitals and clinics.

The U.S., though cautioning (6/29) that Israel's actions could build popular support for Hamas, generally fully supported its ally. On 6/30, as IDF air strikes on Gaza heavily damaged PA Interior Min. offices and destroyed several PA intelligence and ESF posts, U.S. Amb. to the UN John Bolton blocked discussion of a UN Security Council (UNSC) res. calling for an immediate halt to Operation Summer Rains, stating that the U.S. "is of the firm view that a prerequisite for ending this conflict is that the governments of Syria and Iran end their role as state sponsors of terror and unequivocally condemn the actions of Hamas."

Olmert Adjusts His Aims

Having secured tacit U.S. approval for Israel's use of military means to achieve its

wider aim of neutralizing Hamas, Israeli PM Olmert convened (7/1) his security cabinet and won approval to escalate attacks, personally keeping U.S. Secy. of State Condoleezza Rice briefed by phone. Although the full parameters of the IDF's new directives were not spelled out, the cabinet authorization permitted the IDF to supplement air and artillery strikes with more aggressive ground operations and to temporarily reoccupy former settlement sites as needed to eradicate Gaza's "terrorist infrastructure" and halt rocket fire into Israel. Thereafter, little mention was made of securing Shalit's release in the context of IDF operations.

At the same time, the groups holding Shalit issued (7/1) a second statement demanding the release of 1,000 Palestinian prisoners, including all women and children, in exchange for his freedom. Israel ignored the offer, prompting Egyptian security envoy Omar Sulayman to cancel (7/2) plans to go to Gaza to mediate Shalit's release, stating that his efforts were unlikely to result in a deal and that negotiations could be left to lower-level officials. (Low-level mediation continued through the end of the quarter.)

Beginning on the night of 7/3 and lasting until 7/8, the Givati Brigade moved tanks and troops into n. Gaza, occupying the outskirts of Bayt Hanun, the Erez industrial zone, and the former Nisanit settlement site; ordered PA security forces to withdraw and demolished a PA security building; seized Palestinian homes as operational bases; leveled land in search of roadside bombs and tunnels; and conducted air strikes. After Hamas responded by firing (7/4, 7/5) 2 2-stage Qassam rockets at Ashkelon (damaging a school), the Israeli security cabinet ordered (7/5) the army to expand n. Gaza operations. Over the next 3 days, additional IDF troops and tanks entered n. Gaza, pushed south to Jabaliya refugee camp (r.c.), and reoccupied former settlement sites along the coast as bases for launching incursions into n. Gaza population centers (especially Bayt Lahiya). Palestinian militants engaged the troops using RPGs, rifles, and roadside bombs. Israel responded with air and artillery strikes, tank and gunfire, as well as by bulldozing houses, fields, and roads to widen the n. Gaza buffer zone and clear areas in and around villages that could provide cover for rocket fire and room for troops to maneuver. Palestinians fired some 25 rockets toward Israel, lightly injuring 3 Israelis. The

IDF withdrew to Israel overnight on 7/7-8, declaring their military objectives achieved, though Palestinian rocket fire continued at the same pace. During the 5-day campaign, at least 36 Palestinians (mostly gunmen) and 1 IDF soldier were killed, more than 100 Palestinians (a third of them children) and 1 IDF soldier were injured, and some 100 Palestinian homes were destroyed or heavily damaged.

On 7/8, the same day it moved troops out of n. Gaza, the IDF sent forces into eastern Gaza near Qarni crossing, shelled areas around Gaza City, and expanded shelling and bulldozing around Rafah and Dahaniyya, ordering residents near the airport to evacuate the area. (UNRWA opened two schools in Rafah to house some 1,000 Dahaniyya residents displaced by heavy shelling.) Although initially it seemed that the operation would mirror the 7/3-8 n. Gaza offensive, the IDF withdrew troops from the Gaza City environs into the Qarni industrial zone late in the day, leaving only the Dahaniyya airport contingent. From the launch of ground operations on 7/3 until 7/8, 48 Gazans were killed and more than 100 were injured. Combined with ongoing violence in the West Bank (including 3 assassinations and an attempted assassination; see Chronology for details), the comprehensive death toll as of 7/8 was 4,530 Palestinians and 1,021 Israelis.

Meanwhile, on 7/7, Shalit's captors had issued a 3d statement, this one calling for negotiations to end the fighting and free Shalit, confirming that he was in good health. Hoping to build on these apparently scaled-down demands and the relative lull in Gaza fighting, Haniyeh also called (7/9) for a mutual cease-fire. Olmert, however, rejected bargaining, stressing (7/9) that Operation Summer Rains was not over and clarifying IDF intentions to "operate, enter, and pull out [of Gaza] as needed," perhaps for several months.

A New Pattern of Battering Gaza

After 2 days of air and artillery strikes only, the Israeli security cabinet met again on 7/11 to discuss how to move forward and authorized the IDF to expand the Gaza offensive, without giving details. Through the end of the quarter, Operation Summer Rains fell into a more discernable pattern, as laid out by Olmert on 7/9: Once troops encamped at Dahaniyya and Qarni industrial estate were withdrawn on 7/12, IDF forces were stationed outside Gaza and were sent in for one or more days at a time to conduct

ground offensives (some sources suggested that the IDF had unofficially named this new phase of Summer Rains "Operation Grasshopper," playing on how troops would hop in and out of Gaza), clearly stating there was no intention permanently to reoccupy any part of the Strip. The IDF's actions during the incursion were more aggressive and characteristic of IDF operations in the West Bank in recent years than those in Gaza prior to disengagement, where the IDF rarely entered Gazan towns and villages, more often firing on them from a distance. The major ground incursions through the end of the quarter included the following:

- Central and s. Gaza (7/12-15): the IDF sent 10s of tanks and armored vehicles through the Kissufim crossing under helicopter and drone escort, and moved north from positions near Abasan to attack al-Qarara and Dayr al-Balah, cutting the Strip in half; ordered PA security forces to leave the area; bulldozed more than 183 dunams (d.; 4 d. = 1 acre) of land; engaged in heavy air and artillery strikes and major gun battles in Dayr al-Balah; made heavy air strikes on Khan Yunis; killed 23 Palestinians; wounded at least 18.
- Bayt Hanun (7/16-18): troops conducted arrest raids and house searches, bulldozed land and homes (leaving 60-130 homes and an UNRWA clinic destroyed or uninhabitable), occupied homes as observation posts, killed at least 7 Palestinians, wounded 30.
- Al-Shuka near Rafah (7/18): troops forced 97 families (703 Palestinians) to flee (UNRWA set up housing for them in Jabaliya r.c.), cut electricity, bulldozed land.
- Al-Maghazi r.c. and areas of central Gaza (7/19-21): troops occupied homes as sniper posts, engaged in heavy clashes with Palestinian gunmen, bulldozed 207 d. of land, demolished 4 homes, heavily damaged 9 homes, killed 18 Palestinians, wounded 125.
- N. Gaza and Gaza City environs (7/26-28; code named **Operation Samson's Pillars**): troops engaged in intense clashes with and conducted air strikes on Palestinian gunmen, leveled wide tracts of land, demolished 9 houses, heavily damaged 16 houses, bulldozed at least 80 d. of land, killed at least 14 militants and 13 civilians, wounded at least 66.

- Al-Shuka and Rafah (8/1–6): troops re-occupied the Dahaniyya airport; repeatedly shelled al-Shuka; sent in 50 tanks, armored vehicles, and bulldozers; conducted air and artillery strikes; searched houses; exchanged fire with armed Palestinians; destroyed a PA security office; bulldozed at least 20 d. of land; forced 100s of families to flee; killed 8 militants, 1 PA security officer, and 11 civilians; wounded more than 46.

In addition, the IDF continued throughout Summer Rains to conduct daily IDF air and artillery strikes, especially on n. Gaza, and frequently crossed briefly into Gaza to bulldoze land or search for tunnels along the border (see Chronology for details). Among the air strike targets were government offices, including the PA PM's office (7/2), PA FMin. offices (7/13, 7/16, 8/5), PA Interior Min. offices (7/2, 7/5), PA Economics Min. offices (7/15), and numerous ESF posts and training sites; Change and Reform offices in Bayt Lahiya were also hit on 7/14. The IDF also made an assassination attempt (7/12) on chief Hamas bomb-maker Muhammad Dayif (the target of 4 previous Israeli assassination attempts since 2000) in which the IDF dropped 2 quarter-ton bombs on a 3-story building in Gaza City, wounding Dayif; killing a senior Hamas member, his wife, and 7 children; and wounding Hamas's n. Gaza military commander and at least 33 bystanders, also damaging 15 surrounding homes.

By 8/15, at least 213 Palestinians (mostly civilians) had been killed and 650 had been wounded in Gaza since Operation Summer Rains began on 6/28. By the end of the quarter, UN agencies in the territories reported that the IDF was firing an average of 200–250 artillery shells/day into Gaza (compared to an average of 9 Palestinian rockets/day into Israel); that the IDF had made 221 air strikes on Gaza in 7/06 alone; and that the IDF had bulldozed 3,666 d. of Gaza land between the start of Summer Rains and 7/31. The poverty rate in Gaza had reached 79% and the cost of basic goods was up 10%. Palestinians in urban areas were receiving 6–8 hours/day of electricity and 2–3 hours/day of water. UN estimates of overall damages to Gaza's civilian infrastructure since operations began on 6/28 were \$15.5 m.

In the West Bank, incidents of arrest raids and house searches tapered in late 7/06 and early 8/06, but restrictions on movement re-

mained very tight, with the northern and southern West Bank virtually cut off from each other. The one major military operation in the West Bank was in Nablus (7/19–21), where the IDF sent in 50 armored vehicles and troops allegedly to search for Palestinians "activated by Hizballah" to stage attacks on Israel. The Nablus governorate building, the PA compound (mostly destroyed during Operation Defensive Shield in 2002), 3 security force buildings, and the central prison were put under siege and all Palestinians inside ordered to surrender: some 165 Palestinians (many of them PA security officers) were forced out and detained, but about 10 remained inside, prompting the IDF to shell and bulldoze the buildings over 2 days, exchanging fire with Palestinian gunmen and stone-throwing Palestinians; 7 Palestinians (including 3 armed AMB members, 3 bystanders) were killed and 67 wounded (including 27 children and 3 journalists covering the raid). The IDF completely demolished at least 6 other PA buildings before withdrawing. An IDF soldier was killed in a separate arrest raid in Nablus on 7/17. The IDF also assassinated 4 Islamic Jihad members in Nablus (7/29) and Jenin (8/6, 2 on 8/9). On the Palestinian side, AMB members kidnapped and killed (7/27) a Jewish settler from Yakir. Unidentified Palestinians took (8/14) 2 Fox News journalists hostage.

Meanwhile, at the G8 summit in St. Petersburg on 7/16, the U.S. effectively secured backing for Israel's military escalation. Under U.S. pressure, the final statement declared that the release of Israeli soldiers unharmed and an end to the shelling of Israeli territory were the "most urgent priorities," followed by a halt to Israeli operations and the release of Palestinian parliamentarians. Requirements to be met for a return to Israeli-Palestinian negotiations were, in order: a halt to "terrorist attacks" on Israel, Abbas's assurance that the Hamas-led government fulfill the 1/30 Quartet demands, expansion of the TIM (only the EU had contributed to date), Israeli compliance with the Rafah arrangements for freedom of movement into and out of Gaza, resumption of Israeli-Palestinian security cooperation, unification and reform of the PA security forces, and resumption of diplomatic contacts. The U.S. (7/16) and Britain (7/18) interpreted this to mean that Israel need not end Operation Summer Rains until the PA released Shalit and halted rocket fire, though other nations' stances were more nuanced.

The Convergence Plan Undermined

On the diplomatic and political level, Operation Summer Rains was a serious setback for Olmert. The offensive did not meet its initial stated goal to free captured IDF Cpl. Shalit (indeed, Israel's 7/11 decision to escalate scuttled whatever progress might have resulted from a secret meeting that day in Amman between Abbas and Shin Bet head Diskin to discuss a possible prisoner exchange) and did not discernibly advance its secondary aims of collapsing Haniyeh's government, undermining support for the Palestinian resistance, halting Palestinian rocket fire, and improving security inside Israel. Combined with Israel's deteriorating security situation in the north due to the war on Lebanon, which was also falling short of goals (see Lebanon section below), public criticism of Olmert's government was on the rise, precluding further discussion of his convergence plan as of late 7/06 through the end of the quarter.

Intifada Data and Trends

During the quarter, at least 314 Palestinians and 6 Israelis were killed (compared to 101 Palestinians and 15 Israelis last quarter), bringing the toll at 8/15 to at least 4,700 Palestinians (including 46 Israeli Arabs and 17 unidentified Arab cross-border infiltrators), 1,023 Israelis (including 315 IDF soldiers and security personnel, 208 settlers, 500 civilians), and 59 foreign nationals (including 2 British suicide bombers). Of note: 7/06, during which 191 Palestinians were killed, was the deadliest month since Operation Defensive Shield in 4/02. According to the Israeli human rights group B'Tselem, 48% of those killed in 7/06 were innocent bystanders.

At the end of the quarter, all crossings into Gaza were closed except Erez, which was open to a limited number of VIPs and medical cases. Limited fuel imports were allowed through Nahal Oz. According to the *New York Times* (7/4), as of 7/06, 48 of 60 factories in the Qarni industrial zone had closed because of Israeli restrictions on movement, and at least half had permanently relocated to other Arab countries. More than 20 other companies in Gaza were considering or in the process of making similar moves.

This quarter, as Israel stepped up air strikes on Gaza and media coverage became spottier because of the focus on the war on Lebanon, determining which IDF killings in the Strip were targeted assassinations and which resulted from more generalized bombing missions became more difficult.

With this caveat, 16 deaths were clear assassinations (down from 20 last quarter), accompanied by the killing of 16 bystanders and the wounding of 66. The following individuals were assassinated this quarter: the **AMB's** Muhammad Wahish (6/13), Ayman Jabarin (6/22), Fida'i Qandil (7/4), Mahmud Haymur (7/5), and Tamir Kandil (7/7); **Islamic Jihad's** Muhammad Dadu (5/20), Tariq Zakarna (5/29), Imad Asaliyya (6/5), Majdi Hammad (6/5), Shawqi al-Saiqali (6/13), Hamad Wadiya (6/13), Hani Uwayjan (7/29), Sami al-Imar (8/6), Amjad al-Ajami (8/9), and Muhammad Atik (8/9); and **PRC** head and PA security chief Jamal Abu Samhadana (6/8). The IDF also attempted to assassinate 1 AMB member (7/6), 1 Hamas member (7/12), and 3 Islamic Jihad members (6/21, 6/29, 7/6), killing a total of 14 bystanders and wounding 51. Incidents on 6/21 and 7/12 may have been assassination attempts targeting an Islamic Jihad and a PRC member. In addition, a senior Hamas military commander (6/5) and a senior Hamas political leader (7/5) were fatally shot by unidentified gunmen, and another senior Hamas military commander was killed in a car bombing (6/27) in incidents that could have been either orchestrated by Israel and carried out by collaborators or products of intra-Palestinian rivalries; 3 such incidents have occurred previously (see Quarterly Update in *JPS* 140).

There were no Palestinian suicide bombings this quarter, compared to 2 last quarter. On 7/26, an unidentified Palestinian gunman fired on Israeli police in Jerusalem, wounding 2 before being shot dead; the incident could be considered a suicide attack in that it was almost certain the gunman would die.

Palestinian use of mortars and rockets remained high this quarter, averaging around 25–40/week at the opening of the quarter, increasing significantly to around 75/week in the 2 weeks following the start of Operation Change of Direction against Lebanon, and falling back to 11–35/week in the first half of 8/06. At least 25 Israelis were reported injured and damage occurred in 12 instances (see Chronology for details). Of note: Hamas for the first time fired 2 2-engine Qassam rockets (the largest to date) into Israel on 7/4 and 7/5, striking near Ashqelon, causing damage but no injuries.

Israeli house demolitions were up significantly this quarter, especially in Gaza, where more than 120 homes were destroyed or heavily damaged in the northern district (mostly in Bayt Lahiya), 13 in the central district, and at least 15 in the south. In the

West Bank, 7 homes were demolished in Nablus, 3 in Jenin, 2 in East Jerusalem, and 1 each in Hebron, Jericho, Qalqilya, Ramallah, and Tulkarm. Of note: By 7/20, IDF troops in Gaza were using new tactics introduced in Lebanon, such as phoning Palestinians to warn them to evacuate their homes in advance of air strikes destroying them (at least 18 incidents reported beginning on 7/23 through the end of the quarter) and sending (beginning 7/24) automated phone messages to residents of broad areas warning them to evacuate in advance of air or artillery strikes.

Jewish settler violence against Palestinians seemed significantly lower this quarter, but this might be a result of spottier media focus on the West Bank. Incidents included settlers occupying or raiding Palestinian homes and stores (6/4, 7/23), bulldozing land for expansion of settlements or creation of new settler-only bypass roads (7/5, 8/14), beating or otherwise attacking Palestinians (5/21, 6/1, 6/4, 6/7, 6/8, 6/13, 6/17, 6/19, 6/22, 7/4, 7/16), vandalizing property (6/1, 6/7, 6/13, 6/17, 6/19, 6/22, 8/12, 8/13), setting fire to property or pouring toxic liquid on land (6/4, 6/13, 6/26, 7/6), and stealing or killing livestock (6/17, 6/25). Settlers also stoned a Palestinian to death (6/20); tossed grenades at shepherds, wounding 1 (7/25); and opened fire on Palestinians (7/25, 8/6), killing 1 and wounding 2. Of 26 reported incidents (down from 49 last quarter), most continued to occur in Hebron (21), with a handful of incidents in Bethlehem (2), Nablus (1), Tubas (1), and Salfit (1).

By mid-6/06, it became apparent that Israel had launched a concerted campaign to expel from or bar entry to the territories individuals in the following categories: Palestinians holding foreign passports (including spouses of Palestinian ID holders); Arab nationals; international peace activists; foreign academics working or studying at Palestinian universities; and international NGO employees. With long-term visas and residency permits almost impossible to obtain from Israel, many such individuals who had been working and living in the West Bank for years on 90-day entry visas, renewing them on quarterly trips abroad, suddenly were denied visas when attempting to return. While Israel had not infrequently denied renewals in the past, Palestinian human rights groups and the Israeli press stated that the policy had been building since 4/06, and by 6/11 had reached the point at which the U.S. emb. had acknowledged that Israeli of-

ficials had "conceded that 90-day visa entry cards, which were once routinely granted in the past, especially to U.S. citizens, are now more difficult to obtain, specifically for Palestinian American citizens traveling to the West Bank and for U.S. nationals affiliated with humanitarian organizations. Both the U.S. Embassy and the Consulate in Jerusalem are pursuing the issue."

In addition to the 6/28-29 arrest of Hamas-affiliated PA legislators and cabinet ministers (at least 2 more, including PC speaker 'Aziz Dwayk, were arrested on 8/5 and 8/6), Israel revoked the Jerusalem residency rights of 3 Hamas-affiliated PA cabinet and PC members arrested on 6/28-29 (giving them 30 days to appeal or renounce their positions within the PA, or ultimately face deportation to the West Bank when released from custody). The IDF also continued routine harassment of Change and Reform PC members during the quarter (see Quarterly Update in *JPS* 140), searching their homes and offices (e.g., 5/29, 7/31) and detaining them for participating in public demonstrations or other political activities in Jerusalem (e.g., 5/22, 7/6).

The IDF deported (6/20) Tulkarm resident Rasmi Subayh, held in administrative detention since 9/05, to Gaza for 2 years. Israel deported several West Bank administrative detainees to Gaza in 2002 and 2003 for periods up to 5 years, but has not done so recently (see Quarterly Update in *JPS* 133).

Separation Wall

This quarter, construction of the West Bank separation wall was concentrated on segments s. of Bethlehem, northwest of Nablus, s. of Hebron, and near Qalqilya.

The High Court of Israel approved (5/22) a new segment through Ramallah that would cut off Palestinian access to at least 3,900 d. of agricultural land and uproot 1,100 olive trees. Another new segment around Shavei Shomron settlement northwest of Nablus, approved on 5/30, requires confiscation of 53 d. of Palestinian land and the uprooting of 350 olive trees. The High Court rejected (5/23) an appeal by East Jerusalemites challenging the wall's route around Ma'ale Adu-mim settlement on grounds that the Israeli DMin. had given "adequate consideration of the barrier's impact on residents while balancing the security needs of Israeli citizens."

INTRA-PALESTINIAN DYNAMICS

The ongoing struggle between Fatah and Hamas for political dominance that has

followed the 1/06 elections (see Quarterly Update in *JPS* 140), and particularly the power struggles for control of security, was most evident on the ground this quarter in the above-mentioned clashes between Hamas and Fatah over the ESF. But it also played out within the PA between Abbas and Haniyeh. Tensions on both levels were especially high during the first part of the quarter but moderated significantly after Abbas and Haniyeh agreed (6/27) to work toward a national unity government.

As the quarter opened, Abbas was still insisting that the Fatah-dominated security forces answer only to him and trying to have authority over the security forces formally transferred from the Interior Min. to the office of the president (see Quarterly Update in *JPS* 140). To this end, on 6/24, he unilaterally deployed members of Force 17 (under his command) to Qarni crossing to take over PA security responsibility from forces under Interior M Siyam's purview. (Abbas had done the same thing at the Rafah crossing last quarter.) Haniyeh rejected Abbas's decision but did not challenge the deployments on the ground.

After the 6/27 agreement, Abbas apparently scaled back his efforts to monopolize security and agreed to work with Haniyeh to preserve the lines of security command mandated by law. By 7/7, commanders of the Fatah-dominated security branches (except Force 17, traditionally under presidential control) had reportedly been informed that they would henceforth take orders from Interior M Siyam, with only the radically anti-Hamas PSF challenging the new arrangements on the ground. Soon after, Siyam, reportedly in coordination with Abbas, dismissed (ca. 7/13) hard-line Fatah Gaza PSF head Sulayman Abu Mutliq and replaced him with West Bank PSF head Ziad Habarih, a Fatah member reputed to lack political ambitions and not aligned with any particular Fatah faction.

Also on the security front, by 8/3, Siyam reportedly was creating a version of the ESF for the West Bank, called the "mobile forces," expected to number 4,000 members. This volunteer force was not permanently armed, though members armed themselves when escorting Change and Reform officials. The mobile forces reportedly started operating in Nablus (with Nablus's municipal guard forming the core of the force) and expanded to Hebron and Qalqilya. Siyam reportedly hoped to integrate them into the PA police by 2007.

Fatah was less accommodating to Hamas with respect to the PLO. Most notably, PLO Political Dept. head Faruq Qaddumi (Fatah), charged with the PLO's external relations, continued to challenge PA FM Zahhar (Change and Reform) for the right to represent the Palestinians abroad. On 5/29, Zahhar walked out of a meeting of the Non-Aligned Movement (NAM) in Malaysia when Qaddumi publicly challenged his participation in the forum, declaring "I am the minister of foreign affairs of the State of Palestine; he is only from the local government." Zahhar continued, holding bilateral meetings on the sidelines of the conference, but the row nearly undid Malaysian efforts to pass a NAM motion declaring support for Palestinian unity; the motion was passed on 5/29. Zahhar also refused to attend an Organization of the Islamic Conference (OIC) meeting in Azerbaijan on 6/20 to protest the OIC's decision to invite Qaddumi as well. By 7/11, Abbas had informed PLO envoys abroad to take direction from Qaddumi, not Zahhar.

Meanwhile, at the operational level Haniyeh tried to keep the PA functioning and moving forward. Between mid-6/06 and mid-8/06, the Change and Reform bloc reportedly made some 200 key appointments in the PA Foreign, Waqf, Education, Health, Prisoner Affairs, and Agricultural Mins. and established internal disciplinary committees for dealing with corruption complaints. Although some saw the appointments as aimed at minimizing Fatah's influence, Haniyeh reportedly consulted with Abbas on the changes and Fatah did not actively oppose them.

In addition, PA cabinet secy. Muhammad Awad announced (7/2) that the portfolios of the 8 cabinet ministers abducted by Israel on 6/28-29 had been temporarily transferred to ministers in the Gaza Strip, with dirs. gen. of the West Bank offices overseeing day-to-day affairs. Transportation M Ziad Zaza took over local government and labor, Refugee Affairs M Atif Adwan took over prisoners affairs and Jerusalem affairs, Health M Bassam Na'im took over social affairs, Information M Yusuf Rizqa took over finance and religious affairs, and Economics M Ala' al-Din al-'Araj took over planning.

In late 5/06, Haniyeh made the highly controversial decision to suspend authorization of new Palestinian NGOs pending a review of the registration process and the criteria required for PA accreditation. No explanation was given, but the

move was reportedly aimed at ensuring that donor aid would not be wasted on low-impact projects in the event that donor aid is shifted from the PA and run through NGOs. Critics condemned the move as an attempt to control NGO operations and curtail their freedom of speech and action. Supporters argued that NGO authorizations under previous governments were often based more on personal connections than on sound business practice, noting that only a fraction of the more than 800 Palestinian NGOs was sufficiently organized to have a serious impact on development and civil society.

By late-5/06, critics of Haniyeh's government noted that records of PC meetings had not been put online for transparency, that the PM's Office Web site had not been updated, and that some 100,000 Palestinians had been added to the already strapped PA health insurance rolls (hinting at nepotism). Ministry officials countered (6/5) that outgoing Fatah officials had refused to turn over Web site passwords to their incoming Change and Reform counterparts, that Web site hosting agreements had expired without funds to renew them, and that the increase in health insurance rolls was necessitated by the rapidly declining humanitarian conditions in the territories.

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Jerusalem Media and Communication Center (JMCC) on 6 and 7 July 2006. Results are based on a survey of 1,197 men and women from the West Bank and Gaza. The results of the poll, the 59th in a series, were taken from the JMCC's Web site at www.jmcc.org.

1. Do you support the resumption of the military operations that aim to abduct Israeli soldiers as a suitable response within the current political conditions, or do you reject them and find them harmful to the Palestinian national interests?

	West Bank	Gaza	Total
a. Suitable response	65.0%	70.0%	66.8%
b. I reject them and find them harmful	32.5%	27.5%	30.7%
c. No answer/Don't know	2.5%	2.5%	2.5%

2. In light of the current crisis resulting from the abduction of the Israeli soldier [Shalit], in your opinion what is the most suitable option for dealing with the crisis?

	West Bank	Gaza	Total
a. Release the abducted soldier to avoid an incursion into Gaza	16.4%	19.8%	17.6%
b. No release of the abducted soldier until the release of Palestinian prisoners	67.6%	70.7%	68.8%
c. Try the Israeli soldier and put him in a Palestinian prison	12.7%	8.0%	10.9%
d. No answer/Don't know	3.3%	1.5%	2.7%

3. If the elections were held today, which list would you vote for? (* JPS has combined 9 smaller parties and blocs under "other" below, including independents, Democratic Front for the Liberation of Palestine [DFLP], Popular Front for the Liberation of Palestine [PFLP], and Islamic Jihad; see the JMCC Web site for details—Ed.)

	West Bank	Gaza	Total
a. Change and Reform	29.6%	39.1%	33.1%
b. Fatah	30.3%	35.7%	32.2%
c. Other*	20.3%	13.9%	17.9%
d. Would not vote	15.5%	10.9%	13.8%
e. No answer	4.3%	0.4%	3.0%

FRONTLINE STATES

JORDAN

This quarter was marked by quiet diplomatic activity by the Jordanian government as it sought to weigh in on developments that risked unleashing significant popular backlash.

Before the Olmert-Bush meeting on 5/23, King Abdallah sent (5/19) a letter to Bush stating that the convergence plan would undermine Jordanian security and asking him to press Israel to restart negotiations with the PA through Abbas. When Olmert visited Amman on 6/8—the first public trip to

Jordan by an Israeli PM since 2003—Abdallah expressed concerns that further Israeli unilateral actions could undermine Palestinian rights, and Olmert pledged to make every effort for progress on a negotiated settlement before moving ahead unilaterally. As mentioned above, Abdallah also facilitated the informal meeting (6/22) between Abbas and Olmert on the sidelines of a conference in Petra honoring Nobel prize laureates, as well as a meeting (7/11) between Abbas and Shin Bet head Diskin regarding a possible prisoner exchange for the release of captured IDF soldier Shalit.

With Israeli's military operations in Lebanon stoking popular outrage already high over operations in Gaza, Abdallah declined to receive Rice on her regional visit (7/24–26), reportedly fearing that the U.S.'s overt support for Israel's actions was undermining Jordanian popular support for the U.S. and himself.

Also of note: On the sidelines of the Petra meeting, Israeli Dep. PM Peres and King Abdallah agreed (6/21) to move forward with long-stagnant plans to expand Israel's Elat airport into an international "peace airport" straddling the Israeli-Jordanian border (see Quarterly Update in *JPS* 130). They also discussed expanding Qualified Industrial Zones to create more jobs for Palestinians, Jordanians, and Israelis.

LEBANON

The event shaping the quarter was Hizbullah's 7/12 cross-border attack on Israel, dubbed Operation True Promise, and Israel's immediate decision to launch a massive military response, Operation Change of Direction (initially called Operation Just Reward), on 7/13 that quickly escalated into a full-scale war that continued with ferocity until a tense UN-brokered "cessation of hostilities" went into effect on 8/14.

The Launch of War

Before dawn on 7/12, Hizbullah fired several rockets across the Blue Line into n. Israel as a diversion and then sent fighters across the Blue Line to attack 2 IDF jeeps patrolling the border between Zarit and Shetula, capturing 2 IDF soldiers, killing 3, and wounding 2. Soon after, it fired several shells at IDF positions in the disputed Shaba' Farms area, causing no damage or injuries. The IDF, in its first ground incursion into Lebanon since its 5/00 withdrawal, immediately sent a platoon across the border to search for the missing 2 soldiers, losing 4 more when an

IDF tank hit a mine 4 mi inside Lebanese territory. (An eighth IDF soldier was killed and 2 others were wounded in Lebanon late that evening as they tried to recover the 4 bodies from the tank.) Simultaneously with the ground attack, the IDF launched air and artillery strikes on some 40 Hizbullah positions, roads, bridges, and power stations in s. Lebanon, with the stated purpose of preventing the captured soldiers from being moved northward; at least 2 Lebanese civilians and 1 Lebanese soldier were killed and at least 10 wounded. Air strikes on a Palestinian guerrilla base s. of Beirut caused no reported injuries. Meanwhile, IDF Chief of Staff Dan Halutz called up a reserve infantry division for deployment to the n. Israel border and sent the navy into Lebanese waters, threatening an invasion.

The Lebanese government immediately requested that the UN Interim Forces in Lebanon (UNIFIL) broker a cease-fire, but Israel stated that its offensive would continue until the captured soldiers were freed. Hizbullah leader Shaykh Hasan Nasrallah declared that the group planned to hold the 2 soldiers to exchange for the 3–4 Lebanese held by Israel: **Samir Quntar**, jailed since 1979 for his participation in a Palestine Liberation Front cross-border attack that killed 4 Israelis (see Quarterly Update in *JPS* 137 for earlier Israeli-Hizbullah talks on his release); **Yahya Skaff**, a Lebanese Christian detained in Lebanon in 1978 for participating in a military operation against the IDF; **Nissim Nasser**, a Jewish Lebanese who moved to Israel and took Israeli citizenship but was arrested in 2002 for spying for Hizbullah; and **Muhammad Farran**, a teenage fisherman who went missing off the Lebanese coast in 10/05. (Israel had acknowledged holding all but Farran.) Olmert held (7/12) the Lebanese government, which includes 2 Hizbullah cabinet members, responsible for the attack, which he declared an act of war by a sovereign state and not an act of terror. Though Israeli officials said (7/12) that Syria was not, for now, a target, Israel's Amb. to the UN Dan Gillerman stated (7/12) that the Iran-Syria-Hizbullah "axis of terror must be stopped," while the U.S. called (7/12) the incident an "unprovoked act of terrorism" and held Syria and Iran responsible for the ensuing violence.

Before dawn on 7/13, Israel officially launched what it initially called Operation Just Reward, staging massive air strikes on s. Lebanon that killed at least 44 civilians and wounded around 100. It was at this

point that Hizballah began its rocket attacks on Israeli towns, firing some 60 Katyushas into n. Israel, hitting Carmiel, Majdal Qrum, Nahariya, Safad, and Zarit, killing 1 Israeli and wounding 29. During the day, the IDF imposed a naval blockade on Lebanese ports n. of Beirut and made air strikes on Beirut International Airport and a smaller military airport in n. Lebanon, a major oil depot in Jiyeh, numerous roads and bridges, and Hizballah's TV station in Beirut and relay towers in Baalbek. After Israel warned Lebanese to evacuate Hizballah-dominated areas of s. Beirut, Hizballah warned that it would strike Haifa if the capital were attacked. When the IDF conducted overflights of Beirut soon after, Hizballah fired 2 rockets at Haifa, damaging a hotel but causing no injuries. Heavy exchanges continued through the evening, with Hizballah firing another 90 rockets and mortars at some 20 towns in n. Israel, killing a second Israeli and injuring around 60, and the IDF attacking 100s of targets across Lebanon (mostly in the south), firing artillery at a rate of 1 shell/minute throughout the day, killing at least another 10 Lebanese. All but 1 of the day's 54 Lebanese fatalities and the overwhelming majority of those injured were civilians. Israel warned UNIFIL that it would target anyone moving near the Blue Line, including the UN observers, prompting UNIFIL to confine to barracks its 2,500 troops (who are either unarmed or lightly armed for personal defense only).

This first day of fighting set the pattern for the days to come (see Chronology for details on clashes). Overnight on 7/13–14, Olmert's security cabinet approved a list of "more significant" Hizballah targets and vowed to continue its offensive until Hizballah was disarmed. Over the next several days, the IDF steadily intensified attacks with three aims: first, to disrupt Hizballah's ability to move men and materiel; second, to prevent Hizballah's resupply by imposing to the extent possible a land, sea, and air blockade on Lebanon; and third, to eliminate Hizballah's command and control structure. Halting transportation and communications meant massive air strikes on Lebanon's civilian infrastructure. In the first few days alone, the IDF targeted the Beirut airport twice more, the Beirut–Damascus highway, numerous other roads and bridges, major power plants, gas stations, and fuel depots, while the Israeli navy blockaded the entire Lebanese coast. Efforts to eliminate the Hizballah leadership began with heavy attacks on s. Beirut, destroying Nasrallah's residence, his headquar-

ters, and Hizballah's radio station. Hizballah replied with rocket fire on n. Israel (varying from 20–90 rounds per day) and also hit and disabled (7/14) an Israeli naval vessel off the coast with a radar-guided C802 anti-ship missile (similar to a Chinese Silkworm), launched with the aid of Lebanese army radar, prompting Israel to shell (7/15) every major Lebanese port to take out Lebanon's coastal radar system.

Diplomatically, the Israeli and U.S. view from the start was that the 7/12 attack created a "unique moment" and "moment of opportunity" to break the "axis of terror" comprising Hamas, Hizballah, Iran, and Syria and to change the regional dynamic in their favor. Some observers saw this as the prelude to a military strike on Iran, perceived as the preeminent regional threat, by preempting possible Hizballah retaliation against Israel from the north. In any case, the immediate goal was clear: Hizballah (with an estimated active fighting force of 2,000–3,000 men, including elite forces of around 700, with an estimated 8,000–20,000 reservists who could be mobilized) had to be eliminated as a viable military and political force in Lebanon. Israel reportedly thought it could do this quickly through air strikes alone, and the U.S., backed by Britain and Germany, was willing to stave off all attempts to impose a cease-fire to give Israel the time it needed.

On 7/14, the UNSC convened to debate Lebanon's appeal for an immediate cease-fire but was unable to issue a unified position on the crisis largely because of U.S. opposition to statements criticizing Israel. (Two other UNSC sessions before 7/18 ended similarly.) At the 7/14 session, Israeli amb. to the UN Dan Gillerman asserted that Israel was helping Lebanon achieve what it could not do itself—end the "terrorist occupation" of its country—and that Siniora's government "secretly backs" Israel's offensive. Meanwhile, the U.S. began blocking UN efforts to impose an immediate cease-fire and ended its earlier calls for Israeli restraint, though it did continue to caution against actions that could undermine Siniora's government, which it viewed as an ally and democratic model for the region.

By 7/15, there was widespread agreement that Israel was not merely responding with excessive force to a rare but not unprecedented Hizballah attack, but had taken existing battle plans off the shelf. Senior Israeli and U.S. officials were commenting privately that Israel planned to resist calls

for a cease-fire and to continue up to several weeks of precision bombing of Lebanon to incapacitate Hizballah permanently.

A Change of Direction

By 7/18, the IDF was calling the offensive Operation Change of Direction and, with the major infrastructural targets knocked out in the first few days, seemed to move into a mode more akin to containment and clean-up. Increasingly, the homes of individual Hizballah members were targeted, the remaining bridges and primary roads were destroyed, and operations were launched against individual towns and villages in s. Lebanon that were Hizballah strongholds. On 7/16, the IDF issued its first warnings to the residents of 7 s. Lebanon villages to evacuate for their safety; by 7/19, Lebanese across the south were reporting receiving automated phone messages from the IDF warning of pending strikes. At the same time, however, the IDF warned that it would begin targeting all trucks, including pickups, moving s. of the Litani River on the assumption that they were used by Hizballah; the policy increasingly resulted in heavy casualties among civilians trying to flee to the north and hampered efforts to transport humanitarian aid. The IDF also stepped up strikes on Lebanese civil defense and military targets (notwithstanding Israeli claims to be "helping" Lebanon regain its rightful security control). During this period, the IDF also began sending small special forces teams across the border into s. Lebanon to conduct "pinpoint operations," searching for arms caches and tunnels and withdrawing quickly. (Hizballah began engaging these units on 7/19.) As of 7/18, the IDF reported having carried out 2,000 air combat sorties against 1,000 targets and fired more than 10,000 artillery shells, while Hizballah had fired as many as 850 rockets into Israel.

By 7/18, the UN estimated that 500,000 Lebanese (out of a population of 4 m.) had fled their homes, and the Lebanese had begun reporting shortages and rising costs of essential items, such as food and gas. Though Lebanese casualty statistics at this point had become unreliable because of the intensity of the fighting and difficult access to the dead and wounded, estimates of Lebanese dead by 7/19 stood at over 300 civilians, 10 soldiers, and an unknown number of Hizballah fighters. On the Israeli side, 15 civilians and at least 13 IDF troops (including the 8 on 7/12) had been killed.

In a speech to the Knesset on 7/17, Olmert spelled out Israel's 5 conditions for halting the offensive: "expulsion of Hizballah from the area"; release of the 2 soldiers abducted on 7/12; a "complete cease-fire"; deployment of the Lebanese army to the south; and full implementation of UN Res. 1559, including disarmament of Hizballah and all Palestinian factions. At the same time, Olmert vowed to "destroy every terrorist infrastructure everywhere." Lebanese PM Fuad Siniora countered (7/18) that any solution to the crisis must include not only the release of the 2 captured IDF soldiers but the release of Lebanese in Israeli custody, Israel's withdrawal from the disputed Shaba' Farms region, a return to the terms of the 1949 Israeli-Lebanese armistice, and provision of maps showing the location of Israeli land mines in Lebanon.

Meanwhile, the U.S. stepped up pressure on the international community at an emergency session of G8 leaders on 7/16 to draft a united position on the emerging crisis. With irreconcilable gaps between the U.S. hard line, supported by Britain, and the more moderate position of other states, the wording of the G8's final statement (see Doc. A1) was left deliberately ambiguous to accommodate differences. (Specifically, the U.S. refused to allow the word "disproportionate" to describe Israeli actions or to call for a "cease-fire," while France and Russia refused to name Iran or Syria as Hizballah supporters sharing responsibility for Hizballah's actions.) The statement declared that "the root cause of the problems in the region is the absence of a comprehensive Middle East peace," placing the war in a broader historical context, but it also emphasized that "the immediate crisis results from efforts by extremist forces to destabilize the region and to frustrate the aspirations of the Palestinian, Israeli and Lebanese people for democracy and peace," placing the blame on Hizballah. The "most urgent priorities" were the release of Israeli soldiers unharmed and the end to the shelling of Israeli territory. The tone of the document allowed the U.S. (7/16) and Britain (7/18) to claim an understanding that Israel need not end its offensive until Hizballah released the captured soldiers and halted fire; France, Japan, and Russia continued to call for an immediate cease-fire. Britain and France also raised (7/17) the possibility of sending an international peace-keeping force to s. Lebanon. UN Secy-Gen Kofi Annan endorsed the idea, but the U.S.

called it premature, and Israel rejected it outright.

On returning from the G8 summit, Bush endorsed (7/18) Israel's military actions and stated that the "root cause" of the crisis was "terrorism and terrorist attacks on a democratic country. And part of those terrorist attacks are inspired by nation states, like Syria and Iran. And in order to be able to deal with this crisis, the world must deal with Hizballah, with Syria and to continue to work to isolate Iran." The same day, Rice stressed that the time was not yet appropriate for U.S. intervention.

Olmert welcomed the G8 statement, asserting (7/18) that "nobody in the international community is asking us to halt the operation." Separately, FM Livni spoke (7/18) of a new diplomatic process "alongside the military operation that will continue"; she specified that diplomacy was not meant to "shorten the window" of the army's operation but rather "to be an extension of it." She further stated (7/19), "Israel and the international community have a common goal: to promote a process that will bring about a long-term and fundamental change in the political reality of the region and that will eliminate the threat of terrorism facing both Israelis and Lebanese."

The Ground War Expands as Expectations Diminish

By 7/20, Israeli operations began to show signs of disarray as it became clear that Hizballah was not collapsing under the assault. While Hizballah rocket fire had been reduced, 30-50 rockets/day were still hitting n. Israel, causing limited casualties and damage, prompting most of the northern population to take to bomb shelters or temporarily head south out of rocket range. While the IDF continued nonstop heavy air and artillery strikes as well as pinpoint ground operations, it also began evident preparations for the wider ground offensive it initially had ruled out as unnecessary. Multiple messages on the aim and extent of ground operations led some to speculate that Israel was adjusting its tactics and goals more or less on the fly.

On 7/20, the IDF warned the Lebanese who remained s. of the Litani River (25 mi n. of the Israeli border) to leave within 24 hours or be considered viable targets. It simultaneously sent tanks and bulldozers across the Blue Line for the first time to clear hazards, called up (7/21) 3 battalions of reserves (around 3,000 units), and be-

gan (7/21) moving more troops and armor to its n. border in preparation for what it said would be "limited" ground operations to "mop up" Hizballah strongholds and weapons sites. Meanwhile, the U.S. approved (7/21) an Israeli request to expedite delivery of precision-guided missiles (including at least 25, possibly 100, 5,000-lb GBU-28 bunker busters). Later reports by observers on the ground (see Amnesty International report in Doc. A3) described the IDF's pattern at this stage for clearing villages: warning civilians to leave, targeting a house with an air strike to frighten laggards, and then targeting sites controlled by Hizballah (including clinics, social centers, youth centers, and media offices) or necessary to civilians (gas stations, supermarkets, water installations). Main streets of towns and villages were strafed with cluster bombs, the first confirmed such use being in Blida on 7/19. (The first IDF acknowledgement of cluster bomb use was by IDF Maj. Gen. Benny Gantz on 7/26.) There were also rumors of the IDF using white phosphorus. By 7/21, local Lebanese officials estimated that 70% of s. Lebanon's population had fled north or to Syria. With refugees pouring into Sidon, Tyre, and Beirut, the UN estimated that 500,000 Lebanese were in urgent need of humanitarian assistance that could not be provided without Israeli-guaranteed safe-corridors, while UNIFIL troops themselves were bunkered down and in need of food and water.

The actual ground assault began on 7/22, when Israel sent 2,000 troops, including a tank brigade and armored units, across the Blue Line into Maroun al-Ras in the central border region and moved into Bint Jubayl on 7/23, engaging in what it described as heavy, close combat with Hizballah fighters using mortars, antitank rounds, RPGs, and small arms fire. Although the ground offensive remained concentrated in the Maroun al-Ras and Bint Jubayl areas through 7/26, the fighting across Lebanon immediately became more intense and the humanitarian impact more severe. By 7/24, the IDF had demolished 95% of Lebanon's bridges and 80% of its primary roads while large swaths of the southern Beirut suburbs (and Hizballah strongholds) of Baabda, Chouaifat, Hadet, Haret Hraik, and Kfar Chima had been leveled by IDF air strikes. In response to the ground incursion, Hizballah stepped up rocket fire on n. Israel to 100-130 rounds/day, belying IDF claims that its capabilities had been degraded.

By 7/25, returning IDF troops routinely reported that Hizballah's infrastructure of tunnels, bunkers, and armories was more sophisticated and better hidden and its fighters more determined and better organized, trained, and equipped than anticipated. In the most intensive clash, on 7/26, some 100 Hizballah fighters ambushed an elite Golani Brigade unit in Bint Jubayl (which the IDF had claimed to have secured on 7/25), killing 8 IDF soldiers and wounding at least 22; troops had been forced to enter the area on foot because the "roads into town were littered with antitank mines" and therefore had to carry casualties for 2 mi under heavy fire to tanks that could transport them to helicopters for evacuation. (The IDF claimed to have killed 20 Hizballah fighters; Hizballah would not confirm.)

In light of the increasingly difficult battle, Israel scaled back its war objectives: instead of pledging to eliminate Hizballah and alter the regional dynamic, Israel now stated (7/22, 7/23) that its overall aim was "to weaken Hezbollah sufficiently so that the international community can help the Lebanese government to carry out [UN Res. 1559] and exercise its sovereignty all over Lebanon, expelling any foreign fighters and disarming Hezbollah." On 7/25, the IDF stated plans to occupy a small strip inside s. Lebanon (possibly 2-6 mi deep) until an international force of up to 20,000 heavily armed troops, preferably from NATO, could be deployed to replace it. (NATO quickly stated that its forces were overcommitted.)

For his part, Hizballah's Nasrallah called (7/24) for an immediate cease-fire, saying Hizballah would accept the Lebanese government as its negotiator and would define victory as the survival of its militia and its continued determination to resist. Hizballah's dep. political chief Mahmud Komati acknowledged (7/25) that Hizballah had not at all expected Israel's response.

Meanwhile, diplomatic efforts increased as civilian casualties mounted in Lebanon. After consulting with special envoys dispatched to the region on 7/13, UN Secy.-Gen. Annan stepped up (7/20) efforts for UNSC endorsement of a package calling for an immediate cease-fire, the release of the 2 IDF soldiers, and insertion of an international peace-keeping force in s. Lebanon, followed by the full implementation of UN Res. 1559. (The U.S. immediately said it would not contribute troops to an international mission.) Rice announced (7/21) plans to head to the region on 7/24 to meet with Israeli,

Arab, and EU leaders, warning that the U.S. would not support a cease-fire that did not include a solid plan for disarming Hizballah and expanding Lebanese government control throughout the country, warning (7/21) that the parties should not settle for "quick fixes." "What we are seeing here," she said, "[are] the birth pangs of a new Middle East, and whatever we do, we have to be certain that we're pushing forward to the new Middle East, not going back to the old one."

Rice's tour began on 7/24 with an unannounced stop in Lebanon, where at a tense meeting with Siniora she presented plans (discussed by senior Saudi and Bush admin. officials on 7/23) for an international donor conference to raise funds for Lebanon's reconstruction and announced that the U.S. would contribute \$30 m. to a UN emergency appeal to aid Lebanon. While Siniora wanted an immediate cease-fire, Rice discussed the idea of putting a robust international peace-keeping force in s. Lebanon after a cease-fire but emphasized that the U.S. would not back a cease-fire until Hizballah released the captured IDF soldiers. Rice then met (7/25) with Olmert in Tel Aviv. Talks reportedly included discussion of Israel's plans for an exit strategy from Lebanon; senior Israeli officials later said they believed that they had until Rice's return to the region to press their military campaign. Indeed, from then on, the closer the international community came to reaching agreement on a cessation of violence, the more Israel intensified and expanded Operation Change of Direction.

An Immediate vs. a Sustainable Cease-Fire

At a major meeting in Rome at the end of her tour on 7/26, Rice met with Annan, Siniora, EU diplomats, and reps. from Egypt, Jordan, and Saudi Arabia to discuss a resolution to the Lebanon crisis. Rice for the first time explicitly laid out the U.S.-Israeli demand for a "sustainable cease-fire," arguing that an immediate cease-fire (as desired by the other parties) would leave Hizballah capabilities diminished but not destroyed and the Lebanese government weak, allowing Hizballah to rearm and reassert itself quickly. She argued that what was needed was a "sustainable cease-fire" that would permanently disarm Hizballah, cut its ties to Iran and Syria, and enhance Lebanese sovereignty and security control; if assuring successful implementation required more time, it was worth allowing the war to continue. Thus, while EU and Arab participants

called for "urgent work on an immediate cease-fire." Rice pushed for wording calling on the parties to "work immediately" toward a cease-fire that would be "lasting, permanent, and sustainable." As a compromise, Annan recommended a call for a temporary "pause" in fighting to allow humanitarian aid to be delivered by an international force that could remain to support the Lebanese army, but Rice rejected this as a half-measure. The meeting's final statement vaguely pledged to work toward a cease-fire while urging Israel "to exercise its utmost restraint" and promising to provide humanitarian relief to Lebanon. Annan urged that channels be opened to Iran and Syria to help end the violence, but Rice disagreed. Participants agreed that an international force operating under UN auspices was needed but failed to reach understandings on its size, make-up, mandate, or exit strategy. Further talks were planned for the coming weeks to flesh out details on the international force and on 1 or 2 UN resolutions to resolve the crisis.

As in the case of the G8 summit, Bush and Blair immediately pressed their interpretation of the meeting's understandings, announcing plans (7/28) to work toward a UN res. that would call for a halt of fighting conditioned on a broader political agreement involving disarming Hizballah, with the aim of ultimately shifting the balance of power in the region. Bush reiterated that the crisis posed a brief "moment of opportunity . . . for broader change in the region." The Lebanese cabinet countered (7/28) by issuing a statement, endorsed by Hizballah, calling for an immediate cease-fire followed by a prisoner exchange and reinforcement of UN troops along the Israel-Lebanon border. The same day, the UN called for an immediate 3-day truce to evacuate Lebanese civilians still trapped in s. Lebanon and to deliver food and medical aid. (The Lebanese government was warning that the country had only a few days of fuel supply remaining and that once it ran out, provision of normal health care and relief aid would cease.) Israel dismissed (7/29) the truce as "unnecessary" but began (7/29) allowing a handful of planes and ships carrying relief supplies to enter Lebanon. The IDF also allowed aid convoys to travel by land if they requested pre-approval on a case-by-case basis, but frequently denied them permission because of ongoing operations.

In a surprise move, Bush sent Rice back to the region almost immediately, where she was to visit first Israel and then Lebanon.

Her visit was cut short, however. She arrived in Israel late on 7/29, where Olmert told her he needed another 10–14 days to continue military operations in Lebanon. But later that very night, the IDF dropped 2 2,000-lb MK-84 guided missiles on a 3-story residential building in Qana, s. Lebanon, killing what was originally reported as 57 Lebanese civilians including 37 children (later, it transpired that the actual figures were at least 28 Lebanese dead, including 16 children, and 11 missing and presumed dead.) The incident, which Israel blamed on Qana residents who had failed to leave the area when warned to do so, sparked outrage across the region, with Siniora quickly informing Rice that she would not be welcome and that Lebanon would not participate in further diplomatic discussions that did not involve an immediate cease-fire. Rice, displeased that the Israelis had not informed her of the attack during their morning meetings on 7/30, leaving her to learn the news from an aide who interrupted her meeting with DM Peretz, immediately announced plans to return to Washington on 7/31.

Before leaving, however, Rice obtained (7/30) Israel's grudging agreement to a 48-hour partial suspension of air strikes on s. Lebanon, including a 24-hour window for relief agencies to transport humanitarian goods and help civilians to safety, though it warned that it would resume strikes if it detected an "imminent launch" of Hizballah rockets. It also declared that ground operations would continue in the south, as would air and artillery strikes n. of the Litani. Meanwhile, Annan called (7/30) a UNSC session in response to the Qana strike, and while the resulting statement expressed "extreme shock" over the incident, at U.S. insistence there was no call for an immediate cease-fire.

Several days earlier, on 7/27, already concerned about the possibility that international intervention could force an abrupt halt to its military campaign, Israel's security cabinet authorized the IDF to call up 3 divisions of reservists (15,000–30,000 units) to press a ground offensive in s. Lebanon. On 7/30, immediately after the Qana strike, the IDF began expanding ground operations near Taybeh and n. of the Israeli town of Metula. Hizballah had similarly stepped up its attacks, for the first time firing (7/28) 2 Khaybar-1 rockets, with a range of up to 50 mi and payload up to 200 lbs, striking Afula, 30 mi inside Israel, just n. of the West Bank, causing no damage or injuries.

The 48-hour partial suspension of air strikes took effect at 2:00 A.M. local time on 7/31. Hours later, the Israeli cabinet approved yet another major escalation, pledging that combat would not cease until an international force was deployed to disarm Hizballah and to monitor the Lebanon-Syria border to prevent its resupply. That same day (7/31) Olmert defiantly declared that "there is no cease-fire and there will be no cease-fire," while IDF Northern Command spokesman Maj. Siva Golan clarified that "on the ground, it's not a cease-fire at all, just a limitation of planes shooting toward buildings and villages." During the day, the IDF launched air strikes in support of ground troops in Taybeh, on targets in Bint Jubayl and near the Syrian border, and at a Lebanese army jeep near Tyre, killing 1 Lebanese soldier and wounding 3. Relief agencies reported that the IDF was still significantly hampering the transportation of aid despite the 24-hour relief window, though Lebanese rescue workers were able to begin combing bombed-out areas for dead and wounded. On 8/1, the IDF sent up to 7,000 troops (6 combat brigades) into villages stretching from Ayt al-Sha'b near the center of the border region, east to Bint Jubayl and Maroun al-Ras, and north to Taybeh and Kafr Kila, where the Litani approaches the Israeli border, bringing the estimated IDF force strength inside Lebanon to around 10,000 troops, with as many as another 8,000 troops on the n. Israel border for rotation. Observers on the n. Israel border reported (see *Washington Post* 8/2) that "areas where no troops were seen less than a week ago [have become] teeming military camps, with buses regularly dropping off new arrivals." Hizballah meanwhile fired (7/31) 3-4 mortars into Kiryat Shimona on 7/31 and fired 8 rockets and 4 mortars into Nahariya on 8/1.

When the partial suspension was lifted on 8/2, Hizballah immediately and dramatically escalated rocket fire to its highest level since the start of the conflict, firing some 230 rockets into Israel (including a 3d Khaybar-1 that struck just outside Jenin, 43 mi inside the border, causing no damage or injuries). Over the succeeding days, rocket firings averaged 150-200, hitting Hadera (50 mi from the border) on 8/4, marking its deepest strike into Israel. Nasrallah stated (8/3) that Hizballah's purpose in observing the 48-hour suspension and then ramping up rocket strikes was threefold: to prove that, unlike Israel, it was able and willing to observe a cease-fire; to match the IDF escalations step for step; and to prove to the world that

its ability to coordinate large, synchronized strikes had not been diminished since the start of the war. At the same time, he offered to halt rocket attacks altogether if Israel stopped targeting Lebanese cities, villages, civilians, and infrastructure, but warned that if the IDF expanded attacks on Beirut, Hizballah would target Tel Aviv.

The IDF steadily expanded ground operations through 8/4, engaging Hizballah in heavy clashes in some 20 villages and towns in s. Lebanon, mostly concentrated within 2-4 mi of the border, reportedly with the aim of creating a free-fire zone cleared of Hizballah that could eventually be up to 10-mi deep. Air strikes also escalated, particularly in s. Beirut but also for the first time hitting bridges and roads in Christian areas n. of the capital to cut transportation routes to Syria.

Meanwhile, France and the U.S. had been leading UN talks to narrow differences between the "immediate" versus "sustainable" cease-fire calls. On 8/5, they announced agreement on a draft res. that would call for a "full cessation of hostilities" in place (i.e., with some 10,000 Israeli troops inside Lebanon), with Hizballah required to stop "all attacks" and Israel required to halt only "offensive military operations." There were no provisions for a prisoner exchange. Instead, the res. would cite the "urgent" need for the "unconditional" release of the 2 IDF soldiers, while noting that the UN was "mindful" of the sensitivity of the issue of Lebanese political prisoners in Israeli jails and encouraged that their "status" be resolved. The draft also proposed that after Israel and Hizballah agreed to the terms of a cease-fire, to be outlined in a second res., Hizballah and the IDF would withdraw from a buffer zone in s. Lebanon that would be taken over by a 10,000-member international force. Separately, the UN would be tasked with determining the borders in the Shaba' Farms area.

Neither Lebanon nor Israel endorsed the proposal. After 4 hours of debate on 8/5, the Lebanese cabinet, including its Hizballah members, said it could not approve a draft that called for Hizballah to abide by a truce with IDF forces still in Lebanon, with Hizballah arguing that this would cede its legitimate right to resist occupation under international law. While Israel did not comment on the draft as a whole, Israeli officials said (8/5) that allowing IDF troops to stay in Lebanon was a crucial condition for its approval of a plan. Though the U.S. pushed (8/6) for a quick vote on the draft to "see who's for

peace and who isn't," the UN was unwilling to press a draft that could deepen splits within the fragile Lebanese government.

The Race to a Truce

Over the next several days, the Lebanese cabinet, including Hizballah reps., unanimously approved (8/7) its own proposed amendments to the French-U.S. draft res. that included an offer to deploy 15,000 Lebanese army troops to s. Lebanon to augment the UNIFIL forces and a staged plan involving an immediate cease-fire, UNIFIL deployment in all areas where Israeli troops were operating (including Shaba' Farms), and UNIFIL transfer of those areas (minus the Shaba' Farms) to the Lebanese army within 72 hours. The U.S. rejected (8/7) the proposal, the Arab League backed it (8/8), and Israel stated (8/8) that the offer of Lebanese troops was worth consideration.

Meanwhile, Olmert's security cabinet agreed (8/7) to speed up the IDF's advance to the Litani and to increase attacks on Lebanon's civilian infrastructure to pressure Lebanon to accept a cease-fire proposal acceptable to Tel Aviv. After destroying (8/7) the last remaining bridge across the Litani, the IDF announced (8/7) that any vehicular traffic s. of the river would henceforth be considered Hizballah activity and a legitimate target. Signaling a pending major assault, Israel effectively ordered an evacuation of n. Israel, announcing (8/8) that it would fund a 5-day "respite" in s. Israel for 15,000 residents remaining in Kiryat Shimona (the n. Israeli town most heavily targeted by Hizballah rocket fire) and other northern areas, bussing them there within the next 24-hours and housing them in hotels or on military bases.

With its security cabinet on 8/9 ordering the IDF to "expel [Hizballah] from southern Lebanon" and eliminate its rocket-launching capabilities, the IDF moved another 1,000 troops into s. Lebanon and began (8/9) reinforcing troops on the n. Israel border. On 8/10, it dropped leaflets on Beirut, warning residents to expect massive bombing and ordering residents of Burj al-Barajneh, Hay Sullum, and al-Shoah neighborhoods to evacuate immediately, and on n. Lebanon, warning truck drivers to stay off roads to Syria. Israel also asked (8/10) the U.S. to speed delivery of M-26 artillery shells (short-range antipersonnel rockets armed with cluster munitions) along with other unspecified weapons. Meanwhile, daily IDF air and artillery strikes across Lebanon and ground operations in the south continued, resulting

in the highest casualty rates to date for the IDF. Hizballah also continued rocket fire into n. Israel at a rate of c. 150/day.

Meanwhile, France and the U.S. continued tough negotiations on a UN draft, with France endorsing and the U.S. rejecting Lebanon's amendments and the U.S. warning on 8/9 that if no deal were reached within 24 hours, "then you're looking at a major Israeli ground invasion." In a final push that stretched overnight on 8/10-11, France and the U.S. both moderated their stands and agreed on a new draft, which they passed to Israel and Lebanon and sent to the UNSC for an immediate vote. On 8/11 (after Olmert had seen the draft), the IDF began moving additional troops and armor into Lebanon.

Late in the evening on 8/11, the UNSC unanimously approved Res. 1701 calling for a truce to go into effect as of 8:00 A.M. on 8/14 (see Doc. A2). The final res.'s main difference from the 8/5 draft was its adoption of a modified version of Lebanon's call for a staged IDF withdrawal, calling for Israel to pull out of s. Lebanon "in parallel" with the deployment of 15,000 Lebanese army troops "support[ed]" by 15,000 international troops (an expanded UNIFIL) to prevent arms smuggling to Hizballah and create a zone free of Israeli and Hizballah forces. The international contingent, authorized through 8/31/07, would be allowed to take "all necessary actions" to secure the southern zone, but the parameters for using force were vague. Similarly, while the text reiterated UN Res. 1559's call for disarming all militias, specifics on disarming Hizballah were apparently left to an anticipated second res. on a political settlement. Crucially, the res. still called for a "halt in place" and demanded that Hizballah cease all actions while Israel cease only offensive actions. Though Rice said (8/11) that "no one can expect an immediate end to all acts of violence," the U.S. did specify expectations that the IDF would not "move any further north" but would "stop where they [are]" and that "the large-scale bombing [would] stop." Separately, Rice announced (8/11) that the U.S. would increase its humanitarian funding to Lebanon from \$30 m. to \$50 m.

Hizballah and the Lebanese government endorsed UN Res. 1701 on 8/12, though Nasrallah said Hizballah would maintain its "natural right to resist" in keeping with international law as long as IDF troops "are practicing an occupation and acts of aggression" inside Lebanon. The Israeli cabinet approved (24-0, with 1 abstention) the res.

on 8/13, but separately DM Peretz warned that "there is no situation in which Hizballah fires at [Israeli] forces that we will not retaliate" against.

In the two days before the truce took effect, the IDF sent in additional troops and artillery and rapidly expanded ground offensives in the south to secure control of as much land as possible by the deadline, resulting in heavy clashes. It also intensified air strikes, particularly on s. Beirut. On 8/12, Halutz stated that Israel had tripled its forces in Lebanon in the previous 2 days, which would place the number of IDF soldiers inside Lebanon at around 30,000 (though some U.S. military experts placed the number significantly lower at ca. 10,000). In response, Hizballah escalated its rocket fire, sending as many as 250 rockets into n. Israel on 8/13 (the most in 1 day to date), mostly targeting Haifa, killing 1 Israeli.

Israeli air strikes and Hizballah rocket strikes continued overnight on 8/13-14, but minutes before the 8:00 A.M. deadline both sides went quiet. Over the next 2 days, the UN reported no violations of the truce, despite Hizballah and the IDF being in close proximity in many areas. Hizballah held its fire, whereas the IDF fired on groups of Hizballah members in 8 incidents it claimed were defensive (and therefore permitted under UN Res. 1701), killing at least 8 Hizballah members. The IDF also vowed to maintain its air and sea blockade on Lebanon, continued to fly drones over s. Lebanon, and dropped leaflets around the country blaming Hizballah for the devastation and warning that the IDF would "return and utilize the necessary force against every terrorist act launched from Lebanon which affects the State of Israel." While UNIFIL noted no significant Israeli withdrawals across the Blue Line, the IDF did pull out several hundred reservists and tanks to positions just inside n. Israel.

As soon as the truce took effect, 10,000s of Lebanese began returning to their homes to assess the damage (at least 5 civilians were killed by unexploded IDF ordnance, heralding one of the many hurdles to reconstruction to come), and 10,000s of others began returning from Syria. (Few Israelis who fled n. Israel went home by 8/15.) In a televised address, Nasrallah promised (8/14) that Hizballah would provide funds to rebuild, including pledging money for 1-year's rent and furniture to each family whose home was made unlivable. On 8/15, Hizballah began disbursing financial aid to displaced families, reportedly allocating \$150 m. (al-

ready supplied by Iran) to the task. On the ground, Hizballah officials in s. Lebanon and s. Beirut took charge of clean-up efforts, with Lebanese civil defense teams and army units often operating under their direction. Hizballah teams also began recording and assessing damage to personal property and infrastructure, with the aim of executing a long-term reconstruction effort, expected to take 2-3 years.

In terms of UN Res. 1701 implementation, Hizballah and the Lebanese government held (8/15) a day of talks on the army's deployment to the south and the withdrawal of Hizballah fighters and their weapons to the north, without reaching an agreement. (Hizballah expressed willingness to withdraw its core fighters and heavy equipment north if the army pledged not to probe too carefully for underground arms caches and bunkers, while the government insisted that it would not deploy the army until all of Hizballah's missiles, rockets, and arms were taken n. of the Litani.) The IDF met with UNIFIL chiefs at the UNIFIL headquarters in Naqura on 8/14 to discuss the mechanics of the phased withdrawal and prevention of further exchanges of fire. The UN began talks on the mandate and make-up of the expanded UNIFIL, holding (8/13-14) briefings with the military attaches of interested countries. Sweden announced (8/15) plans to host a donor conference for Lebanon on 8/31 to raise funds for humanitarian needs and reconstruction. The UN reported (8/15) that \$81 m. had already been committed to its \$165 m. emergency appeal fund for Lebanon.

Operation Change of Direction's Toll

At the close of the quarter, it was still far too early to give a final assessment of the magnitude of the war's devastation in either Lebanon or Israel; estimates varied significantly, even from the same source, but are useful in conveying a general sense of proportionality.

In Lebanon, an estimated 1,200 civilians (a third of them children) and 100-400 Hizballah fighters and army troops had been killed, some 4,000 civilians wounded, and nearly 1 m. displaced. At least 15,000 residences had been destroyed (including 80% of homes in Ghanduriyya and Taybeh, 50% in Markaba and Qantara, 40% in Bint Jubayl, and 30% in Mays al-Jabal, plus entire neighborhoods of s. Beirut as mentioned above) and 30,000 damaged beyond repair. Almost all primary roads and bridges had been

destroyed, while wells, water mains, pumping stations, sewage treatment plants, electrical facilities, power plants, gas stations, and ports had been deliberately targeted and extensively damaged. Strikes on the Jiyeh oil terminal caused a massive oil slick that approached the proportions of the 1989 Exxon Valdez spill by the end of the quarter. Losses were estimated at \$2.5 b.-\$3.6 b. for infrastructure, \$2 b. for housing, and \$2 b. for lost tourism, with reconstruction thought to take anywhere from 2 to 7 years.

In Israel, 43 civilians (including 18 Israeli Palestinians) and 117 IDF soldiers had been killed. Statistics for civilians injured ranged from 850 to 5,000, with the lower figure likely representing actual cases of shrapnel wounds, etc. and the higher including cases of shock. No statistics for wounded soldiers were available. The Israeli government put the figure of residences destroyed at 12,000, but observers found the figure highly questionable since Hizballah was estimated by the IDF to have fired fewer than 4,000 rockets. Economic losses were estimated at \$1 b. for lost tourism and \$2.3 b. representing the cost of conducting the war. No estimates were advanced for damage to personal property or the environmental cost of extensive brush fires caused by Hizballah rockets.

The IDF reported (8/16) that the air force had made more than 15,500 combat sorties against 7,000 targets in Lebanon, while the navy hit an additional 2,500 targets. The number of IDF artillery shells fired was in the 10,000s (the IDF reported having fired more than 20,000 shells as of 7/23). In the last few days of the offensive, the IDF reportedly dramatically escalated its use of cluster munitions on civilian areas of the south, raising concerns for Lebanese returning their homes. The IDF also reportedly captured and brought back to Israel several dozen alleged Hizballah members as well as dozens of bodies of Hizballah fighters killed in combat.

Hizballah destroyed at least 20 IDF tanks, 1 naval vessel, and at least 1 helicopter. By 7/26, sources in Lebanon reported that Lebanese security forces working with Hizballah had detained more than 80 Lebanese (at least 36 of them former members of Israel's proxy militia, the South Lebanon Army) suspected of spying for Israel in s. Beirut, s. Lebanon, and the Biq'a Valley.

Of special note: The IDF overwhelmingly refrained from targeting Palestinians

during the campaign, prompting 100s if not 1,000s of Lebanese unable to flee north to seek shelter in Palestinian refugee camps in s. Lebanon. In total, the IDF reportedly struck only 1 Palestinian guerrilla base s. of Beirut on 7/13, the home of a Hamas official in s. Beirut on 7/15, 2 Popular Front for the Liberation of Palestine-General Command (PFLP-GC) bases in the Biq'a Valley on 7/19, targets on the outskirts of a Palestinian camp s. of Tyre on 8/5, and the home of an alleged Hizballah member in 'Ayn al-Hilwa camp on 8/9.

Fallout in Israel

By the end of the quarter, the Israeli military and government had come under increasingly heavy criticism by residents of n. Israel (complaints of lack of preparedness to protect them, rundown state of bomb shelters, etc.), reservists (severe supply shortages, inadequate refresher training, poor command), and the public at large (repeated downscaling of the war's goals; the IDF's inability to defeat Hizballah quickly and decisively). The first public acknowledgment of the military's failings came on 8/8, when IDF Chief of Staff Halutz appointed his deputy, Maj. Gen. Moshe Kaplinsky, as his personal rep. to supervise the Lebanon offensive, overseeing the head of the Northern Command and commander of ground operations in Lebanon, Maj. Gen. Udi Adam, effectively firing him. After the truce was in place, Olmert addressed (8/14) the Knesset and acknowledged that mistakes had been made, while DM Peretz promised (8/14) a "deep and wide investigation on all that occurred before the war erupted and through its duration."

Hizballah's Motivation

At the end of the quarter, a number of explanations were circulating concerning Hizballah's motives in staging the 7/12 attack. Some analysts argued that Hizballah's highly compartmentalized, autonomous cell structure, the lack of fallout from previous incidents in which soldiers has been captured, and standing orders to seize soldiers when possible as bargaining chips pointed to an act of opportunity. Many U.S. commentaries accused Iran of ordering the kidnapping to deflect attention from the mounting conflict over its nuclear weapons program (see Iran section below), though U.S. admin. officials and intelligence analysts stated (ca. 8/4) that there was no evidence of coordination between Iran and Hizballah either in staging

the attack or during the war itself. The incident's timing during the IDF assault on Gaza led some to suggest a desire to relieve the besieged Palestinians, particularly Hamas, but while Nasrallah made statements of support for the Palestinians, Hizballah's demands remained focused on Lebanon: the release of 4 Lebanese still in Israeli custody; an immediate cease-fire and withdrawal of IDF forces from Lebanon, including from Shaba' Farms; and provision of maps showing locations of IDF landmines placed in s. Lebanon before the 5/00 pullout.

A more complex explanation linked Hizballah's action to domestic Lebanese politics, particularly to the national reconciliation talks that opened last quarter (see Quarterly Update in *JPS* 140) and which by early 7/06 had become focused on disarming Hizballah under UN Res. 1559. Under this explanation, Hizballah staged the kidnapping to relieve pressure on itself and to remind the Lebanese of its importance as a resistance force, believing Lebanese backlash would be minimal thanks to a recent alliance with Christian leader Michel Aoun and the backing of pro-Syrian pres. Emile Lahoud, who also controlled senior military echelons. In all cases, Hizballah assumed, as Komati stated on 7/25, that Israel's retaliation would be limited, of a magnitude it could absorb.

Other Events of the Quarter

A number of events that took place prior to the war should be signaled. On 6/10, Serge Brammertz, head of the UN team investigating the 2/14/05 assassination of former Lebanese PM Rafiq Hariri, issued a periodic report, saying that his team had made significant progress in the investigation and asking the UN to extend his mandate and to allow him more time to investigate 14 other political bombings and assassinations over the past two years. Brammertz said that Syria's cooperation had been "satisfactory," that his interviews with Syrian pres. Assad and VP Faruq al-Shara' provided useful information, and that the team was now considering not only possible involvement of the Syrian government and corrupt Lebanese officials but of other extremists. The UNSC voted (6/15) to allow Brammertz's investigation to continue for another year and to broaden its scope as requested.

As of late 5/06, Israeli defense officials had reportedly started promoting within their government a long-standing plan proposed by Lebanese PM Fuad Siniora and UN

special envoy Terje Larsen (and reportedly discussed with Syrian pres. Assad) to recognize Lebanese ownership of the disputed Shaba' Farms region in exchange for disarmament of Hizballah and the Palestinian factions. Under the 4-stage plan, Syria would legally forgo Shaba' Farms and formally acknowledge it as Lebanese territory; Lebanon would deploy its army to the Israeli border; Israel would withdraw from Shaba' Farms and halt overflights of Lebanon; and Siniora would formally announce the end of occupation and order the disarmament of all militias in Lebanon, including the Palestinian factions and Hizballah. Despite discussions, Israeli defense establishment reportedly still believed the chances for implementation of such a plan, particularly of Syria's agreement, were low.

On 5/26 in Sidon, senior Palestinian Islamic Jihad official Mahmud Majzub and his brother were assassinated by a car bomb. Israel denied responsibility, but on 6/13, the Lebanese government reported that it had broken up a Mossad spy ring led by Lebanese Mahmud Rafah, who had confessed to being a Mossad operative since 1994 and to staging several assassinations including that of the Majzub brothers, Hizballah's Ali Hasan Dib in 1999 and Ali Salih in 2003, and Jihad Jibril (son of PFLP-GC leader Ahmed Jibril) in 2002. Israel did not comment on the Mossad spy ring accusations. On 6/18, an Israeli military court in Tel Aviv sentenced Israeli Arab army officer Lt. Col. Omar el-Heib to 15 years in prison on charges of passing classified information to Hizballah. Heib denied the charges and appealed.

Two days after the Majzub killings, unidentified militants in s. Lebanon (thought to be Hizballah mbrs. retaliating on behalf of Islamic Jihad for the 5/26 assassination) fired Katyusha rockets across the border at an IDF post, seriously injuring 1 soldier. The IDF inexplicably carried out air strikes on 2 PFLP-GC command posts, a weapons depot near the Syrian border in the Biqa' Valley and on targets in s. Beirut, killing 1 PFLP-GC member, wounding at least 5. The IDF action triggered Hizballah mortar and rocket fire on at least 10 IDF outposts along the n. Israel border, wounding 1 IDF soldier; the IDF responded with artillery and air strikes on Hizballah targets in s. Lebanon, killing at least 1 Hizballah member and wounding 2 civilians. Hizballah fired more rockets into n. Israel, causing no damage or injuries, before UNIFIL brokered a cease-fire late in the day.

SYRIA

The U.S. and Israel turned up the diplomatic pressure on Syria this quarter by repeatedly holding it responsible, because of its support for Hamas and Hizballah, for the capture of 3 IDF soldiers in the Palestinian and Hizballah cross-border attacks on 6/25 and 7/12 respectively. Israel's above-noted buzzing (6/28–29) of the Syrian border and overflying Pres. Asad's palace in Latakia was a clear message after the Palestinian incident. While the U.S.-Israeli tone suggested that Syria could become a target for retaliation (political, economic, or military) if it did not break its ties to Hamas and Hizballah, some analysts noted (see *New York Times* 7/26) that since Syria had been forced out of Lebanon under UN Res. 1559, it had significantly less control over Hizballah or ability to control what was happening in Lebanon.

Several reports this quarter indicated that in an effort to assuage the U.S., Syria had responded favorably to diplomatic missions (mid- and late 6/06) by Egypt, Saudi Arabia, and Abbas adviser Ahmad Qurai' (made at the U.S.'s behest) encouraging Damascus to press Hamas formally to accept the 2002 Arab League initiative as a step toward recognition of Israel and to press Hamas leader Mishal to order the release of captured IDF Cpl. Shalit. Nothing resulted from whatever (if any) efforts Syria made.

On 5/17, before the upswing in violence, the UN Security Council (UNSC) passed (13–0, with China, Russia abstaining) res. 1680 urging Syria to set its border and establish diplomatic relations with Lebanon and calling on "Lebanese and non-Lebanese militias" to disarm. Syria denounced (5/17) the res. as interference in its internal affairs and unjustified political pressure. China and Russia said (5/17) that they abstained because the res. addressed a purely bilateral affair and did not encourage states to negotiate their differences through the UN.

REGIONAL AFFAIRS

Once again this quarter, the Arab states were unable to form a united position on the important issues at hand. On 7/4, nearly a week after Operation Summer Rains began, the Arab League dropped efforts to hold an emergency session to discuss the Gaza situation after failing to achieve consensus among members that could be translated into an Arab League statement. Egypt and

Jordan led the camp lobbying to denounce the 6/25 Palestinian raid and to call for Shalit's release, while Syria led the camp that refused to do either, believing the 6/25 raid on a military target constituted legitimate resistance.

Only after the Lebanon war began did FMs agree to hold an emergency session to discuss both Gaza and Lebanon. In the 7/15 closed-door session, Bahrain, Egypt, Iraq, Jordan, Kuwait, Saudi Arabia, the UAE, and the Palestinian rep. reportedly condemned Hizballah for its "unexpected, inappropriate, and irresponsible acts," while Syria supported Hizballah's targeting of the IDF on 7/12 as legitimate resistance under international law and the UN charter. The final statement released condemned Israel's actions, expressed solidarity with the Lebanese government, called for an immediate cease-fire in Lebanon, denounced U.S. actions in the UN to block measures denouncing Israeli aggression against the Palestinians, and agreed to appeal to the UNSC to intervene. Separately, Saudi Arabia issued (7/14) a statement blaming Hizballah for the situation in Lebanon, stating that "a distinction must be made between legitimate resistance and uncalculated adventures taken by elements inside Lebanon and those behind them without recourse to the legal authorities or consulting and coordinating with Arab nations." The statement added that "these elements should bear the responsibility for their irresponsible actions, and they alone should end the crisis they have created."

As the Lebanon conflict escalated, Arab populations in many states increasingly demonstrated in support of Hizballah and against their own governments' inaction and implicit acquiescence in U.S. policy. Widespread popular strikes began as early as 7/14 in Bahrain but escalated dramatically after the 7/30 Israeli attack on the UNIFIL base in Qana, spreading beyond the occupied territories, Egypt, and Jordan to such U.S. allies as Iraq, Kuwait, Morocco, and Saudi Arabia. Of note: massive protests were held (7/31, 8/4) in Baghdad, with senior political figures, including Pres. Jalal Talabani, PM Nuri al-Maliki, VP 'Adil 'Abd al-Mahdi, Grand Ayatollah Ali al-Sistani, and Shi'i cleric Muqtada al-Sadr, attending or making statements in support of Hizballah. By late 7/06, the domestic tensions had prompted many nations that initially denounced Hizballah to moderate, if not halt, their criticism. By late 7/06, Egypt was working for a cease-fire, Jordan was condemning "Israeli aggression," and

Saudi Arabia was warning that the ongoing violence might jeopardize Arab support of the 2002 Arab League initiative for compromise with Israel. When Rice made her tour of the region 7/24–26, Egypt and Saudi Arabia agreed to send reps. to meet with her in Europe, but declined (as did Jordan; see above) to host her in their country, fearing domestic repercussions absent a call for an immediate cease-fire. Similarly, during consultations with Rice before her trip, Saudi FM Prince Saud al-Faisal and former amb. to the U.S. and current National Security Council head Prince Bandar Bin Sultan urged (7/23) Bush, Rice, and VP Dick Cheney to support an immediate cease-fire, warning that it was difficult to continue supporting the U.S. posture without appearing to be a U.S. proxy. They also delivered a letter from King Abdallah with a similar message. Saudi Arabia also pledged (7/25) \$1.5 b. toward the reconstruction of Lebanon, in part to offset domestic discontent.

Arab states also continued to try to get financial aid to the PA despite U.S.-led sanctions. The PA and Arab League confirmed (7/4) that \$50 m. from the Arab League and \$50 m. from Saudi Arabia had been transferred to an account controlled by Abbas, marking the first funds to reach the PA since sanctions were imposed. Kuwait transferred another \$45 m. to Abbas controlled accounts by 7/19. The PA used all the funds to pay overdue civil servants' salaries. In addition, the Arab League sent (ca. 7/1) \$15 m. to Palestinian refugees in Lebanon and to PLO reps. at Palestinian embassies worldwide.

The OPEC Fund for International Development (OFID) approved (6/13) \$15 m. for its Special Grant Account for Palestine, which is used to fund education, health, and infrastructure rehabilitation projects in the occupied territories, adding to \$40 m. already in the fund. OFID also announced (6/19) \$3 m. in grants to support education, health, and social welfare projects in the West Bank. There was no word on how the money would be transferred to the Palestinians.

PA Undersecy. for Energy and Electricity Sulayman Abu Samhadana held (6/18–19) talks in Cairo with Egyptian officials on implementing a plan, recently approved by Egypt, for an electricity plant in Egypt to supply cheaper power to Gaza; electricity from the Egyptian plant was estimated to cost 44% of that currently purchased from Israel. The Kuwait Development Fund agreed to pay the \$15 m. construction costs. Meanwhile,

Jordan agreed (6/21) to a PA request to supply Jericho with electricity by linking up to the East Jerusalem Electricity Company, easing the West Bank's dependence on Israel for electricity. Neither side had approached Israel regarding logistics.

Also of note: On the sidelines of the WEF meetings in Egypt, Israel's Tourism M Yitzhak Herzog met (5/20) with his counterparts from Egypt, Jordan, Kuwait, Qatar, and Turkey.

INTERNATIONAL

UNITED STATES

This quarter was characterized by the Bush admin.'s virtually total alignment with Israel on its military offensives in Gaza and Lebanon, in keeping with the shared U.S.-Israeli view that the two conflicts provided unique opportunities to eliminate Hamas and Hizballah and advance U.S.-Israeli agendas for the greater Middle East. By the end of the quarter, however, Washington's all-out support for Israel combined with Israel's failure to achieve its objectives in Palestine and Lebanon had exacerbated tensions with allies and hostility to the U.S. worldwide, with possible repercussions for other long-term U.S. policy goals (e.g., on Iran's nuclear program, Iraq, and "democratization").

Encapsulating the message repeated throughout the quarter was Bush's weekly radio address of 7/29, where he stated: "This moment of conflict in the Middle East is painful and tragic. Yet it is also a moment of opportunity for broader change in the region." Lebanon, he said, was only "the latest flashpoint in a broader struggle between freedom and terror that is unfolding cross the region," and "the only way to secure our nation is to change the course of the Middle East—by fighting the ideology of terror and spreading the hope of freedom" by supporting democratic forces in Lebanon, Palestine, and Iraq and by defeating "terrorists, insurgents, and illegal militias," such as Hamas, Hizballah, Iran, al-Qa'ida, and Syria.

Despite warnings by key Arab allies that the U.S. pro-Israel policy was causing detrimental strains in the region (as early as 5/17, Saudi FM Prince Saud, preparing for a meeting with Rice, told American reporters that the U.S. policy to isolate Hamas was based on "twisted logic" and would only radicalize the Palestinians against the peace process), the Bush admin. failed to take them seriously. U.S. officials speaking off the record stated

(7/15) that Bush believed that “whatever the outrage on the Arab streets,” the Israeli offensives had “strong behind-the-scenes support among key Arab leaders . . . with a tacit agreement that the timing is right to strike.”

Government Action and Legislation

As the midterm election campaigns heated up this quarter, members of Congress were quick to take strong legislative action in favor of Israel, occasionally placing them at odds with the White House. On 5/23, the House approved (361–37, with 9 voting present) the Palestinian Anti-Terrorism Act of 2006 (H. R. 4681; see Quarterly Update in *JPS* 140), which would officially designate Palestinian territory as a “terrorist sanctuary,” impose greater restrictions on aid, deny visas to Palestinian officials, reduce U.S. dues payments to the UN by the amount of UN support to the Palestinians, and limit the president’s authority to waive the bans. The White House protested (5/23) that the bill “unnecessarily constrains” the president’s action. Olmert’s speech to Congress on 5/24, praising the House passage of the measure and warning that Israel “cannot wait forever” for the Palestinians to become acceptable negotiating partners, was interrupted by 16 standing ovations. On 6/23, the Senate adopted its version of the act (S. 2370), which has 90 cosponsors, by consensus. The Senate and House versions must now be reconciled.

Within days of the start of the Lebanon war, the Senate unanimously approved (7/18) S. Res. 534 “condemning Hezbollah and Hamas and their state sponsors and supporting Israel’s exercise of its right to self-defense” and urging Bush to “continue fully supporting Israel as Israel exercises its right to self-defense in Lebanon and Gaza” and to implement sanctions on Iran and Syria. On 7/20, the House passed (410–8, with 4 present and not voting) a companion version (H. Res. 921) affirming “steadfast support” for Israel’s actions in Lebanon. Efforts by 4 lawmakers of Lebanese descent (Darrell Issa [R-CA], Nick Rahall [D-WV], Ray LaHood [R-IL], Charles Boustany [R-LA]) to add wording quoting Rice’s call for restraint against civilian targets were rejected, even though the 4 approved the language supporting Israel’s “right to self-defense” and placing blame for the crisis solely on Hamas, Hizballah, Iran, Syria, and elements of the Lebanese government. Instead the measure recognized “Israel’s longstanding commitment to minimizing civilian loss.”

Other “dissenting voices” included Rep. James P. Moran (D-VA), who warned (7/18) that unquestioning political support could be dangerous for Israel because Israeli officials “know they can only go so far as the United States backs them” and unwavering support “can encourage their leadership to overreach and create a situation that becomes more problematic.” Rep. Sheila Jackson-Lee (D-TX) presented (7/25) a draft res. (H. Res. 945) expressing “deep concern for the ongoing violence in the Middle East,” especially in Lebanon, and calling for an immediate cease-fire, an immediate halt to targeting of civilian infrastructure, provision of humanitarian aid, and a comprehensive and just solution to the Arab-Israeli conflict. At the end of the quarter the draft had been referred to the House Comm. on International Relations. After Israel’s 7/30 attack on UNIFIL’s base at Qana, Sen. Chuck Hagel (R-NE) issued the first strong criticism from the Senate of Bush’s handling of Lebanon, stating that “President Bush must call for an immediate cease-fire. This madness must stop.”

After Iraqi PM Nuri al-Maliki denounced (7/19) Israel’s massive bombing of Lebanon, U.S. Senate Democrats threatened (7/24) to boycott his scheduled 7/26 address to Congress, saying he must clarify his remarks, condemn Hizballah, and tell the American people “which side is he on when it comes to the war on terror.” Senate Democratic leader Harry Reid and several other senators sent (7/24) a letter to Maliki stating, “Your failure to condemn Hezbollah’s aggression and recognize Israel’s right to defend itself raise serious questions about whether Iraq, under your leadership, can play a constructive role in resolving the current crisis and bringing stability to the Middle East.”

On 6/9, the House approved (374–34) \$2.46 b. in aid to Israel for FY 2007—\$2.34 b. in military aid and \$120 m. in economic aid, plus another \$40 m. for immigrant absorption. The figures were unanimously approved by the Senate Appropriations Comm. on 6/29 and sent with the rest of the foreign aid bill to the full Senate for consideration.

A bipartisan group of 13 representatives led by Reps. Michael McCaul (R-TX) and Joseph Crowley (D-NY) began (6/6) circulating a draft res. “condemning the persecution of Palestinian Christians by the Palestinian Authority.” The drafters acknowledged that the text was written by controversial Israeli researcher Justus Reid Weiner for a Likudnik center based in Jerusalem and that neither

the Palestinian Christian community nor any major religious bodies in the West that have ties to Israel/Palestine had been consulted. The res. was quickly denounced by Palestinian Christians and the Catholic, Protestant, and Orthodox leaderships in the U.S., prompting McCaul and Crowley to shelve (by 7/3) the measure, which reportedly had secured 21 cosponsors.

The Pro-Israel Lobby

Pro-Israel groups were quick to urge strong support from Congress and the Bush admin. following the launch of Israel's operations in Lebanon. For example, some 50 American Jewish leaders from across the country met (7/20) with Bush admin. officials and congressional leaders in Washington to urge that Israel be "given ample time and freedom of action to inflict as much damage as possible on Hizballah's infrastructure." Lobbying by heads of American Jewish groups had reportedly begun several days previously, including an unusual visit by Anti-Defamation League national dir. Abraham Foxman to Saudi amb. Prince Turki al-Faisal to thank Saudi Arabia for blaming (7/14) Hizballah for the violence (see above). Within days of the launch of hostilities, several groups sent "emergency missions" to Israel to meet with leaders and tour the north in a show of solidarity.

United Jewish Communities (formerly United Jewish Appeal) launched (8/2) a campaign to raise at least \$300 m. in emergency humanitarian funds for Israel. The money would be used to offset the Israeli government expenses of evacuating (beginning 8/8) Israelis from n. Israel, add air conditioning to and otherwise refurbish bomb shelters, provide trauma counseling, and create a \$20 m. fund for the victims of the Hizballah rocket attacks and their families.

Leaders of the newly formed Christians United for Israel (CUFI; see Quarterly Update in *JPS* 140) gathered (7/19) some 3,400 evangelicals in Washington for a press conference and rally in solidarity with Israel. Participants met with their members of Congress to urge them to support Israel.

Legal Actions

A federal judge rejected (8/10) an appeal by former AIPAC officials Steven Rosen and Keith Weissman that the espionage case against them be thrown out on the grounds that prosecution under the Espionage Act infringes on their constitutional right to free speech. The pair have been indicted on

charges of conspiring to pass classified national security information to journalists and to Israel (see Quarterly Update in *JPS* 140). They are the first nongovernment officials to be charged under the act with verbally receiving and passing classified material. The trial has been delayed several times because of the massive amount of classified information involved; no date had been set by the end of the quarter.

The 19-year-old LA-8 case, brought by the government against 7 Palestinians and a Kenyan with alleged ties to the leftist PFLP, resumed on 6/20. In 1987, the government had argued that the defendants should be deported for supporting "doctrines of world communism," but as the government repeatedly lost its case over the years the charges were revised at least 3 times, most recently incorporating charges of supporting terrorism. In 1997, a court granted the 8 legal residency, but the Justice Dept. raised new charges of lying on visa applications. In this latest hearing, the U.S. federal judge quickly ruled (6/23) that Aiad Barakat, one of the Palestinians in the case, should be granted U.S. citizenship since the Justice Dept. had not credibly proven that he had falsely denied knowing that an acquaintance was a senior PFLP member.

U.S.-Israeli Military Issues

During his visit to Washington on 5/23, Israeli PM Olmert met with U.S. Defense Secy. Donald Rumsfeld. The men agreed to build closer defense and security ties following setbacks over Israel's arms sales to China (see Quarterly Update in *JPS* 139). Further discussions were planned for Rumsfeld's visit to Israel as part of a regional tour later in the year.

At the time of the visit, the U.S.-Israeli military relations were still strained over the U.S.'s refusal (apparently earlier in 5/06) to allow Israel to upgrade its F-35 Joint Strike Fighters with its own technology. The U.S. sells the plane as a finished product, contractually barring purchasers from adding components. Israel argues that it must add its own, more advanced navigation, sighting and fire control systems, and missiles to maintain the Israeli air force's qualitative edge.

Also of note: On 7/20, the U.S. approved a more than \$6 b. military equipment sale to Saudi Arabia to offset expected criticism of an expedited arms delivery to Israel (announced 7/21; there was at least 1 delivery ca. 7/23) and to facilitate Bush's meeting

with the Saudi FM and National Security Council head on 7/23, ahead of Rice's mission to the region.

RUSSIA

Russia's activity this quarter was largely confined to the UN, where it was one of the main opponents to U.S. policy, challenging (7/16) the U.S. insistence on holding Iran and Syria responsible for the 6/25 Palestinian and 7/12 Hizballah attacks, pressing hard (e.g., 7/20, 8/6) for an immediate cease-fire in Lebanon, and urging (throughout the quarter) against imposing UN sanctions on Iran over its continued enrichment of uranium. In the negotiations over the UN res. on a Lebanon cease-fire, Russia became so frustrated with U.S. attempts to dictate the wording that it threatened (8/10) to offer its own draft res.

Of note: Israeli Dep. PM and FM Livni received (6/15) new Russian special envoy on the Middle East Sergei Yakovlev (appointed on 3/15/06), who reaffirmed Russia's commitment to a safe and secure Israel. The previous envoy, Alexander Kalugin, was made amb. to Jordan.

EUROPEAN UNION

Despite the importance of developments in Gaza and Israel, the EU played only a minor role this quarter. Before fighting began on either front, Israeli PM Olmert toured Britain (6/12-13) and France (6/14-15), during which British PM Tony Blair supported (6/12) Israel's refusal to have contact with the Hamas-led PA until it renounced violence and recognized Israel. Israeli Dep. PM and FM Livni met (6/14) with the EU Council of Ministers in Luxembourg, where she discussed Israel's request to join the EU educational agreement, the European space program, the EU environmental agreement, and the EU research and development program, but no agreements were reached. (The EU has allowed only a handful of non-EU member-states to participate in any of these fora; exceptions have been made for Australia, Egypt, Japan, Morocco, Turkey, and the U.S.)

After Israel's launch of war against Lebanon, EU tensions with the U.S. rose slightly but noticeably. On 7/26, British foreign secy. Margaret Beckett announced that Britain planned to lodge a formal protest with the U.S. after learning that U.S. aircraft transporting "bunker buster" bombs to Israel refueled at a Scottish air base the week-end of 7/22-23 without notifying Britain.

(The plane refueled in Scotland after the Irish government refused landing rights at Shannon airport to protest the cargo.) Bush apologized to Blair on 7/28, though Blair defended the use of the airport, which had already been the subject of public controversy for refueling U.S. flights involved in the "extraordinary rendition" of alleged terror suspects in the U.S. war on terror.

On 8/1, the EU rejected a request by 213 members of the U.S. Congress in a letter sent to EU foreign policy chief Javier Solana that the EU add Hizballah to its terrorist list, calling the proposed action too provocative "given the sensitive situation."

Also of note: Ireland's Foreign Affairs Comm. issued (ca 8/4) a statement calling for an immediate cease-fire in Lebanon and consideration of economic sanctions by the EU on Israel to protest its killing of UN personnel and civilians and the destruction of Lebanese infrastructure.

UNITED NATIONS

The UN's efforts this quarter to halt Israel's offensives against Gaza and Lebanon were largely unsuccessful, and its role for the most part consisted of providing humanitarian aid to civilians in both areas, raising funds from member states, and monitoring and reporting on events on the ground. On 7/30, UN Secy-Gen. Annan acknowledged the growing frustration of the international community, especially in the Arab and Muslim world, with the UNSC's inability to take quick, forceful action to protect the Palestinian and Lebanese populations. Referring to the blocking effect of U.S. objections to any moves critical of Israel, he warned that "the authority and standing of this council are at stake" and that "people have noticed its failure to act firmly and quickly during this crisis."

Undeterred, the U.S. vetoed (7/13) a UNSC res. accusing Israel of using "disproportionate force" and jeopardizing the safety of Palestinian civilians in Gaza, and ordering Israel's immediate withdrawal from the Strip. Although the measure also called for Palestinians immediately to release Shalit and halt rocket fire on Israel, U.S. Amb. to the UN John Bolton called the measure "unbalanced" and said passage "would have exacerbated tensions in the region" at a crucial time. (The last UNSC veto was cast in 10/04, also by the U.S. over a res. condemning an Israeli operation. The U.S. has cast 8 of the last 9 UNSC vetoes, 7 of which were related to the Arab-Israeli conflict.)

UN special rapporteur John Dugard issued (6/21) a report on his 6/9–17 tour of the West Bank and Gaza, stating that human rights conditions had substantially deteriorated since the Hamas-led government took power. He noted especially that the n. Gaza no-go zone declared by the IDF had been extended to 500–600 m, that the number of IDF checkpoints and roadblocks across the West Bank has increased dramatically (particularly around Nablus), and that Israeli control over the Jordan Valley had intensified, with the purpose of “de-Palestinization.” UN special rapporteur on the right to health Paul Hunt similarly noted (7/19) the deterioration, stating that poverty rates in Gaza had reached 75%, and called for an investigation into whether Israel’s 6/28 strike on the Gaza power station constituted a war crime.

UN High Commissioner for Human Rights Louise Arbour, a former chief prosecutor of war crimes tribunals, stated (7/19) that the level of the killing and maiming of civilians in Lebanon, Gaza, and Israel could constitute war crimes and that members in decision-making positions could be personally liable. Meanwhile, the International Comm. of the Red Cross (ICRC) stated (7/19) that Israel had violated the principle of proportionality provided for under the Geneva Conventions.

The new UNHRC (see Quarterly Update in *JPS* 140) devoted its first 2 special sessions to Israeli actions in Gaza and Lebanon. On 7/6, the UNHRC issued (7/6) a res. expressing “grave concern” over Israeli actions in Gaza and demanding an immediate halt to operations. Eleven members (including Britain, Canada, France, and Germany) voted against the measure, calling it “unbalanced” in favor of the Palestinians. Separately, the U.S., which is not a UNHRC member, voiced (7/6) “regrets” over the res., stating that it should have criticized the “failure of the Palestinian Authority to denounce terror.” On 8/11, the UNHRC voted (27–11, with 8 abstaining, 1 not present) to condemn Israel for “massive bombardment of Lebanese civilian populations” and other “systematic” human rights violations, and called for an investigation into “the systematic targeting and killing of civilians by Israel in Lebanon.” EU countries, Canada, and Japan voted against.

The UN Office for the Coordination of Humanitarian Affairs (UNOCHA) increased (5/31) the UN emergency appeal for 2006 by 79% to \$384 m. to cover emergency jobs, food, and medical supplies for the occupied territories. UNOCHA dir. David Shearer stated (5/21), “That amount is not what we

think is necessary but what we think we can handle.” UNRWA, which was to fund half of this year’s \$384 m. emergency appeal but had only received donations amounting to 30% of its commitment, held (7/17) a meeting in Geneva to encourage international donors to increase aid transfers in light of deteriorating humanitarian conditions in the territories. Finland pledged an additional \$2 m., increasing its 2006 funding to \$6.6 m. UNRWA also reported (6/18) that 14,500 PA employees had newly registered for aid in Gaza and 4,500 have done so in the West Bank; the number in Gaza was expected to reach 23,000 soon. UNICEF similarly tripled (6/18) its emergency appeal for the Palestinian territories to \$23 m. for 2006, noting that 1 in 3 newborns is at risk of dying in Gaza because of lack of medicines and essential drugs.

On 7/27, the UN Economic and Social Council passed (45–3, with 3 abstentions; Australia, Canada, and the U.S. voting against) res. E/2006/L17/Rev.1 calling on Israel immediately to lift the siege on Gaza, observe the 1994 Paris Protocol provisions, and transfer tax revenues to the PA. The U.S. explained (7/27) its vote on the grounds that the res. “failed to address the fundamental causes of those hardships, including the actions of the Hamas-led government” and “did nothing to encourage peace and stability.” Canada gave a similar explanation, denouncing the UN’s “continual one-sided criticism of Israel.”

The UN Comm. on the Exercise of the Inalienable Rights of the Palestinian People issued (7/27) a statement expressing grave concern over ongoing IDF operations in Gaza, accusing Israel of “deliberately causing a major humanitarian crisis among the innocent civilian population . . . and hamper[ing] any sustained international relief efforts,” noting that “deliberate attacks . . . against civilian property and infrastructure in the Gaza Strip violate international humanitarian law,” and stating that Israel should pay reparations immediately.

Meanwhile, Israel made two advances in its efforts to normalize its standing in international bodies. After years of discussion, the ICRC passed (237–54) a res. on 6/21 endorsing the red crystal (used alone or framing another symbol) as a neutral emblem to allow Israel’s Magen David Adom (MDA) to participate in the ICRC while maintaining its red Star of David symbol. Adoption of the red crystal was approved in principle in 12/05 (see Quarterly Update in *JPS*

139), and the official endorsement followed ICRC rejection (6/20) of controversial last-minute amendments proposed by Pakistan and Tunisia that included denunciation of Israel's occupation. MDA announced (6/23) that as part of the 6/20 agreement with the ICRC, it was launching a short-term arrangement with the Palestine Red Crescent Society (PRCS) involving supplying the West Bank PRCS with 6 ambulances with Israeli license plates to facilitate passage through checkpoints and the pre-approval of 23 PRCS staff members to cross IDF checkpoints with minimal security checks.

At the UN, the Israel Women's Lobby was granted (5/16) consultative status on the UN Economic and Social Council, enabling it to participate in deliberations advancing the status of women. Israel hailed the decision as "a further stage in the Foreign Ministry's efforts to integrate Israel in the important civil activity of the UN and as part of the normalization and upgrading of Israel's status in the activities of the international community."

TURKEY

Turkish PM Tayyip Recep Erdogan was reportedly deeply involved this quarter in mediating efforts to end Operation Summer Rains in Gaza. During the war in Lebanon, Turkey sent (7/29) a warship with medical supplies to Beirut and indicated (7/26, 8/8) willingness, in principle, to commit troops to a UN peace-keeping mission to Lebanon after a cease-fire.

Within days of the Israel's 7/30 attack on a UNIFIL post in Qana, the Turkish daily *Evrensel* published a previously undisclosed list of parliamentarians who were members of the Turkey-Israel Friendship Group, founded several years ago, and denounced their continued participation in light of the ongoing war in Lebanon. By 8/2, 27 parliamentarians had resigned their membership or announced that they had done so previously. By 8/4, the number of resignations had reportedly reached 70 (the Turkish parliament has 550 members).

IRAN

Pressures on Iran increased this quarter to halt uranium enrichment (begun last quarter) and dismantle its nuclear program (although, technically, Iran's nuclear program to date has not violated the Nuclear Non-proliferation Treaty, of which Iran is a signatory). Iran's nuclear program was high on the agenda during Israeli PM Olmert's

visit to the U.S. early in the quarter. In his 5/23 meeting with Bush, Olmert argued that the turning point in Iran's development of a nuclear program could be months away. While Bush said that all diplomatic options needed to be exhausted before discussing a military strike, he emphasized that the U.S. had been laying the groundwork for tough action against Iran at the UN, "spending a lot of time working with our Russian friends in particular [as well as China] to make it clear to them that Iran is showing no good faith" in negotiations. Olmert's 5/24 address to Congress (which had been drafted by Republican party strategist Frank Luntz and Israeli Nobel laureate Elie Wiesel) warned that a nuclear-armed Iran would pose an "intolerable threat" and "cannot be permitted to materialize." Afterward, Senate Armed Services Comm. chairman Sen. John Warner (R-VA) pledged to use Olmert's comments to push the question of how the international community should react to Iran.

On 6/6, EU foreign policy adviser Javier Solana presented Iran with an offer by the 5 UNSC permanent members plus Germany: if Iran halted uranium enrichment, the six nations would help build nuclear reactors and guarantee supply of nuclear fuel for peaceful purposes, and the U.S. would agree to direct talks on all issues except diplomatic relations and lift some bilateral sanctions. The offer also included the sale of European Airbus aircraft.

On 7/3, the six states pressed Iran to accept their offer and halt enrichment by 7/12 or risk sanctions (though China and Russia had not yet agreed to back sanctions). When Iran failed to meet the deadline, the 6—especially the U.S.—began (7/13) to press for a UNSC res. threatening sanctions. On 7/31, days after Iran said it would reply by 8/22, the UNSC passed a res. setting the deadline at 8/31; with the Lebanon war fully underway, the U.S. had not protested the delay.

The timing and ferocity of Israel's assault on Lebanon fueled speculation that it might be a prelude to military action against Iran's nuclear facilities or at the very least to pressure Tehran in the UN on the nuclear issue. (On 5/22, Hizballah dep. chief Shaykh Na'im Qassim stated explicitly that Hizballah would not come to Iran's defense if the U.S. targeted its nuclear program.) Meanwhile, the claims by Israel, the U.S., and to a lesser extent Britain blaming Iran for Hizballah's 7/12 cross-border attack on Israel had been largely discredited by the end of the quarter,

with anonymous Bush admin. officials and intelligence analysts acknowledging (8/4) that there was little evidence supporting Iranian involvement (see *New York Times* 8/5).

Also of note: An Iran specialist at Johns Hopkins University, Trita Parsi, leaked (5/25) to the *Asia Times* a 2-page document received from an Iranian official in 2006. The document, which Iran sent to Bush via the Swiss Embassy in late 3/03 or early 4/03, offers to accept peace with Israel, to "stop any material support to Palestinian opposition groups (Hamas, Jihad, etc.) from Iranian territory," to put "pressure on these organizations to stop violent actions against civilians within [the] 1967 borders," to take "action on Hizbollah to become a mere political organization within Lebanon," and to give the International Atomic Energy Agency full access to any facility it asks to see in exchange for a "halt in U.S. hostile behavior and rectification of [the] status of Iran in the U.S." and recognition of Iran as a regional power. According to anonymous senior Iranian national security officials, Iran's Supreme Leader Ayatollah Ali Khamenei had been "directly involved" in drafting the proposal. According to Flynt Leverett, at the time senior specialist on the Middle East at the U.S. National Security Council, there were "literally a few days" between receipt of the letter by Bush and an admin. message to the Swiss amb. expressing displeasure that Switzerland had forwarded the document.

OTHER

Venezuela recalled (8/3) its amb. to Israel to protest Operation Change of Direction.

DONORS

Donor activity was limited this quarter as the donor bodies continued to go through a reorganization (see Quarterly Update in *JPS* 140) and in light of the U.S.-led sanctions

on the Hamas-led PA. While the Local Development Forum (the replacement to the Local Aid Coordination Committee, the central body overseeing donor activities from within the territories) had not yet held its first meeting by the end of the quarter, the 4 donor strategy groups on humanitarian assistance, economics, infrastructure, and governance and reform continued to meet regularly, with all work coordinated through a committee that included reps. from the Abbas's office, the PA Finance Min, and the PA Planning Min. Donor reps. reportedly were eager to hold more meetings, identify priorities with the PA, and increase coordination the PA given the deteriorating humanitarian and economic conditions on the ground, but kept contacts low key in light of U.S. opposition to contacts with Hamas.

All donor projects ongoing before the sanctions were imposed were continuing except those funded by Britain, Canada, and the U.S., which were halted. No new donor funds were pledged or contributed, since funding was being rerouted through the EU-led TIM (see above), coordinated with the World Bank not officially within the donor structures. At the close of the quarter, Sweden announced plans (8/15) to host a donor pledging conference for the Palestinians on 9/1 to raise funds for humanitarian assistance and reconstruction in Gaza, but this would not be within the context of the donor mechanisms.

Of note: At a donor meeting on 8/8, U.S. special envoy for security affairs Maj. Gen. Keith Dayton proposed a \$19.2 m. project (\$10.4 m. in 2006) to expand the Qarni commercial crossing into Gaza to ease pressure on the Palestinian economy. To preserve Israel's security, he proposed putting 90 international observers on the Palestinian side of the crossing. The PA endorsed the idea; Israel said it would consider the proposal only after the IDF soldier captured on 6/25 is released.