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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 MAY–15 AUGUST 2002

COMPILED BY MICHELE K. ESPOSITO

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

BILATERALS

PALESTINE-ISRAEL

After Israel's Operations Colorful Journey and Defensive Shield (see Quarterly Update in *JPS* 124), the al-Aqsa intifada fell into a precarious stalemate. Israel continued to employ most of the military tactics it adopted in these two operations, while increasingly relying on roadblocks, curfews, its new buffer zone along the Green Line, and implementation of a separation plan dividing the West Bank into eight sealed zones to fence in the entire Palestinian population (see Quarterly Update in *JPS* 124). As the quarter began, at least 1,669 Palestinians (including 23 Israeli Arabs and 11 unidentified Arab crossborder infiltrators), 466 Israelis (143 Israel Defense Forces [IDF] soldiers and security personnel, 108 settlers, 215 civilians), and 10 foreign nationals had been killed.

Throughout the quarter, Palestinian militants continued to stage attacks on Israeli targets inside Israel and in the occupied territories, though incidents were down sharply due to the decimation of ranks and draconian Israeli restrictions on Palestinian movement. In mid-6/02, Israel launched a new operation, Determined Path, in the West Bank, reoccupying and imposing blanket curfews on most Palestinian population centers through the end of the quarter. Meanwhile, the Palestinian Authority (PA) and various Palestinian factions debated and initiated reform efforts in hopes of gaining U.S. intervention and attempted to draft a national unity platform to shape and guide the Palestinian leadership as it moves forward. The U.S., undecided as to how to address the violence and preferring that Israel and the PA reach an accommodation on their own, avoided action as long as it could, with Pres. George W. Bush finally making a dramatic

policy speech on 6/24, demanding PA head Yasir Arafat's ouster as a precondition for easing Israeli pressure and renewing political negotiations. Thereafter the U.S. largely retired from the public scene again, relegating further efforts to back channels. As a result, the stalemate was reinforced, though under harsher conditions for the Palestinians.

Defensive Shield Proves Ineffective

At the opening of the quarter, just following the conclusion of Operation Defensive Shield on 5/10, the IDF surrounded all major Palestinian population centers in the West Bank, barring travel between towns and villages except through heavily guarded checkpoints. Soldiers made incursions into PA areas "as needed" to prevent "terrorist attacks" and generally to keep the Palestinian population off balance (see Chronology for details). Most were overnight or daylong operations, during which the IDF searched homes and made arrest sweeps, though some lasted 2–4 days. By the end of 5/02, these daily incursions had effectively erased the boundaries between the Oslo agreement's areas A, B, and C, and all notions of Israeli-PA security cooperation had been abandoned. Tactics used in these incursions were the same as those used during Defensive Shield (e.g., breaking through walls to move from house-to-house; rounding up all men ages 15–45 for questioning; damaging stores, offices, and medical centers), routinizing that level of attack. The IDF assassinated a PA Preventive Security Force (PSF) officer on 5/16, al-Aqsa Martyrs Brigade (AMB) Nablus commander Mahmud Titi on 5/22, and possibly Islamic Jihad member Khalid Zakarni on 5/22. IDF soldiers became increasingly liberal about firing at Palestinians at checkpoints or on roads, often for no apparent reason.

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Despite these ongoing measures, Palestinian attacks continued. Palestinian suicide bombers struck in Netanya on 5/19 (killing 2, wounding 50), Afula on 5/20 (injuring 1), Rishon Letzion on 5/22 (in retaliation for the Titi assassination; killing 2, injuring 25), and Tel Aviv on 5/24 (also in retaliation for the Titi assassination, injuring 3). Unknown assailants detonated a remote-controlled bomb underneath a diesel truck parked outside a major refinery near Tel Aviv on 5/23, nearly causing a massive disaster but ultimately resulting in no injuries. With the Israeli public outraged at the failure of Operation Defensive Shield to ensure their security and PM Ariel Sharon's popularity polls dropping nearly ten points in less than two weeks (from over 70% 5/16 to 64% on 5/24), the IDF authorized (5/24) longer, more frequent, and harsher incursions into PA areas and imposed more curfews in areas along the Green Line (see Chronology for details). Between 5/24 and 6/4, the increasingly violent IDF incursions (involving more blanket roundups of men ages 15–45, detentions, house-to-house searches breaking through walls between homes, house and factory demolitions, shelling and firing on residential areas, vandalism of private institutions) sparked strong Palestinian resistance, especially in Balata refugee camp (r.c.), Nablus, and Tulkarm r.c. (where Palestinians ambushed an IDF convoy on 5/24, killing and injuring 2). Three more Palestinian suicide attacks inside Israel on 5/27, at a Jewish settlement on 5/28, and at a West Bank checkpoint on 5/31 killed five Israelis. By 6/4, 1,705 Palestinians (including Israeli Arabs) and 481 Israelis had been killed.

Burying the International Conference

From 5/16–24, Israel and the PA made half-hearted attempts to move the peace process forward, each on its own terms, while looking to the U.S. to take the lead by implementing plans announced on 5/2 to convene an international conference in summer 2002 and/or issuing a new policy statement to revive the process. The U.S., however, had already toned down talk of convening a conference (though it did not definitively drop the idea), leaning instead toward pressing the PA to unify its various security services under the control of a single individual other than Arafat as a precondition for reviving the political process (see Quarterly Update in *JPS* 124). U.S. plans (announced 4/17, reiterated 5/7, suspended 5/13) to send CIA dir. George Tenet to the region to discuss PA

security reforms were still on hold, however, with Tenet himself reportedly reluctant to begin efforts until the administration had defined its overall approach. The administration was reportedly engaged in an “intense debate” over whether to press for Arafat's removal, as Sharon demanded, with Tenet and Secy. of State Colin Powell against the idea and VP Dick Cheney, National Security Adviser Condoleezza Rice, Defense Secy. Donald Rumsfeld, and Dep. Defense Secy. Paul Wolfowitz for it. Rumsfeld and Wolfowitz also reportedly (*Ha'Areztz* 5/21) were pressing Bush to put off Middle East peace efforts altogether until summer 2003, after “the Iraqi problem has been dealt with” (see below). Meanwhile, the Quartet (reps. of the European Union [EU], Russia, UN, and U.S.) met in Jerusalem (5/19) for a second round of talks on drawing up a “menu” of reform options to recommend to the PA (preliminary meetings were held on 5/14; see Quarterly Update in *JPS* 124).

Meanwhile, Israeli FM Shimon Peres met with Arafat adviser Muhammad Rashid in Paris on 5/18 to revive the peace initiative previously discussed with PA chief negotiator Ahmad Qurai' (see Quarterly Update in *JPS* 123), adding requirements for PA security reforms. Peres also suggested that the deal be negotiated between Israel and the Quartet so as to provide international assurances of implementation and to address Sharon's refusal to negotiate with the PA. Rashid, with Arafat's approval, said that the ideas should be pursued but warned against bypassing Arafat.

Rashid then went to Washington, where he spent a week meeting with U.S. officials at the CIA, Pentagon, and State Dept., emphasizing Arafat's “centrality” to a peace agreement and urging the U.S. to restate Bush's 11/01 commitment to Palestinian statehood (see Doc. D1 in *JPS* 122), define its policy, convene an international conference, and set a timetable for negotiations toward creation of a Palestinian state. He left ca. 5/25 without receiving any assurances. In Ramallah, Arafat, under pressure from the U.S. and EU to reform, announced (5/16) plans to hold presidential and legislative elections within six months and formed (5/19) a new election comm., but failed to follow through seriously (see below).

Meanwhile, under the pressure of increasing violence, the U.S. announced (5/21) plans to send Asst. Secy. of State William Burns to the region. It also declared (5/28)

that the Tenet visit would go ahead to examine security reforms to be undertaken with the help of other Arab states, but the U.S. message remained vague. Officially, the U.S. stated (5/29) that an international conference was still being considered but could not be put together until late summer at the earliest and most likely not until 9/02.

Burns arrived (5/29) in the region without a plan but to "consult" with regional leaders, stopping in Cairo first to meet with Pres. Husni Mubarak of Egypt. In their meeting on 5/30, Arafat briefed Burns on his talks with Palestinian factions regarding appointing a new, smaller PA Executive Authority (EA; or cabinet), his ratification of the Basic Law (the Palestinian interim constitution until a state is formed), and ideas for reforming the PA security structure (see below). Sharon, in his meeting with Burns on 5/31, discounted Arafat's efforts to comply with reform demands, reiterating Israel's position that there could be no progress toward a diplomatic solution as long as Arafat was head of the PA and that a complete cessation of "terror and incitement" and "comprehensive reforms" of the PA were preconditions for resuming political talks. Burns left the region on 6/2, after meeting with King Abdallah of Jordan in Amman. Tenet arrived the same day, meeting first with Mubarak and his intelligence chief, Omar Sulayman, in Cairo. He received the same messages as Burns in his meetings with Sharon and Defense M Benjamin Ben-Eliezer on 6/4 and with Arafat and his security chiefs on 6/5, returning to Washington on 6/6. Neither Burns nor Tenet spoke publicly about their meetings.

Lobbying Washington to Sway U.S. Policy

After hearing Burns and Tenet's assessments, the Bush administration reportedly planned to convene its peace process team to hammer out a policy speech to be given by Bush or Powell before the end of 6/02, to keep hopes for a political solution alive until a conference in late summer or early fall. Administration officials also acknowledged (6/6) that they were "reaching out to others," including Palestinian legislators and "reformists," as possible alternatives to Arafat (see below). Peres claimed (6/6) that the U.S. was considering an initiative calling on Palestinians to give up the right of return in exchange for Israel giving up all Jewish settlements. (The PA rejected the idea in principle on 6/10.) With myriad rumors of U.S. plans circulating, Arab, Israeli, and PA

officials quickly made plans to press their own agendas with administration officials.

Mubarak, in the U.S. 6/5–8 for his annual visit for bilateral talks, arrived in Washington prepared to devote significant time to the Israeli-Palestinian crisis. In meetings with Bush (6/7–8), Cheney (6/6), Powell (6/6), and members of Congress (6/6), he said it was unrealistic to expect Palestinian violence to cease until a U.S.-backed plan was in place to lead to early Palestinian statehood, urged the U.S. to resume negotiations quickly and impose a timeline for resolving the conflict, and agreed that PA reforms could not be delayed. Reports suggested that Mubarak brought an Arab proposal for recognizing a Palestinian state in early 2003, with permanent status talks to be completed within three years, but these were not confirmed. After their meetings, Bush stated (6/7) that the U.S. was "not ready to lay down a specific calendar" for negotiations and that he was not sure that conditions were right to open political talks.

Meanwhile, Sharon requested (5/31) and received (6/3) an invitation to meet with Bush in Washington after Mubarak's visit. He arrived on 6/9 and met with Pentagon and National Security Council officials before meeting with Bush on 6/10. Sharon pressed the need to remove Arafat, stated that any conference should focus on a cease-fire and responsibilities of Arab and other countries in implementing Palestinian reforms, and (according to *Ma'ariv* 6/14) threatened to "go to elections" and paralyze the political process for six months if the U.S. tried to "impose an agreement on Israel." Bush stated afterward that although there must be "a political process on the horizon," before beginning work toward a final status arrangement, the PA security, economic, and judicial structures must be reformed in order to give "the Israelis confidence that the emerging government will be someone with whom they can deal," adding that "no one has confidence" in the revamped PA that Arafat was creating. On 6/11, Sharon told the House and Senate foreign relations committees that there would not be an Israeli-Palestinian peace deal for at least ten years, predicted there would be a 100-year struggle with the Arabs, encouraged the U.S. to move ahead with plans to remove Iraq's Saddam Hussein from power, warned that Egypt and Saudi Arabia were not reliable U.S. allies, and stated that Jordan's King Abdallah was the only favorable Arab leader. Sharon departed the

U.S. on 6/12, leaving behind IDF chief of staff Shaul Mofaz, military adviser Moshe Kaplinsky, and Prime Minister's Office (PMO) director Dov Weissglas to "follow" the scheduled visit of Saudi Arabian FM Saud al-Faisal so as to have the last word with the administration before it finalized its policy speech.

Before Prince Saud arrived on 6/13, Powell publicly hinted (6/12) that Bush was considering proposing a plan for simultaneous Palestinian reform, renewed Israeli-Palestinian security cooperation, and political talks, possibly including the creation of a "provisional" Palestinian state—an idea Mubarak said (6/12) that Bush had not raised when they met. Bush did discuss the idea with the Saudi FM on 6/13 but said he had not decided to adopt it, stating he would "lay out my vision at some point in time." Saud also met with Cheney (6/13), Rice (6/13), and Powell (6/14) but did not comment on the talks; Saudi crown prince Abdallah phoned (6/16) Bush to follow up, but no details were released.

In an attempt to take the initiative, Arafat sent PA Planning M Nabil Shaath to Washington to present (6/14) Powell with a written outline (see Doc. B2) of a peace proposal offering concessions on the status of Jerusalem (Israeli "sovereignty over the Jewish Quarter and Wailing Wall section of the Western Wall in East Jerusalem") and refugees ("a just and agreed solution" rather than demanding the right of return) but insisted on Israeli withdrawal to the 1967 borders for the formation of a Palestinian state. The outline, approved by other Palestinian leaders, Egypt, Jordan, and Saudi Arabia, reportedly resembled the 12/00 Clinton proposal (see Doc. D1 in *JPS* 119) and incorporated the Saudi initiative (see Doc. B1 in *JPS* 124). Shaath also presented Powell with a 20–30-page draft constitution for a future Palestinian state (i.e., an expanded version of the Basic Law; reportedly drawn up with Palestinian American and Saudi legal assistance) that reportedly included a parliamentary system with a prime minister, in which Arafat would serve as a largely ceremonial president. Shaath also said that the PA would be willing to conclude an agreement with Israel similar to the April 1996 understanding between Israel and Hizballah to ban attacks on civilians and attacks staged from built-up areas (see Doc. A2 in *JPS* 100), but cautioned against creating a "provisional" Palestinian state without setting a detailed

timetable for achieving final status. The U.S. did not immediately comment, waiting until 6/17, when the State Dept. said it was "encouraged" that the PA was looking at how to achieve two states living side by side.

The Quartet convened in Washington on 6/14 to discuss the critical effects of the tight IDF restrictions on movement and curfews, especially in the West Bank. They noted that unemployment had reached 70% in some areas of the West Bank and that a UN-directed emergency food program that had been serving 200,000 Palestinians several months before was now supplying at least 500,000 and was expecting to have to expand service to 800,000—a quarter of the population—within the next few weeks. By 6/17, the comprehensive death toll since 9/28/00 stood at 1,748 Palestinians and 505 Israelis.

Operation Determined Path

Meanwhile, violence and tensions continued to escalate. On 6/5, an Islamic Jihad suicide bomber detonated a car bomb near a bus in Meggido, killing 14 IDF soldiers, three Israeli civilians, and wounding 38. In response, the IDF staged day raids on Hebron, Qalqilya, and Tulkarm (6/5), a large two-day incursion into Jenin (6/5–6), and went after Arafat in Ramallah (6/5–6), shelling the remains of his compound and reportedly maneuvering into position to kill or capture him when Bush intervened (6/6), not wanting a major incident during the Mubarak visit. After Mubarak left the U.S., the IDF stormed (6/10–12) back into Ramallah, imposed a curfew, and declared the area a closed military zone, shelling Arafat's compound, conducting house-to-house searches and arrest raids, and bulldozing buildings damaged in earlier attacks. Asked about the intensified incursions during Sharon's visit, Bush stated (6/10) that "Israel has a right to defend herself."

From 6/11 to 6/18, the IDF intensified its attacks across the West Bank and Gaza, assassinating AMB leader Walid Sheh (6/17), demolishing 26 Palestinian houses and four businesses, bulldozing nearly 400 dunams (4 dunams = 1 acre) of agricultural land (Jewish settlers burned another 770 dunams and two houses), stepping up arrest raids, and tightening checkpoints (see Chronology for details). Palestinians staged two more small suicide bombings in Herziliya (6/11, killing 1) and at an IDF checkpoint (6/17, no injuries); a car bombing attempt at a Jewish settlement was foiled on 6/15. Meanwhile,

Palestinian conditions in the cordoned areas were deteriorating dramatically.

Even as violence accelerated, the Bush administration was preparing to go forward with issuing a policy speech on 6/18. Given the divergent opinions among the parties and within Bush's cabinet, the address was expected to be vague, so that each party could read into it something to its liking. The plan reportedly would propose the establishment of a Palestinian state with provisional boundaries, with negotiations over a permanent border to be completed within three years, with measurable benchmarks along the way to guarantee progress. Bush was expected to recommend that his proposal be adopted at an international conference in 9/02, perhaps on the sidelines of the opening of the UN General Assembly (UNGA), so as to downplay the conference's significance without canceling it outright or making it contingent on PA reforms as Sharon wished.

However, on 6/18, a Hamas suicide bomber detonated a device on a bus in Jerusalem during morning rush hour, killing 19 and injuring 50. Sharon, who for the first time rushed to the scene of a bombing, publicly warned Bush not to deal with Arafat or consider recognizing a Palestinian state. Sharon also convened his cabinet and authorized the IDF to reoccupy Jenin town, r.c., and surrounding villages completely, imposing a 24-hour curfew backed by sniper fire. In Hebron, the IDF assassinated Islamic Jihad student leader Yusif Bisharat.

After a daylong meeting, the Israeli cabinet announced (6/18) the launching of Operation Determined Path, under which "Israel will respond to acts of terror by capturing PA territory. . . . Additional acts of terror will lead to the taking of additional areas," which Israel vowed to hold as long as violence continued. Determined Path was the official admission that Operation Defensive Shield's strategy of "battering" PA areas and then withdrawing had failed. This time, inner cabinet member and MK Effi Eitam said, Israel would hold on to reoccupied territory "for a very long time."

Operation Determined Path expanded quickly and continued through the end of the quarter. After taking the Jenin area on 6/18, the IDF reoccupied Qalqilya and its environs on 6/19, the Bethlehem region on 6/20, the Nablus and Tulkarm regions on 6/21, Ramallah and its surroundings on 6/24 (once again placing Arafat under de facto house arrest in his headquarters; see Quar-

terly Update in *JPS* 124), and the Palestinian areas in and around Hebron on 6/25. Only Jericho remained surrounded but unoccupied. In a reprise of Defensive Shield, the IDF in each case imposed a 24-hour curfew, lifting restrictions for a few hours every three to four days to allow Palestinians to resupply and seek medical aid. Again, it occupied homes, buildings, or apartments as lookout posts; ordered all men ages 15–50 to surrender for questioning and detained 100s (occasionally releasing them far from home and warning them not to return to their villages for several days); conducted house-to-house searches; and barred entry to medical workers and journalists (see Chronology for details). By 6/25, 700,000 West Bank Palestinians were confined to their homes under 24-hour curfew.

Israel also threatened to go beyond Defensive Shield, warning (6/22) that the IDF was preparing to take "crushing and decisive" action that would be "much more massive" than the 4–5/02 offensive, and calling up (6/22, 6/23) 4,000 reserves to expand operations. On 6/21, the Israeli inner cabinet agreed in principle to expel the families of Palestinian suicide bombers from the West Bank to Gaza as a "disincentive for attackers," though it agreed (6/21) that the policy would not be implemented until a legal review was completed. On the ground, IDF open-fire regulations were apparently eased: from as early as 6/18, reports increased of soldiers shooting first and asking questions later, including accusations of soldiers wantonly shooting with the intent to kill or injure Palestinians at checkpoint inspections, during house searches, or curfew violations (see Chronology). For example, on 6/21, an IDF tank opened fire with shells and machine guns on a crowded market in Jenin, killing four Palestinians and injuring 26 among the 100s who had gathered to shop in the belief that the curfew had been temporarily lifted; 20 cars and 30 stores were also destroyed. Similar instances occurred in another neighborhood of Jenin (6/21), in Nablus (6/22), and in Qalqilya (6/27); many instances were reported of the IDF opening fire on Palestinians who were trapped between destinations when a curfew was unexpectedly reimposed. The IDF also stepped up actions in Gaza, not targeted during Defensive Shield, expanding arrest raids and shelling of residential areas, particularly around Khan Yunis and Rafah, and demolishing (6/19) five workshops and factories in Gaza City allegedly used for

manufacturing weapons. Israel also began (6/19) barring Palestinians with West Bank IDs from entering East Jerusalem; Israeli police rounded up (6/18–19) 1,400 Palestinian workers inside the Green Line (mostly in East Jerusalem), sending home 800 who held West Bank IDs and arresting the rest.

Palestinian resistance was light due to the tight closures and uncertainty concerning how far Israel would take its military actions. Nonetheless, on 6/19, an AMB suicide bomber, retaliating for the 6/17 Sbeih assassination, detonated a device in French Hill settlement in East Jerusalem, killing seven and injuring 40; a Popular Front for the Liberation of Palestine (PFLP) gunman, retaliating for the arrest of the PFLP second-in-command on 6/11, attacked (6/20) a house in Itamar settlement, killing five and wounding four; and unidentified Palestinians fired (6/21) grenades at two IDF posts in Gaza, injuring one soldier.

Bush's 6/24 Speech

In Washington, Bush postponed his policy speech immediately after the 6/18 bombing, initially for one day, but the Palestinian attacks on 6/19, 6/20, and 6/21 pushed the date back further. Following the AMB bombing on 6/19, Bush reopened (6/19) discussion of the U.S. position, with Cheney and Rumsfeld reportedly arguing that any proposal based on forming a Palestinian state would be “rewarding terrorism.” Participants also debated whether the deteriorating situation would make the speech more necessary than before or push the chance of failure beyond the tolerable limit. The final timing of the speech was reportedly influenced by Bush's determination to give his policy address before the G-8 summit (scheduled to open in Canada on 6/25) so that it could be endorsed by the leaders of Britain, Canada, France, Germany, Italy, Japan, and Russia, along with UN Secy.-Gen. Kofi Annan and EU foreign policy adviser Javier Solana.

It was during this period (ca. 6/21–22; revealed 6/25) that Israel secretly provided the U.S. with an intelligence report purporting to show that Arafat had authorized a \$20,000 payment to the AMB to fund attacks such as that on 6/19. By all accounts, the Israeli report was the single most important factor swaying Bush to side with the Cheney-Rumsfeld camp, even though the CIA complained that it did not have enough time to examine the claims and by 6/25 had not been able to verify them independently. With at most 48 hours to make a statement before the G-8,

Bush ordered a substantial rewrite of his speech, further rushing an already rushed process.

On the morning of 6/24, the PA, anticipating that Bush would go forward with his speech that day, transmitted to the U.S. a copy of an ambitious 100-day reform plan laying out goals for economic, judicial, and security reforms, elections, a massive overhaul of the public administration, and definitive separation of powers (see Doc. B3). Though the paper addressed all the areas that Israel and the U.S. had previously pinpointed, the document was too late and was ignored. Bush's speech later that day (see Doc. C1) instructed the Palestinians to “elect new leaders, leaders not compromised by terror” and warned that the U.S. would not support the creation of a Palestinian state or require any steps by Israel until “the Palestinian people have new leaders, new institutions, and new security arrangements.” Effectively rejecting all PA reform efforts to date, Bush said that the U.S., EU, and Arab states “will work with Palestinian leaders to create a new constitutional framework” and a new judiciary, as well as help organize and oversee elections. As a salve to the Arab parties, Bush reiterated his long-term view of “two states, living side by side, in peace and security” and that a solution should be based on UN Resolutions 242 and 338. He also stated that Israel should halt settlement construction but said this should be done “consistent with the recommendations of the Mitchell Committee,” which by Israeli and U.S. interpretation means after a complete cease-fire. Crucially, the speech offered no guidelines or timeline for achieving the aims set forth, but Bush said that a final status agreement could be reached in three years (i.e., after the next U.S. presidential elections in 2004). Powell confirmed afterward (6/24) that the U.S. had no intention of convening an international conference until the situation in the territories calmed.

With the Bush speech's failure to mention Israel's ongoing Operation Determined Path, Israel expanded its offensive, reoccupying Ramallah and assassinating two Izzeddin al-Qassam Brigades leaders in Rafah (also killing two taxi drivers, two other passengers, and injuring 13 bystanders), marking what Sharon said was the beginning of a “massive operation in the Gaza Strip.” While Bush called on the PA leadership to crack down on militants, PSF officers fatally shot one Palestinian in clashes with Hamas supporters

outside the home of Hamas spiritual leader Shaykh Ahmad Yasin, whom the PA had placed under house arrest.

In public, Arafat (6/24) and the Arab states welcomed Bush's speech, emphasizing as positive the requirements on Israel and the steps to be taken by the Palestinians even while objecting to the linkage between these two parts (i.e., the demand that the Palestinians fulfill their part of the agreement before Israel would be required to take steps). They downplayed the implied demand to oust Arafat, agreeing that the Palestinians should hold elections but suggesting that Arafat could run and, if re-elected, move forward as the Palestinians' legitimate representative in negotiations with Israel.

As for reactions in Israel, journalists described Sharon as having to "suppress his glee" in a post-speech press conference, while Likud MK Tshai Hanegbi joked that his party would have to issue Bush an honorary membership. Israeli analysts proclaimed (*Ma'ariv* 6/25–26) that "Such a Zionistic speech had not been heard . . . at last week's Zionist Congress" and that not even the Likud Central Comm. "would have written a speech like that." Labor's Peres, in contrast, reportedly declared privately that Bush had made a "fatal mistake" and that "there will be a bloodbath" as a result.

Even before they arrived at the G-8, Canada, the EU and its member states, Russia, and the UN took extreme issue with the Bush speech, especially the contradictory demands for Palestinian free elections and the instruction that "new leaders" be elected. At the meeting, Bush continued to press (6/26) his view that Arafat must go, adding that the U.S. would cut off aid to the Palestinians if they failed to reform their leadership. The other leaders insisted that Palestinians must choose their own leaders, warned that new elections could easily elevate a more radical Palestinian leadership, and recalled that Arafat was elected in 1996, taking 88% of the vote in balloting deemed free and fair by international monitors, including the U.S. Clarifying the U.S. position, an anonymous senior administration official (reportedly Rice) stated (6/26) that the U.S. was not dictating whom Palestinians could elect and had no intention of interfering in the election process; Palestinians simply had to realize that naturally "there are consequences" to re-electing Arafat. Asked directly if the State Dept. believed "that Arafat is capable of leading a transition reform process until new

leaders take over," spokesman Richard Boucher stated (6/26), "The simple answer is no." A critical spotlight remained on the Bush speech throughout the G-8 summit. On the last day, Bush ducked out an hour before his scheduled departure—the only leader not to hold a press conference before leaving.

Refining Bush's Parameters

Whatever their individual convictions, all parties involved in the peace process realized that Bush's 6/24 declaration set the boundaries for moving the peace process forward. Thus, from 6/26 to 7/21, diplomatic efforts focused on shaping the Bush parameters into a workable program; the speech's lack of a timeline and action plan gave some flexibility in this regard.

By 6/30, Washington was already backing off Bush's 6/26 threat to cut off all aid to the Palestinians, especially since this included only \$100 m./year to Palestinian NGOs endorsed by and accountable to USAID, plus money to support UNRWA operations; no U.S. money was going directly to the PA. Administration officials realized that if the U.S. cut off humanitarian assistance to poverty-stricken Palestinians, Hamas would pick up the slack. In fact, the U.S. began (ca. 7/3) pressing Israel to release the roughly \$600 m. in VAT taxes owed the PA as a goodwill gesture and to ease Palestinian economic hardship.

Meanwhile, Arafat was moving forward with implementing the PA's 100-day reform plan (see below), but warned (7/9) that progress was limited by tight closures and restrictions on Palestinian movement. Arafat outlined his efforts and concerns in a letter to Powell on 7/9, but the U.S. did not reply. Expecting that the U.S. would not acknowledge Arafat, Saudi crown prince Abdallah, speaking for the Arab states, relayed (7/9) the same concerns to Bush by phone.

Sharon also claimed (7/1, 7/4) to have plans in the works. Without giving details, he said that he was working closely with several individuals in his government on various ideas, and that he and Bush had reached an understanding during their 6/20 meeting on a diplomatic plan involving an Israeli-Palestinian agreement. On 7/8, Sharon authorized Peres to meet with PA ministers for the first time since 3/02 but only to discuss cease-fire and reform efforts. Peres met with Finance M Salam Fayyad (7/8), Interior M 'Abd al-Razzaq Yahya (7/8, 7/9), and Local Government M Saeb Erakat (7/9). Based on these meetings, Arafat appointed (7/12) a core negotiat-

ing team comprising Erakat, Fayyad, intelligence chief Amin al-Hindi, Economics M Mahir al-Masri, and Yahya to continue talks with Peres. Their first meeting, on 7/20, addressed financial reforms (see below).

Meanwhile, Burns met (7/2) with other Quartet reps. in London to gauge their reaction to the Bush speech and the PA's 100-day plan. The U.S. and other Quartet members "agreed to disagree" regarding Bush's call to oust Arafat and focused instead on reform. After the meeting, Burns announced (7/2) the creation of the International Task Force on Reform (ITFR)—a steering comm. comprising the Quartet and primary donor reps. (Japan, Norway, IMF, World Bank) that would "identify areas of priority for donor assistance on reform and oversee progress and effectiveness of international support to Palestinian reform efforts." The ITFR held its first meeting in London on 7/10 and set up seven subsidiary task forces to focus on areas such as civil society, education, elections, financial operations (reportedly including setting up new bank accounts that Arafat and PA officials would not have access to and creating a market economy), and security.

To assuage EU and Arab discontent over the U.S.'s unilateral suspension of plans to hold an international conference, the U.S. invited (early 7/02) the FMs of Egypt, the EU, Jordan, Russia, Saudi Arabia, and the UN to New York on 7/16 to share their views on the Bush parameters. (The Arab states asked that all ten members of the Arab League follow-up comm. on the peace process be invited, but the U.S. ignored the request.) The Arab FMs were invited to Washington afterward to present their views to Bush himself. In preparation for the meetings, the Arab League FMs debated and approved (7/12) a working paper representing a united Arab position for Egypt, Jordan, and Saudi Arabia to take to New York and Washington. The paper (written with the PA and based on the Saudi initiative) called for the recognition of a Palestinian state as early as 1/03, after the election of a new government, with negotiations on borders and other final status issues to conclude within three years. The new state would operate on a parliamentary system and have a PM. (Although the plan did not explicitly say so, the FMs reportedly intended a newly elected Palestinian parliament to appoint a PM and ceremonial pres.) The plan outlined staged Palestinian reforms, made elections contingent upon Israeli with-

drawal to 9/28/00 positions, and reaffirmed the PA's role as an interim authority.

As the schedule for the meetings was fleshed out, the U.S. revealed that Powell had no intention of meeting with the Arab and other FMs together since it would give the impression of an international conference minus Israel. As a result, Saudi Arabia boycotted the New York meetings. On 7/16, Powell hosted a FM-level Quartet meeting, then met with the Egyptian and Jordanian FMs. At the Quartet meeting, the EU, Russia, and UN stressed the need for humanitarian and political steps as well as PA reforms, noting the need for reciprocal steps by Israel and definitive benchmarks for both sides. Powell reaffirmed the U.S. position that Israel's security must come first, adding that other issues could be "parallel, but they will not exactly be in synchronization." Powell also offered that the U.S. would be "more than willing to consider" a scenario under which Arafat would stay on as a figurehead, delegating day-to-day affairs to a PM. The Egyptian and Jordanian FMs put forward many of the same concerns as the EU, Russia, and UN and received the same responses from Powell, who also urged all parties to halt direct aid to the PA. After the meeting, all participants were invited to an informal dinner at Annan's residence, but Powell did not attend. Details of the dinner were not released. On 7/18, the FMs of Egypt, Jordan, and Saudi Arabia held a 30-min. meeting with Bush, Powell, and Rice. The FMs presented the 7/12 working paper, which Bush promised to examine.

Meanwhile, 700,000 Palestinians remained under curfew in the West Bank as Israel's Operation Determined Path continued. Between 6/26 and 7/22, Israel assassinated Hamas's Muhannad Tahir (6/30), AMB's Jihad al-Omarayn and Wail al-Nimrah (7/4), and Islamic Jihad's Mu'ammar Daraghma (7/9); made a failed attempt on Hamas's Ahmad Yusuf 'Abd al-Wahhab, killing five bystanders (7/14); stepped up house demolitions; and blew up (6/28) the (empty) PA headquarters in Hebron to get at 15–40 Palestinians they believed were holed up inside. By 6/28, the IDF had arrested up to 2,000 Palestinians, bringing the number of Palestinians in Israeli custody to around 7,000. Palestinian sources in Gaza reported (6/30) seeing the IDF transfer 10s of PSF officers detained in the West Bank to Gaza through the Erez crossing. Some 990 Palestinians released from questioning were trapped (ca. 6/28) in the village

of Burkin, barred from returning to their homes in Jenin.

By 7/11, Israel had begun lifting closures for several hours a day in most places, testing whether the areas would remain quiet. The goal was for curfews to be imposed at night in most areas but also during the day in places where there was resistance. At the same time, the IDF was reoccupying more small West Bank villages (ca. 12/week), around half of which had already been under curfew but without a troop presence inside. Incidents of the IDF firing on Palestinians who mistakenly violated curfews because of unannounced changes in IDF schedules continued (e.g., 7/6, 7/8). Palestinians noted (e.g., 7/18) that stores were stocked with Israeli goods, not subject to the myriad travel and hauling restrictions.

Incidents of Palestinian violence remained low until 7/16, when Palestinian gunmen disguised as IDF soldiers ambushed a bus near the West Bank settlement of Emmanuel, killing eight Jewish settlers and wounding 16 before escaping. The next day, two Palestinian suicide bombers staged a double bombing outside a Tel Aviv café, killing one Israeli and three foreign workers and injuring three others. Israel responded (7/18) by blowing up the Hebron home of senior AMB member Ali Ajuri (suspected of organizing the 7/17 bombings) and the Tal home of Hamas's Naseer Assida (thought to have organized the 7/16 ambush), arresting 21 of their male relatives, and threatening to expel them to Gaza as a deterrent to other militants; neither Ajuri nor Assida were captured. Israel backed off plans to forcibly transfer the men when the U.S. and international community condemned the threat as a grave violation of human rights. Sharon said (7/21) that he would abide by Atty. Gen. Elyakim Rubinstein's ruling (7/21) that family members would have to have been directly involved in supporting the attacks in order to be deported. As of 7/21, a total of 1,828 Palestinians and 551 Israelis had been killed.

The Shibada Assassination

On 7/22 (1:30 A.M. on 7/23 local time), the IDF assassinated Izzeddin al-Qassam Brigades founder and head Shaykh Salah Shihada, no. 1 on Israel's most-wanted list, sending an F-16 to fire a one-ton guided missile at the building in which he was staying in a crowded neighborhood of Gaza City. The air strike also killed 14 bystanders, including nine children and four women, injured 140 (four of whom later died), col-

lapsed three apartment buildings, and damaged 20 others. In a rare admission of responsibility, Sharon praised (7/23) the killing, calling it "one of our major successes." The U.S. called the strike "heavy handed," "not helpful to the peace process," and "a deliberate attack against a building in which civilians were known to be located." (Of note: The U.S. never denounced the assassination itself, and criticism was relayed formally by the U.S. emb. to the PMO, rather than by phone from an administration official to a senior Israeli official, as the U.S. had done previously when it wished to express extreme displeasure.)

The assassination scuttled a major Palestinian unilateral cease-fire deal that had been in the works for two weeks, with the mediation of Egypt, the EU, Saudi Arabia, and the U.S. Just hours before the attack, the PA had informed Israel that the AMB, Fatah *tanzim*, Hamas, and Islamic Jihad had agreed to issue a declaration (see Doc. B4) pledging to halt attacks on Israeli civilians that would run in Palestinian and U.S. newspapers on 7/24, along with a four-page statement explaining why suicide bombings were morally indefensible. The PFLP had also agreed to add its name. Earlier on 7/22, Hamas spiritual leader Shaykh Yasin and political spokesman 'Abd al-Aziz Rantisi had given several well-publicized interviews saying Hamas was considering a cease-fire including "totally" halting suicide attacks. On 7/24, Israel acknowledged that it knew of the cease-fire deal before authorizing the air strike.

The assassination sparked a wave of Palestinian attacks, despite the continued 24-hour curfews and closures. Incidents included the firing of Qassam-2 rockets (7/24; the first since 3/18), antitank missiles (7/26; the first since 6/21), and mortars (7/24; the first since 5/22), none of which caused damage; fatal attacks (7/25, 7/26) on settler vehicles; the infiltration (7/29) of Itamar settlement in which two settlers were injured; the entrapment and murder (7/30) of two settlers in Jamayn; and a suicide bombing (7/30) in Jerusalem that lightly injured five (see Chronology for details). The wave crested on 7/31 with a massive remote-controlled bombing at Hebrew University in Jerusalem staged by Hamas, which killed seven and injured 80 (two later died).

In response, the Israeli inner cabinet ordered (7/31) the expulsion to Gaza of one of the 21 relatives of Palestinian militants arrested on 7/18, declaring, in the words of In-

ternal Security M Uzi Landau, that “it’s enough for a relative of a suicide bomber to set up a mourning tent or visit a mourning tent” to qualify as having directly supported an attack—the condition for expulsion set by the atty. gen. on 7/21—adding that evidence against a relative would “not need to meet the burden of proof required for formal charges.” (The IDF added two relatives to the transfer order on 8/12, but the High Court issued a temporary stay for all three on 8/13, questioning the inner cabinet decision.) The inner cabinet also formalized the policy of demolishing homes of “suspected terrorists” without giving family members warning (the High Court upheld this decision on 8/6, ruling that demolitions are “part of the overall war activity” and that giving warning could allow families time to set booby-traps), banned funeral processions for suicide bombers, and recommended “cutting off all government assistance to families of alleged terrorists” and punishing Muslim clerics who “incite violence through their preaching.” Sharon reportedly (*Ma’ariv* 8/5) asked the IDF to draw up a plan for expelling Arafat to Gaza and opened “discreet contacts” with the U.S. over taking such action.

The IDF stepped up house demolitions in the West Bank immediately, blowing up or bulldozing more than 30 homes by 8/15. The IDF also launched (8/2) a major raid on Nablus (where Palestinians had been openly defying the curfew since 7/28, an act of civil disobedience organized by the mayor and grudgingly tolerated by the IDF), demolishing two apartment buildings, conducting house-to-house searches in the Old City, moving from building to building by breaking through walls, ordering all men ages 15–50 to surrender for questioning, and assassinating wanted Hamas member Amjad Jabour in nearby Salim.

Palestinian militant groups responded in force on 8/4: A Hamas suicide bomber detonated a device on a bus in n. Israel, killing nine and wounding 40; AMB members ambushed a settler vehicle near Ramallah, killing three, and fatally shot two Israelis in Jerusalem; PFLP gunmen ambushed a settler bus near Tulkarm, injuring four; unidentified Palestinians detonated a roadside bomb near Ramallah, injuring four IDF soldiers; and an unidentified, heavily armed Palestinian frogman emerging from the sea near a Gaza settlement was fatally shot by the IDF. Israel struck back (8/5) by assassinating two AMB members in Burqa, sealing the s. Gaza Strip,

banning all Palestinian travel in the n. West Bank, and threatening a “long list of actions” that would “make the closure much bigger than it is now.” Before the end of the quarter, Israel openly assassinated four more AMB members (two on 8/6, 8/7, 8/12) and two Hamas members (8/7, 8/14). In the surge of violence brought on by the Shihada assassination, 66 Palestinians, 24 Israelis, and 6 foreigners were killed.

Ben-Eliezer’s Gaza First Proposal

The upswing in violence at the end of the quarter did not halt all diplomatic progress. The PA kept up its reform efforts (see below), sending Erakat, Masri, and Yahya to Washington (8/8–10) to brief senior administration officials (including Burns, Powell, Rice, and Tenet) on progress. The ITFR sent (7/25) reps. to the region to assess economic and humanitarian conditions in the territories. Palestinian factions transformed cease-fire talks into serious talks on a comprehensive national unity platform (see below).

Most significantly, Sharon authorized Ben-Eliezer to formally present his proposal for a “Gaza First” plan to the PA. After Bush’s 6/24 address, Ben-Eliezer had met (7/15) with Mubarak in Egypt to discuss his own ideas for reviving the peace process, which reportedly had not been (formally) endorsed by Sharon: In exchange for a halt to violence in Gaza and unification of PA security forces there, Israel would make a staged pullback to 9/00 positions in Gaza and issue permits for Gaza workers to enter Israel. If calm continued as Israel eased restrictions, the project would be expanded to areas of the West Bank. The plan dovetailed nicely with Tenet’s ideas for a phased reintroduction of retrained PA security forces (see below) and U.S. calls for economic incentives for the PA. Mubarak reportedly phoned (7/16) Sharon to discuss the idea, but the matter appeared to end there.

On 8/5, amid some of the worst violence of the quarter, Ben-Eliezer, with Sharon’s permission, met with Yahya, Arafat’s security adviser Muhammad Dahlan, and PA General Intelligence chief Hindi to offer his Gaza First plan. Ben-Eliezer said Israel would also be willing to add one West Bank city to the initial withdrawal (reportedly, proposing Jericho or Bethlehem), increase fishing zones, and allow donors to begin infrastructure projects in Gaza. Yahya demanded that pullbacks begin with Ramallah, the de facto capital, which Ben-Eliezer rejected.

On 8/8, Arafat convened the EA (minus Erakat, Masri, and Yahya, who were in Washington) to discuss the Gaza First plan. The EA gave its "preliminary approval" and authorized a joint security meeting with Israel that evening to discuss implementation. The Palestinian team included only Dahlan and Hindi; the Israeli team comprised Shin Bet head Avi Dichter and IDF policy planning head Maj. Gen. Giora Eiland. The meeting was a failure, with the PA accusing Israel of (1) changing its offer to include Gaza only; (2) requiring that implementation begin with a Palestinian cease-fire agreement and the placement of AMB, Hamas, Islamic Jihad, and PFLP militants under house arrest; (3) refusing to halt "proactive" measures against "terrorists" operating in areas from which the IDF has withdrawn; and (4) refusing to set a timetable for expanding the arrangement to West Bank areas.

At the close of the quarter, numerous Arab, EU, Israeli, and U.S. parties were clearly holding behind-the-scenes discussions on how to turn the 6/24 Bush parameters into a timetable of steps that would move Israel and the PA toward a cease-fire and resumption of final status talks. Jordanian FM Marwan Muasher suggested (8/13) that new plans might be presented on the sidelines of the opening of the new UNGA session in 9/02. Meanwhile, Palestinians remained under siege, especially in the West Bank, where 24-hour curfews remained in effect and the IDF's separation plan dividing the West Bank into eight sealed zones seemed to be fully implemented.

Intifada Data and Trends

At the close of the quarter, at least 1,894 Palestinians (including 29 Israeli Arabs and 11 unidentified Arab crossborder infiltrators), 575 Israelis (171 IDF soldiers and security personnel, 146 settlers, 258 civilians), and 18 foreign nationals had been killed. As of 6/24, the IDF reported that 2,992 Israeli civilians (including settlers) and 1,216 security forces had been injured. Palestinian human rights groups continued to report around 40,000 Palestinians injured, the same figure as reported in late 3/02, suggesting they had not attempted to keep track of injuries since Operation Defensive Shield began in 4/02.

USAID released (8/5) its final report on malnutrition among Palestinian children under age five, showing that 13.2% suffer chronic malnutrition and another 9.3% suffer acute malnutrition—similar to levels in Chad

and Nigeria and higher than levels in Bangladesh and Somalia. (Preliminary results released on 7/25 were higher, showing 30% and 21%, respectively.) In 2000, prior to the outbreak of violence, the same researchers found 7% chronically and 2.5% acutely malnourished. In all cases the incidence in Gaza was significantly higher than in the West Bank. The Israeli FMin. reported (ca. 7/25) that 45% of Palestinian children were suffering from anemia. World Bank figures (ca. 7/25) estimated that 50–60% of Palestinians were living below the UN poverty line of \$2/day.

The Union of Palestinian Medical Relief Committees reported (5/23) that between 9/28/00 and 5/22/02 at least 44 Palestinians had died as a result of the IDF's denial of medical treatment. By the end of the quarter, at least another eight Palestinians could be added to that total. A Tel Aviv University study of 1,300 Palestinian and Jewish settler children in "high-risk" areas of the West Bank (conducted summer 2001; released 7/9) showed that 70% of Palestinian children and 30% of Jewish settler children showed signs of post-traumatic stress disorder from exposure to violence during the intifada; 50% of Israeli Arab children showed symptoms even though they had been largely spared from the conflict.

This quarter, Israel carried out 19 killings that were clearly or almost definitely assassinations (up from 11 last quarter): AMB's Mahmud Titi (5/22), Walid Sheh (6/17), Jihad al-Omarayn (7/4), Wa'il al-Nimrah (7/4), Khalid Sayf (8/5), Ali Ajuri (8/6), Murad Marshud (8/6), Ziad Da'as (8/7), and Ghazal Frayhat (8/12); Hamas's Yasir Raziq (6/24), 'Amr Kufa (6/24), Muhannad Tahir (6/30), Salah Shihada (7/22), Amjad Jabour (8/2), Hussam Hamdan (8/7), and Nasir Jarrar (8/14); Islamic Jihad's Yusuf Bisharat (6/18) and Mu'ammarr Daraghma (7/9); and PSF officer Ahmad Ghanem (5/16). (Frayhat and Jabour were in custody when they were shot by the IDF.) At least one other death—of Islamic Jihad's Khalid Zarkani (5/22)—had the markings of an assassination but could not be confirmed. An attack on 7/14 was clearly an assassination attempt against Hamas's Ahmad Yusuf 'Abd al-Wahhab that failed.

There were 27 Palestinian suicide attacks (down from 38 last quarter), which killed 86 and injured around 330 (down from 127 killed and more than 500 injured last quarter). Of these, 13 were bombings (5/29, 5/20, 5/22, 5/24, 5/27, 6/5, 6/11, 6/17, 6/18, 6/19, a

double bombing 7/17, 7/30, 8/4). The other 14 attacks (5/28, 5/31, 6/7, 6/8, 6/20, 6/21, 6/24, 6/25, 7/14, 7/16, 7/29, 8/4, 8/10, 8/11) could be called "suicide" insofar as they were certain to result in the deaths of those who staged them. There was also one major remote-controlled bombing in Jerusalem by Hamas (7/31), which killed 9 and injured 80. Another remote controlled bombing of a diesel truck in Tel Aviv (5/23) caused no injuries and was not claimed. Once again this quarter, many of the attacks (10) were staged by individuals with no reported affiliation, most of these on IDF checkpoints. Though multiple groups occasionally took responsibility for a single incident, AMB is believed to have staged 7 attacks, Hamas 4, the PFLP 3, Islamic Jihad 2, and the Democratic Front for the Liberation of Palestine (DFLP) 1. Use of mortars, rockets, grenades, and to a lesser degree roadside bombs seemed to be down.

According to the IDF (6/21), from 1993 until 9/27/00, there were 61 attempted and successful suicide attacks on Israelis, compared to 116 from 9/28/00 to mid-6/02. With 107 successful suicide attacks from 9/28/00 to 6/15/02 (according to *JPS* research), the figures would seem to indicate that the IDF's frequent claims of having foiled scores of Palestinian attacks are highly exaggerated. The IDF also reported (6/25) that between 9/29/00 and 6/24/02 (633 days) the total number of "attacks" on Israeli targets (excluding rock throwing and Molotov cocktails) was 6,358 in the West Bank (ca. 10/day), 6,470 in Gaza (ca. 10/day), and 593 inside Israel (less than 1/day). By way of comparison, according to the Department of Justice Bureau of Justice Statistics, in 1998 and 1999 (the most recent years reported), New York City police reported 1,297 murders and 84,341 aggravated assaults (defined as deliberate attacks meant to cause severe bodily injury, usually "through use of a weapon or by means likely to produce death"), or more than 117/day; District of Columbia police reported 501 murders and 9,547 aggravated assaults, or 14/day.

Israeli police arrested (7/16, 7/25) four IDF soldiers and two Jewish settlers from settlements near Hebron, and one IDF soldier living in Israel on charges of stealing 60,000 rounds of IDF ammunition, 1,000s of rounds of which they sold to Palestinian militants. Israeli police also arrested (5/30) a Palestinian man and his Israeli wife on charges of driving two suicide bombers from the West Bank into Israel.

Israel for the first time (7/30) indicted Palestinians detained during the al-Aqsa intifada in a civilian court, charging two Palestinians with masterminding attacks that killed 17 Israelis. On 8/14, Israel arraigned West Bank Fatah cmdr. Marwan Barghouti (arrested by the IDF on 4/15/02) in a Tel Aviv court on charges of being an "arch-terrorist," murdering 26 Israeli civilians in 37 attacks.

Ha'Aretz reported on 6/4 that 110 Israeli Arabs had been arrested since the beginning of 2002 on suspicion of involvement in "terrorist activity." According to Shin Bet, two Israeli Arabs were arrested on such charges in 1999, eight in 2000, 25 in 2001, and 19 in the first five months of 2002. On 8/6, Sharon voiced support for a proposal by Interior M. Eli Yishai to strip the citizenship of Israeli Arabs accused of violating state security. Standing laws allow the interior minister to revoke the citizenship of naturalized citizens; to date, no one has tried to extend the law to native-born citizens.

The IDF continued to target and restrain journalists operating in the territories. After the start of Operation Determined Path, journalists could visit reoccupied areas legally only by traveling in IDF-escorted press groups. There were four incidents (6/5, 6/21, 7/11, 8/11) of soldiers opening fire on journalists clearly identified as press, which resulted in the death of one photographer on 7/12. (In the incident on 8/11, an IDF sniper fired five or six rounds into a press-marked taxi of well-known *Ha'Aretz* journalist Gideon Levy.) Three journalists were arrested (6/2, two on 6/30) for covering demonstrations by international peace activists at IDF checkpoints. Two Palestinian photographers (one for Agence France-Presse, the other for Reuters) detained respectively on 4/24 and 4/30 were still in detention as of 8/15. With the death of a photographer on 7/12, Reporters Without Borders stated that there had been "167 cases in which journalists were targeted, assaulted, beaten, and their cameras . . . smashed and destroyed" by the IDF since the start of the intifada, leaving three journalists dead and 65 injured; since 4/1, 30 journalists had been arrested and 15 media offices occupied by the IDF.

By 6/7, foreign diplomats were complaining of IDF searches of their diplomatic vehicles entering the West Bank and Gaza. A senior IDF officer claimed (6/7) that the searches were necessary because the IDF "has intelligence that terror organizations are trying to exploit the free passage given to

diplomats to try to smuggle weapons, explosives, and even wanted men from place to place.”

As of 6/18, the IDF reported that it currently had three times as many soldiers protecting Jewish settlements than it did before 9/00. Though the number of settler attacks on Palestinians this quarter did not seem to increase, there were several incidents of extreme settler violence: Jewish settlers from Brakha and Yitzhar set fire (6/15, 6/17) to two homes and 770 dunams of Palestinian crops in Hawara near Nablus. Following the funeral for a settler killed by Palestinians, Jewish settlers rampaged (6/21) through Hawara, killing one Palestinian, firing on buildings, setting a car and shop ablaze, and attacking journalists. In a similar incident on 7/28, some 100 Jewish settlers rioted through Palestinian neighborhoods of Hebron, beating journalists, attacking Palestinian homes and cars, fatally shooting a fourteen-year-old girl, stabbing and seriously injuring an eight-year-old boy inside his home, and injuring 15 others; IDF soldiers on the scene did not intervene.

Ha’Aretz (6/18) reported the preliminary results of a study showing that 90% of Jewish settlers would be willing to move within the Green Line if they received enough compensation from the Israeli government (e.g., financial assistance for housing and education, employment benefits). A Peace Now survey of 3,200 settlers showed (7/24) that 77% lived in settlements for quality of life, not political, reasons; 68% would obey a democratic decision to vacate settlements, 6% would resist, and 2% would violently resist; and 59% would evacuate if financially compensated. Israel claimed to have dismantled (6/29–7/2) 20 settlement enclaves built without permission, but Peace Now reported (7/30) that three were still open, one had been moved, and the bulk of the others were uninhabited from the start. Israel released (5/19) tenders for the construction of 957 housing units in Jewish settlements: 339 in Givat HaZayit, 244 in Beitar Ilit, 224 in Ma’ale Adumim, 76 in Givat Benjamin, and 74 in Har Adar.

Buffer Zones

Last quarter (see Quarterly Update in *JPS* 124), the Israeli cabinet approved (4/14) construction of a series of fences, sensors, ditches, and barriers that would roughly follow the Green Line and would create a security zone up to three miles wide inside the

West Bank. The IDF also announced (5/7) plans to divide the West Bank into eight zones (Bethlehem, Hebron, Jericho, Jenin, Nablus, Qalqilya, Ramallah, Tulkarm), requiring Palestinians to obtain travel permits to move between zones and imposing “back-to-back” (as opposed to door-to-door) shipping restrictions, requiring goods moving between zones to change haulers at zone borders. On 5/26, Israel said it was spending \$300 m. to create the buffer zone and would agree to attend an international peace conference once it was in place.

According to the Applied Research Center Jerusalem (ARIJ; 6/8), the buffer zone plan would put 45% of West Bank land (excluding East Jerusalem) and 17% of the Palestinian population, as well as 158 of the 223 Jewish settlements, under Israeli control. ARIJ also estimated that the 5/7 IDF plan, which seemed to be fully implemented by the end of the quarter, divided the West Bank into three security areas: a western-northern area constituting 23.4% of the West Bank and including 118 settlements; an eastern area constituting 21.9% of the West Bank, including 40 settlements; and a middle area, divided into 64 “ghettos” encircled by 46 permanent IDF checkpoints and 126 sheltered roadblocks, constituting 54% of the West Bank.

Israel confiscated large tracts of land for the buffer zone this quarter, with at least 12 Palestinian villages having received notices of land seizures (some involving tracts about 60 feet wide and 5 mi long) by 6/3. On 7/12, the Armenian patriarchate complained that the IDF had confiscated church land and buildings along the Green Line near Aida r.c. for the buffer zone. The confiscation notices say the land is being taken for “military necessity” for as long as four years, stressing that Israel is not formally annexing the land. Work reportedly began in the Jenin and Tulkarm areas (ca. 6/3) and on a 71-mile stretch of fence running from Salim Junction to Tel Aviv (6/16). On 8/5, the IDF disclosed, however, that barriers had been set up along only 120 feet of the 225-mi line.

In addition to buffer zone areas, the IDF confiscated (5/28) 300 dunams of Palestinian land in Bayt Lahia, near Aley Sinai settlement in Gaza, effective retroactively to 5/1, and 120 dunams in the Jabal Mukabir neighborhood of East Jerusalem for construction of Jewish housing, a hotel, and a cable-car complex to give tourists a view of the Old City. The IDF also began (5/22) issuing magnetic cards to residents of Gaza’s al-Mawasi

area, which will be necessary for crossing the al-Mawasi checkpoint.

At the opening of the Determined Path offensive, Sharon presented (6/21) a "security map" to the inner cabinet, showing Israel holding 22% of the West Bank in the Jordan Valley as an Israeli-controlled buffer zone under a long-term interim agreement (possibly the plan Sharon alluded to on 7/1 and 7/4; see above). Peres reportedly was the only inner cabinet member to express reservations about the map and the only full cabinet member to oppose it when Sharon called a vote on 6/23. At the 6/23 meeting, cabinet members also reportedly discussed a plan to establish a "dividing wall," which Peres opposed because it would require annexing Arab land; details on the location of the wall were not released.

Independent Peace Initiatives and International Demonstrations

While there were very few Palestinian solidarity rallies across the world after the end of Operation Defensive Shield, international groups continued to organize solidarity visits to the occupied territories. Israel continued to enforce its policy (begun in 3/02; see Quarterly Update in *JPS* 124) of trying to identify and deport such groups or individuals entering Israel on tourist visas, denying entry to an estimated 1,000 people by 7/5. On 7/2, Israeli security officials barred entry to PLO Negotiations Affairs Dept. legal adviser Michael Tarazi, a U.S. citizen who lives in Ramallah; he was allowed in several days later. A delegation from the Washington-based American Muslims for Jerusalem (mostly Muslims but including three Christians) tried (6/16) to enter Israel to hold solidarity mtgs. with Israeli and Palestinian human rights groups but were deported at Ben-Gurion Airport because of "security concerns." A similar group of all Christians had been allowed into the country several days earlier. Despite State Dept. intervention, Israel refused (8/8) entry to a nine-member U.S. congressional staff delegation cosponsored by American Muslims for Jerusalem and Jews for Peace in Palestine and Israel—the first congressional delegation cosponsored by Jewish and Muslim groups.

In at least two incidents (8/7, 8/10), the IDF opened fire with live ammunition, rubber bullets, tear gas, and percussion grenades on peaceful demonstrations by Israeli, Palestinian, and international peace activists. International Solidarity Movement founder and head Adam Shapiro, an American, was

arrested at the 8/7 demonstration and ordered deported; he left on 8/11 before the order could be served.

On 7/9, PLO Jerusalem affairs coordinator Sari Nusseibeh, a leading Palestinian moderate, and former Shin Bet head Ami Ayalon reportedly met with Greek FM George Papandreou and EU envoy Solana on the sidelines of a conference in Athens and signed a document outlining an unofficial Israeli-Palestinian peace agreement. Word of the document was leaked to the press on 7/22, though no details were given. Nusseibeh would not confirm rumors of a document but admitted (7/22) to meeting with Ayalon more than once; further meetings between the two were reported ca. 7/12. On 7/9, the IDF raided, confiscated files from, and sealed Nusseibeh's office at al-Quds University in Jerusalem, a move that the U.S. said (7/10) was "troubling" and counter to goals of promoting PA reform. Israel allowed the office to reopen on 7/22.

A group of Israeli and Palestinian politicians and academics, joined by figures who negotiated the 1998 Irish peace accord, met in Britain on 6/1 to discuss new ideas on reviving the peace process. Among the participants were former IDF chief of staff Gen. Amnon Shahak; Yossi Beilin, former Israeli justice minister and Oslo architect; Knesset speaker Avraham Burg; PA Information M Yasir 'Abid Rabbuh and minister without portfolio Nabil Kassis; and former advisers to the PLO Madrid negotiating team, Yazid Sayigh and Salim Tamari.

INTRA-PALESTINIAN RELATIONS AND REFORM EFFORTS

While large numbers of Palestinians had long been calling for reform and national unity, by the end of Operation Defensive Shield on 5/10, the need for change became the primary focus of all, including Arafat (see Quarterly Update in *JPS* 124). This quarter, with a diplomatic solution increasingly premised on a change in the Palestinian leadership and restructuring of the PA, the reform issue became ever more an arena of intra-Palestinian power struggles. Since the extent of reform was very much tied to a curtailment of Arafat's power, it was inevitable that he would approve reform measures sparingly and only when pushed and that he would attempt to co-opt reform initiatives by other groups, notably the National and Islamic Higher Coordinating Comm. of the Intifada (NIHC).

Arafat and his aides sought to take the initiative by drafting (mid-6/02) an ambitious 100-day comprehensive reform plan. As mentioned above, the PA waited until the morning of Bush's 6/24 speech to give it to the U.S., apparently intending to release it publicly at the same time as the new U.S. policy to show that the PA was already addressing major areas of concern. The plan backfired, however, when Bush hardened his stance in the wake of the 6/19–21 suicide attacks. Nonetheless, the PA publicly released the 100-day plan on 6/26 and worked to fulfill it throughout the quarter. The agenda targets four areas: political reform, security reform, fiscal reform, and judicial reform.

Political Reform

Under pressure from the EU, U.S., and his own Palestinian Council (PC), Arafat pledged (5/16) to hold Palestinian presidential and legislative elections within six months, noting, however, that elections were contingent upon a substantial Israeli withdrawal to allow the freedom of movement necessary for the election process to go forward. On 5/19, the newly established PA Central Elections Comm. (CEC) outlined four steps to be taken immediately: a presidential decree setting the date of general elections, a PC decision on whether the old election law should be amended or implemented as is, securing freedom of movement for candidates and voters during the election process, and updating voter lists. When Arafat did not quickly set a date for elections, five of the CEC members resigned (5/23) in protest. On 6/9, the PA announced plans to hold municipal elections in fall 2002 and presidential and PC elections in 1/03. Realizing later that Hamas could sweep municipal elections and thereby create momentum to win PC seats, Arafat moved (6/24) municipal elections to 3/03. On 8/15, the PA said it had been informed by the EU and U.S. that Israel would not allow East Jerusalem Palestinians to participate in the elections.

The PC also urged (5/16) Arafat to assemble a smaller cabinet. Although 20 EA members offered (5/18) to resign to expedite matters, Arafat did not take steps until Tenet's visit was announced on 5/28. On 5/29, he convened his senior advisers to discuss reshuffling the EA before Tenet's arrival on 6/4, and offered the DFLP, Hamas, Islamic Jihad, Palestinian Peoples Party (PPP), and the PFLP cabinet posts in return for their halting attacks inside Israel. The DFLP,

Hamas, and PFLP declined (5/31) on the grounds that the arrangement did not offer true power sharing; Islamic Jihad did not respond to the offer; and the PPP accepted (5/31) the post of labor minister. Fatah, essentially agreeing with the opposition's assessment, called (6/7) on Arafat to undertake serious reform and restructuring of the PA, remove corrupt officials and replace them with qualified individuals, and establish "real and genuine national unity by including all Palestinian factions" in a new government.

On 6/9, Arafat appointed a "transitional" EA, trimming the number of ministers from 32 to 20 (see Doc. B1). Despite the call by Fatah, the new EA comprised 15 old EA members and only five new members who were mostly old guard PLO-types with close ties to Arafat. Among the latter was Maj. Gen. 'Abd al-Razzaq Yahya (head of the PA team in trilateral security talks and the former head of the PLO's Palestine Liberation Army), who was named to head the Interior Min., overseeing security reforms. (PSF Gaza head Dahlan reportedly rejected the post of interior minister when told he could not change the personnel; on 6/4, Arafat appointed Rashid Abu Shabak as the new PSF Gaza head.) The most encouraging choice from a reform standpoint was the young, independent, and respected IMF economist Salam Fayyad as finance minister. Israel, the DFLP, Hamas, the PFLP, and several Palestinian figures (e.g., PSF West Bank head Jibril Rajub, Health Development Information Project head Mustafa Barghouti) issued statements dismissing the changes as cosmetic. Indeed, despite the new appointments, Arafat maintained full control over negotiations, consulting with a small group of his closest advisers. The 6/14 peace initiative Shaath delivered to Powell, for example, was drafted by Arafat, PA chief negotiator Mahmud Abbas, Erakat, and Shaath. The first meeting of the new EA was held on 6/13.

When appointing the new EA, Arafat also gave PLO Jerusalem affairs coordinator Nusseibeh "an expanded role" overseeing Palestinian interests in Jerusalem (not otherwise defined) and named Shaykh Muhammad Hussayn, who is in charge of al-Aqsa Mosque, as the unofficial religious affairs minister. Neither can hold an official PA position under the terms of the Oslo accords; they can, however hold positions as PLO officials, since Israel allows a PLO presence in East Jerusalem.

Security Reform

Prior to Yahya's appointment as interior minister in charge of security reforms, Arafat outlined (5/31, 6/4) his ideas for reducing the existing PA security services from 35,000 to 25,000 members and consolidating them into four to six departments under one security head and including a conventional police force, border patrol unit, internal and external security units, and presidential bodyguard (Force 17). Arafat also discussed creating a national security council, which either he or the interior minister might head. While Dahlan accepted the position as Arafat's security adviser after having rejected that of interior minister, it was unclear where he fit in the hierarchy.

Arafat maintained control of personnel decisions, replacing or reassigning most senior security officials during 7/02, often replacing heads of divisions with their aides. While most, such as Gaza police chief Ghazi Jabali and PA civil defense chief Mahmud Abu Marzuq, accepted their terminations, PSF West Bank head Rajub refused (7/2) to step down unless Arafat fired him in person, warning that 1,000 of his officers would resign en masse to protest his dismissal. On 7/4, Arafat met with Rajub and dismissed him, offering him the post of his replacement, Jenin governor Zuhayr Manasra, which Rajub rejected. Manasra's appointment as PSF West Bank head is illustrative of a pattern: Manasra, a Fatah stalwart with significant sway in the PLO, had totally alienated Jenin residents by deserting the city during Operation Defensive Shield. Arafat needed to replace him to regain Jenin's support, but to mollify Manasra, he not only offered him the PSF post but reportedly acceded to Manasra's request to appoint Yahya as interior minister. Some of Rajub's officers did protest (7/5, 8/11), and Arafat issued (8/11) arrest warrants for several reportedly for "taking steps to intimidate" Manasra.

During his visit to the region, Tenet reportedly proposed (6/2, 6/4) that Jordan and Egypt take on "transitional security duties" in the West Bank and Gaza to train and oversee Palestinian security forces and guarantee Palestinian security cooperation, a solution that would hasten an IDF withdrawal and fulfill calls for an international presence in the occupied territories. Jordan refused (6/19, 7/1) any discussion of sending forces to the West Bank, while Egypt was willing to consider it. Mubarak went (6/19) to Amman reportedly to discuss security reform ideas with King

Abdallah and delegated his intelligence chief, Sulayman, to pursue discussion with the PA (e.g., 6/1, 6/18, 6/27, 7/7) and Israel (e.g., 7/7).

The U.S. gave (7/18) Egypt and Jordan a more detailed plan drafted (7/12) by Tenet calling for Arab participation in retraining the PA security forces, who would then resume security duties in areas evacuated by the IDF under a phased withdrawal plan. Tenet sent a CIA team to the territories in early 8/02 to assess the security forces and as of 8/10 was waiting for their report to decide how to proceed.

Meanwhile, the EA approved (7/21) a security work plan submitted by Yahya that outlined steps for reforming the security services, fighting violence, applying the rule of law, imposing security control over all PA areas, and implementing the Tenet and Mitchell plans. Yahya said the plan was to be implemented as part of a larger political process that would include such reciprocal steps by Israel as setting a timetable for a staged withdrawal to 9/00 lines and halting assassinations, incursions, arrest raids, and bombardment of PA areas.

Fiscal Reform

On 7/6, Fayyad announced that the PA had approved the consolidation of all PA accounts in a single bank account into which all money received would be deposited. On 8/14, Arafat approved the creation of a holding company, the Palestinian Investment Fund, that would consolidate all PA assets under a single umbrella controlled by Fayyad.

Responding to weeks of daily sit-ins by unemployed Gazans protesting the lack of PA support and "Marches of Hunger" by 1,000s of unemployed Gazans on 6/20 and 7/1, Fayyad authorized (ca. 7/16) a one-time emergency assistance payment of \$110/unemployed worker and announced plans to deduct a portion of the salaries of public sector employees to create an unemployment fund.

Meeting with Fayyad on 7/20, Peres said that Israel would consider releasing \$20 m. of the \$600 m. VAT taxes owed the PA if the PA agreed to form a U.S.-Israeli-Palestinian comm. to oversee the allocation of the funds. Although Fayyad approved (7/21), the U.S. refused to take part. Instead, the U.S. pressed Israel to agree (7/25) to turn over \$43 m. of the taxes in 3 installments; the first installment (\$15 m.) was made on 7/31 and the second (\$14 m.) on 8/14. Israel declared

(7/25), however, that it would take \$29.6 m. of VAT taxes to cover Palestinian debts to Israel for "electricity, water, medical care, other services." The Knesset Finance Comm. had already appropriated (6/12) \$1.2 m. from a fund created to match donor funds for Palestinian infrastructure projects to provide security for senior Israeli officials.

Rule of Law

Arafat ratified (5/28) the Basic Law, which had been approved by the PC in 11/97 but which Arafat had refused to sign because it delimits his powers and designates the PA succession (see Peace Monitors in *JPS* 106, 112, 114, 117; text available online at www.miftah.org). The Basic Law went into effect on 7/15.

In early 6/02, Arafat ratified a long-awaited judicial law emphasizing the separation of powers. Arafat extended (ca. 6/12) the mandate of the Supreme Judicial Comm. for a year and issued (7/23) a decree appointing or promoting 49 judges to the conciliation, primary, appeals, and high courts. Although the two measures will speed the handling of outstanding court cases, they may be in violation of the new judicial law.

Arafat also extended the mandate of the PLO constitution comm., headed by Shaath, which completed the draft constitution presented to the U.S. on 6/14. Though the comm. was openly discussing incorporating clauses that would weaken the power of the pres. and include a new PM position, Shaath noted (7/17) that Arafat's openness to the idea of turning over day-to-day running of the PA to a PM was premised on his assumption that the PM would be appointed by the pres. elected in 1/03.

The PA High Court ruled (6/3) that the PA had no legal ground to hold PFLP head Ahmad Saadat, detained without charge in Jericho under U.S.-British supervision in connection with the 10/01 PFLP assassination of Tourism M Rehavam Ze'evi (see Quarterly Update in *JPS* 124), and must release him immediately. In response, the IDF sent (6/3) tanks toward Jericho, declared Jericho a closed military zone, and warned that it would kill Saadat if he were freed. The EA, convened (6/3) by Arafat, overturned the ruling, citing Israeli threats.

National Unity

In addition to PA reforms, Palestinians also sought political change on a broader level and particularly a unified action plan in the face of deep divisions over national goals

and tactics, the legitimacy of suicide bombings, the justifiable means of resistance, acceptable compromises to revive peace negotiations, and so on.

In late 6/02 or early 7/02, grass-roots Fatah leaders in the West Bank, led by Hussein al-Shaykh, initiated discussions on a cease-fire and national unity with Hamas officials in Gaza. The talks were reportedly expanded under the umbrella of the NIHC, which includes all Palestinian factions. When Arafat learned of the meetings, he reportedly sent Dahlan to Gaza to participate, at which point the EU and U.S. took interest. These were the talks that brought the factions to the point of declaring a unilateral cease-fire when Israel assassinated Shihada on 7/22. After Shihada's death, unilateral cease-fire was off the table, but the NIHC continued talks to achieve consensus on the intifada's goals and methods, with the aim of creating a temporary national unity leadership. This body, which would oversee reform efforts and advise the PA until 1/03 elections, would be a true power-sharing mechanism, unlike the current EA, so that all groups would be vested in its success. In this vein, any position on the goals of final status and resuming negotiations with Israel would have to be at least tacitly approved by radical groups, such as Hamas, Islamic Jihad, and the PFLP. On 8/12, the NIHC said it was close to finalizing a draft unity platform that included a unilateral halt to attacks on Israeli civilians inside Israel and the goal of creating a state based on the 1967 borders, which would mark a dramatic shift for the Islamist groups.

A previously unknown group, al-Nathir (the Warning), which claimed (7/18) to be affiliated with Fatah, took responsibility for two attacks this quarter: the 7/17 double suicide bombing in Tel Aviv, initially claimed by Islamic Jihad, and a car bombing in Umm al-Fahm on 8/5. Some reports stated that assassinated AMB leader Ali Ajuri was al-Nathir's founder, suggesting that the new group may more accurately be described as a radical offshoot of the AMB or a temporary alliance of the AMB and Islamic Jihad.

A number of political petitions circulated this quarter, often signed by a mix of independent and opposition figures and PA officials. On 6/19, 55 prominent Palestinians (including former PC member Hanan Ashrawi, Arafat adviser Mamduh Nofal, Nusseibeh, human rights activist Eyad Sarraj, newspaper editor Hanna Siniora) published an ad condemning suicide bombings and

calling on the militant groups behind the attacks to “stop sending our young people to carry out such attacks”; the petition gained 650 signatures by 6/21. A nearly identical petition, signed by several of the same individuals but also including PLO Exec. Comm. member Samir Ghawshah and FIDA member Jamal Zaqqut, was published on 6/22 and 6/23 with dozens of signatures. A smaller petition by prominent leftists, including Ghawshah, calling for a halt to armed attacks in Israel only was published on 7/22. On 5/24, 84 Palestinian parties (e.g., DFLP, Fatah, PFLP), NGOs, universities, and prominent individuals (e.g., former PC members Ashrawi and Haidar ‘Abd al-Shafi) signed a statement calling on Palestinians to boycott U.S. aid.

Two new political organizations were also announced. Palestinian intellectuals and social activists led by ‘Abd al-Shafi, Mustafa Barghouti, and Ibrahim Dakkak announced the (6/17) formation of an independent reform movement called the Palestinian National Initiative, which called for the establishment of a national emergency leadership, immediate democratic elections, and reform of all political, administrative, and other institutional structures. Arafat aide Bas-sam Abu Sharif announced (7/15) plans to form a new Palestinian Democratic Party, which he said would “reject the Islamic movement’s role in Palestinian society.”

Several more dubious alternatives appeared this quarter, including one by Omar Karsou, a Palestinian businessman from Ramallah who recently moved to New York with his family “for fear of his life.” Karsou launched (ca. 7/5) a “civic movement” called Democracy in Palestine, “which will establish a government system that is transparent and reliable, free of the presence and the influence of [Arafat].” Over the past year Karsou has met with senior officials in the State Dept., Defense Dept., and the National Security Council, including Cheney and Wolfowitz. He is also supported by Israeli MK Natan Sharansky, who has said (*Ha’Aretz* 7/5), “Karsou represents a healthy and very correct view, and we have developed a good relationship.”

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Birzeit University Development Studies Program (DSP) between 31 July and 3 August 2002. Results are based on a survey of 1,200 men and wo-

men from the West Bank and Gaza. The poll, eighth in a series, was taken from the DSP’s Web site at home.birzeit.edu/dsp.

1. Do you think that the presidential and legislative elections being considered for January 2003 will lead to real reform of PA institutions?

	West Bank	Gaza	Total
a. Yes	41.8%	49.2%	44.6%
b. To some extent	21.5%	20.1%	21.0%
c. No	28.6%	24.8%	27.1%
d. Don't know	8.1%	6.0%	7.3%

2. If elections for the PC took place and you decided to participate, would you:

	West Bank	Gaza	Total
a. Vote for current members	14.1%	16.7%	15.1%
b. Vote for new ones	58.9%	62.2%	60.2%
c. Not sure	27.0%	21.1%	24.8%

3. Do you believe that the steps taken by the PA toward reform are directed at:

	West Bank	Gaza	Total
a. Real reform to benefit the Palestinians	22.7%	30.3%	25.6%
b. Are in response to U.S.-Israeli dictates	67.7%	61.7%	65.4%
c. Don't know	9.7%	8.0%	9.0%

4. Do you believe that the U.S. is serious about reforming PA institutions or is using this to promote its own political goals?

	West Bank	Gaza	Total
a. Serious about reforming PA institutions	3.5%	2.6%	3.2%
b. Using this to promote its own political goals	90.3%	92.3%	91.1%
c. Don't know	6.2%	5.1%	5.8%

5. If presidential elections took place and Yasir Arafat nominated himself, would you elect him?

	West Bank	Gaza	Total
a. Yes	50.4%	61.1%	54.5%
b. No	32.7%	28.9%	31.2%
c. Not sure	17.0%	10.1%	14.3%

JORDAN-ISRAEL

Jordan continued to maintain low-level contact with Israel and avoided involvement in the Israeli-Palestinian situation as much as possible, though it kept in close contact with the PA, Egypt, and U.S. The kingdom entertained U.S. ideas that it help oversee and guarantee PA reforms but would not hear of taking a security role on the ground in the West Bank (see above), which felt uncomfortably like the first step to the Jordan-is-Palestine solution that Sharon has always favored. King Abdallah and Bush held talks on the peace process in Washington on 8/1 but reached no understandings.

Jordan continued to trade actively with Israel through the qualified industrial zones. Israel's Regional Cooperation M, Roni Milo, said (7/16) that Israel was holding talks with Jordan on the construction of a \$700 m. water pipeline from Aqaba to the Dead Sea and the desalinization of some of the water for Jordan's use. Jordan preferred construction of a canal, which would have more uses, but the estimated cost was twice as high.

The Jordanian government continued to be concerned about internal dissent, particularly given the deterioration in the territories after 6/18 and rumors (e.g., 7/5, 7/9) of an eventual U.S. strike against Iraq using bases in Jordan. In a poll of 1,470 Jordanians (ca. 6/24) by the Center for Strategic Studies at the University of Jordan, 16.6% of respondents said that the government position on the Israeli-Palestinian crisis did not reflect the popular view and 24% said the government should threaten to sever relations with Israel; similar responses were reported in the Palestinian camps. In another poll of 700 "opinion makers" around the same time, 17.7% said the government position didn't reflect the popular view, and 22% said the government should threaten to sever relations with Israel.

On 6/13, Jordanian opposition groups announced plans to step up demonstrations in support of the Palestinians and a boycott of U.S. goods. Over the next week, Jordanian

authorities arrested several Islamist activists who were organizing events and warned (6/19) that adhering to the boycott would damage Jordanian interests. A state security court sentenced (6/23) four members of the outlawed Hizb al-Tahrir (arrested while circulating a petition calling for Jordanian military aid to the Palestinians) to a year in jail for membership in an illegal group. On 6/25, security forces broke up a rally sponsored by the antinormalization comm. of the Jordan professional associations and arrested comm. head Ali Abu Sukkar (released 6/26). PM Ali Abu Raghieb met (6/30) with association leaders to try to find a compromise that would tone down support of the boycott but failed, prompting the government to ban the next scheduled rally on 7/2. Abu Raghieb also publicly denounced (ca. 7/4) the associations for putting politics above their union duties and the development of their professions. Demonstrations escalated after the 7/22 Shihada assassination, with many spontaneous rallies reported in refugee camps and on university campuses on 7/22–23. The government, however, banned (7/24) a rally by political groups and professional associations that had been approved before 7/22 in light of the assassination, claiming the organizers had secured the wrong permits. Organizers threatened to stage a massive illegal demonstration in protest, which the government threatened to disperse violently if necessary; after talks on 7/25, the rally was allowed to proceed (8/2) under strict security watch.

As demonstrations became more frequent, Jordan tightened (6/25) restrictions on Palestinian entry from the West Bank. On 7/12, Jordanian and PA officials met to discuss measures to facilitate Palestinian travel across the Allenby Bridge, where 100s of Palestinians had been stranded in Jericho for days, accusing Jordan of allowing only 150–350 Palestinians/day across the bridge, rather than the normal 3,000/day. (Some of the backup was due to IDF closures, which prevented those entering from Jordan from leaving Jericho.) The officials agreed to give priority to people with special needs (e.g., students, medical cases), while regular visitors now needed to get travel permits in advance (almost impossible under closure) and provide personal guarantees supplied by a Jordanian citizen.

The State Dept. annual "Patterns of Global Terrorism" report for 2001, released on 5/21, noted that Jordan had foiled "numerous attempts by militants to infiltrate Israel from

Jordan" during the year. Jordan announced (6/2) that it had handed over to Lebanon three Hizballah members arrested for attempting to smuggle weapons into the kingdom for transfer to the West Bank. On 7/9, eight Jordanians were charged with smuggling arms and explosives to the West Bank via Aqaba between 1/02 and 5/02; if convicted, they could face the death penalty. In a separate case, six Jordanians arrested in 2/01 were convicted (7/15) of plotting attacks on Israeli and U.S. targets in the kingdom; three were given death sentences reduced to 15 years hard labor, and three were given 15 years hard labor; another six Jordanians and one Egyptian were acquitted.

Jordan recalled (6/8) its ambassador to Iran to protest Tehran's hosting of a conference of Palestinian opposition groups (including Hamas, Islamic Jihad, PFLP-General Command) that repeatedly attack Jordanian policy. By 6/27, Jordan reportedly had unofficially stopped granting Iranians entry visas. Relations between Jordan and Iran had been deteriorating since 3/01, when Jordanian authorities arrested four Palestinians returning from Iran with large sums of money allegedly to organize secret cells for operations against Israel. Over the following six months, Jordan reportedly uncovered 16 other groups and arrested 83 individuals who had received training in Iran. In 11/01, King Abdallah formally protested to Iran; Pres. Mohamed Khatami said the government was not involved but he would look into the matter, but never did.

Jordan ordered (8/7) the closure of the Amman office of the Qatar-based independent satellite channel al-Jazeera, banned its correspondents, and accused it of fomenting sedition after the station aired a talk show on which a guest criticized the royal family and Jordan's historic collusion with Israel. Jordan recalled (8/10) its amb. to Qatar in protest as well.

Israel deported (7/10) 15 Palestinians with Jordanian passports after detaining them for several months. All 15 had overstayed tourist visas and married local Palestinian women.

SYRIA-ISRAEL

The Israeli-Syrian negotiating track remained dormant this quarter. Around 5/21, Sharon reportedly transmitted to Syria via third parties eight conditions under which Israel would accept Syrian participation in an international peace conference, including demands that Syria expel "terrorist organiza-

tions," halt cooperation with Hizballah, and provide information on IDF soldiers kidnapped in 10/00 (see Peace Monitor in *JPS* 118). Syria reportedly rejected them.

In his 6/24 speech, Bush singled out Syria for harboring Palestinian opposition groups and backing Hizballah, saying it must act by "closing terrorist camps and expelling terrorist organizations." Pres. Bashar al-Asad publicly rejected (7/3) the charge of supporting terrorism, stressing the groups' right to resist occupation. Washington reportedly (*Washington Post* 6/20, 7/25) was content to let the issue rest since Syria was being helpful on the al-Qa'ida front, arresting more than 20 individuals and providing intelligence wanted by the U.S.

LEBANON-ISRAEL

Tensions between Israel and Lebanon remained high this quarter, with crossborder incidents and internal dissent among Palestinians in Lebanon raising concerns that the Israeli-Palestinian conflict was spilling over into Lebanon and might, in a worst case scenario, result in opening a second front with Israel.

The State Dept. annual "Patterns of Global Terrorism" report for 2001, released on 5/21, noted unconfirmed reports that in 2001 Hizballah "increased the export of weaponry into the West Bank and Gaza Strip" for use by Hamas and Islamic Jihad, and provided training in the Biqa' Valley for Hamas and Islamic Jihad. On 6/14, the State Dept. announced that it had issued warnings to Iran, Lebanon, and Syria after receiving Israeli intelligence reports that Hizballah and Iranian Republican Guards were moving new missiles into s. Lebanon capable of hitting major Israeli population centers and shooting down planes. Iran denied (6/14) the accusations, and the UN Interim Force in Lebanon (UNIFIL) provided (6/20) assurances that there was "no unusual military activity or build-up in the south."

Israel continued to make reconnaissance flights over Lebanon on a daily basis, despite U.S. calls (7/16) to stop violating Lebanese airspace. Hizballah continued to fire anti-aircraft shells at IDF planes flying well out of rocket range in a symbolic show of resistance (see Quarterly Update in *JPS* 124). On several occasions, Hizballah fired shells across the border into the occupied Shaba' Farms area (e.g., 6/24, 6/29) or into n. Israel (5/30), lightly injuring two Israelis and two IDF soldiers and causing minor damage. On

6/24, an IDF soldier stationed near Shaba' Farms fired across the border at Lebanese boys who refused orders to stop firing paint balls at the IDF post; one boy was injured.

On 7/30, the UN Security Council (UNSC) extended the UNIFIL mandate to the end of 1/03 and endorsed a report by Annan that accused Israel and Hizballah of repeatedly violating the UN blue line marking the unofficial border. The UNSC decided to maintain UNIFIL's troop strength at 3,600 until 8/02 but hopes to reduce the number of troops to 2,000 by the end of 2002.

Israel allowed (6/24) the International Committee of the Red Cross (ICRC) to visit former Amal head Mustafa Dirani and Hizballah's Shaykh 'Abd al-Karim Obeid, who have been detained in Israel since they were kidnapped from s. Lebanon in 5/94 and 7/89, respectively. The visit was Dirani's first since he was kidnapped and Obeid's fourth. Israel moved the men to more comfortable cells and let them receive letters from their families and send replies care of the ICRC. On 6/10, Israel released Hizballah prisoner Muhammad al-Barzawi to Hizballah officials at a border village, reportedly in hopes that Hizballah would free an Israeli captive in return. Though Hizballah did not do so, Barzawi's release may have been responsible for continuing talks under German mediation (confirmed 7/12 by Israel and Hizballah) regarding possible prisoner exchanges. Hizballah proposed (7/12) that Israel release West Bank Fatah head Barghouti and all Lebanese prisoners held in Israel in return for Hizballah freeing IDF Col. Elhanan Tennenbaum, a suspected Mossad agent lured to Lebanon and abducted in 10/00. Germany confirmed (7/12) that Tennenbaum was still alive. As of 8/4 talks were still underway.

Intra-Palestinian factional and Palestinian-Lebanese relations grew tense this quarter. Most incidents centered on 'Ayn al-Hilwa r.c., a Fatah stronghold: Lebanese security forces raided (7/11) the camp in a failed search for Badi Wali Hamada (alias Abu Ubayda), a senior member of the Lebanese-Palestinian Islamist group Usbat al-Ansar based in the camp; three security officers were killed. Muslim clerics in the camp turned Hamada over to Lebanese authorities on 7/16. On 8/13, members of the Lebanese Islamic group Duniyya, accusing Fatah of a role in surrendering Hamada, attacked Fatah positions in the camp with grenades and automatic weapons, killing one Fatah member and losing one of their own; seven people

were injured. Bombs exploded outside the 'Ayn al-Hilwa homes of local Fatah head Munir Makdah (6/2) and Fatah official Khalid Chayib (8/2) and the Sidon home of Palestine Liberation Army head Abu Ali Tanius (6/14), injuring Tanius's eight-year-old daughter but otherwise causing only light damage. These attacks were reportedly part of a power struggle between Palestinian factions. On 5/20, Muhammad Jibril, son of PFLP-GC leader Ahmad Jibril, was killed by a bomb placed under the seat of his car. No one claimed responsibility, but Arabs widely accuse Israel, which denied involvement. The PFLP-GC had been blamed for a number of crossborder attacks on n. Israel in recent months (see Quarterly Update in *JPS* 124).

REGIONAL AFFAIRS

RELATIONS WITH ISRAEL

Most Arab states continued to observe a moratorium on contacts with Israel to protest its military actions. Egypt, which had suspended all diplomatic contacts with Israel on 4/3/02 to protest Operation Defensive Shield, revived direct contacts as the Palestinian crisis reached deadlock. Mubarak adviser Osama Baz met with Sharon in Israel on 5/31, marking the first high-level encounter since 12/6/01. Mubarak also consulted with Sharon by phone on 7/16 and sent his intelligence chief Sulayman to meet with Israeli officials on security reforms (see above). Following Bush's 6/24 speech, a number of Israeli Labor party officials visited Egypt to discuss options for reviving the peace process. They included DM Ben-Eliezer (7/15), FM Peres (8/5), Knesset speaker Avraham Burg (7/14), Transportation M Ephraim Sneh (7/11), and Labor MK Haim Ramon (8/11).

Qatari FM Shaykh Hamad Bin Jassim met (7/29) informally with Peres in Paris to discuss the Israeli-Palestinian conflict. The meeting was sharply criticized by the Arab press, which also ran unconfirmed reports that the Qatari emir and his family had recently vacationed secretly in Israel.

As of 8/6, Saudi Arabia had blacklisted about 200 foreign companies (72 from Jordan, 70 from Cyprus, 23 from Egypt, 11 from Turkey) for exporting \$150 m. of Israeli products to the kingdom using forged certificates of origin.

An Egyptian security court found (6/10) Egyptian Magdi Anwar Tawfiq guilty of spying for Israel and sentenced him to ten years hard labor.

INTER-ARAB HIGHLIGHTS

Early in the quarter, Arab leaders—particularly of Egypt, Jordan, Lebanon, Syria, and Saudi Arabia—kept in touch in anticipation of an international conference on the peace process; throughout the quarter they conferred closely to coordinate stands in advance of major trips to the U.S. (such as Mubarak's visit 6/5–7 and Prince Saud's visit 6/13–14) and to brief each other afterward.

The main Arab meeting this quarter was the 7/12–14 Arab League FMs session to formulate a unified response to Bush's 6/24 speech (see above). While the states reportedly agreed quickly on the text of the working paper, heated debate continued for several days on whether Egypt, Jordan, and Saudi Arabia should take part in meetings with Powell in New York (7/16) and Bush in Washington (7/18), particularly if the U.S. would not invite other members of the Arab Follow-up Comm. Syria reportedly led the calls for an Arab boycott of U.S. officials, with FM Faruq al-Shara' reportedly walking out of the session on 7/13. Some analysts (see *Mideast Mirror* 7/16, 7/19) believed that the objections to the U.S. meetings were only for show, to give the Egyptian, Jordanian, and Saudi FMs leverage in talks with Washington.

Several lesser meetings were held to discuss the deteriorating conditions in the occupied territories and called on the international community to intervene to restrain Israel. These included two Arab League emergency sessions (6/8, 7/24); an annual Arab League session on the Palestinian conflict (7/7–10) focusing on refugees; and the first meeting (5/18) of the Arab Peace Initiative Comm., created at the Arab summit in 3/02 in Beirut (see Quarterly Update in *JPS* 124) to follow-up on the Saudi initiative.

The PA complained (7/11) that the Arab states were not following through with commitments made at the 3/02 Arab summit to provide the PA with \$55 m./mo. in budgetary aid for six months. Planning M Shaath said the Arab states had paid only \$47 m. in 3/02, \$38 m. in 4/02, and \$22 m. in 5/02, and Saudi Arabia was the only state to meet its pledge in 6/02 with \$7.5 m.

Arab information ministers announced (6/20) a \$22 m. media campaign to counter Israel's media portrayal of its policy toward the Palestinians. The money will be used to hire PR reps. in Europe and the U.S. and to

air English- and Hebrew-language broadcasts on Arab radio and TV.

In 5/02, vendors in Egypt began marketing two new brands of cheese crisps, one called Abu Ammar (Arafat's *nom de guerre*) and the other called Hero (with a drawing of a Palestinian boy throwing a rock at an IDF tank). Proceeds from the sales are to be donated to Palestinian relief efforts.

INTERNATIONAL

UNITED STATES

Although the Israeli-Palestinian conflict remained peripheral for the Bush administration, the U.S. approach to the conflict was very much in line with its broader Middle East policy. In a major speech on 6/1, Bush appeared to be taking his cue from Sharon when he declared that containment and deterrence were insufficient in the war on terror—the U.S. had to adopt a policy of “preemption” because, “If we wait for these threats to fully materialize, we will have waited too long,” and estimated that there were “terror cells in sixty or more countries.” In this vein, Powell stated (6/15) that the U.S. had learned an important lesson from Israel's 1981 attack on Iraq's Osiraq nuclear reactor, noting Israel took a lot of criticism at the time but ultimately the region was much better off because of it.

In addition to Bush's 6/24 demand for a new Palestinian leadership, there was mounting discussion of a U.S. attack on Iraq, including leaks (7/5, 7/9) of plans for staging operations from countries which had not been consulted and a statement by Sharon (8/13) that Israel would not sit on the sidelines if attacked as it had done in 1991. A classified briefing to top Pentagon advisers urged (7/10) the U.S. to view Saudi Arabia as an enemy and order it to stop backing “terrorism” or face seizure of its old fields and financial assets. Around the same time, Bush abandoned (7/12) a five-year diplomatic effort to build better relations with Tehran and announced that Pres. Khatami was “not serious” about reform and democratization and that the U.S. had “made a conscious decision to associate with the aspirations of the Iranian people.”

Bush invoked (6/17) the presidential waiver under the Jerusalem Embassy Act, suspending the process of moving the U.S. emb. from Tel Aviv to Jerusalem for another six months. On 8/6, the State Dept. announced plans to move most offices of the

U.S. consulate—including those handling visas for East Jerusalem, West Bank, and Gaza Palestinians—out of East Jerusalem “to a more secure spot,” possibly in West Jerusalem, which would make it harder for Palestinians to obtain visas and other paperwork. The Hebrew press reported (8/11) that the U.S. had unofficially recalled Consul Gen. Ronald Schlicher as part of its new policy against holding contacts with Arafat. The State Dept. stated (8/15) that Schlicher had returned to Washington for routine administrative meetings but would not comment on when he planned to return.

Israel's Internal Security M Uzi Landau and IDF Brig. Gen. David Tzur lobbied (6/27) members of Congress and Defense Dept. officials to form a joint U.S.-Israeli “anti-terror office” within the proposed Homeland Security Dept. The office would create and monitor an instantaneous communications link to share visa information, “terrorist” profiles, and virtually all other internal security data except classified intelligence. Rep. Curt Weldon (R-PA) said (6/27) that the new office would be the centerpiece of legislation he would submit to the House laying out a “strategy for increased cooperation with Israel.” At the end of the quarter, the issue was on hold as Congress debated other aspects of the Homeland Security Dept.

Rep. Weldon also said (ca. 7/11) that efforts, organized (2/02) with Sen. Joseph Lieberman (D-CT), to revive the U.S.-Israeli Inter-Parliamentary Commission on National Security (IPC) were still ongoing. The IPC is a body of legislators from Congress and the Knesset formed in 1998 to serve as the primary facilitator for expanding U.S.-Israeli cooperation. It met only once, in 9/98, to discuss missile defense cooperation and other security matters. It was supposed to meet again in 6/02 but did not because of events in Israel and the U.S.

In formal talks (8/1), the Pentagon informed Israel and Egypt that the U.S. was seeking other countries to take over its duties in the Multinational Force and Observer (MFO) mission in the Sinai so as to substantially cut its troop commitment (see Quarterly Update in *JPS* 120). Nearly half of the 1,836 MFO troops are American; the U.S. wants to cut back to 24 soldiers at the MFO headquarters. Israel and Egypt must both approve a cut, and Egypt views a U.S. troop scale back as “unjustifiable.”

Israel offered (7/29) to aid the U.S. in building Dolphin submarines for Taiwan by

giving one of the U.S. contractors bidding on the project, Northrop Grumman, the plans for the modified Dolphin submarines built by Germany for Israel, which include commando exit hatches and ballistic missile silos that standard Dolphins do not have. Israel seeks the establishment of a Dolphin assembly line in the U.S. so that it could then acquire additional submarines with the defense aid it receives annually from the U.S.

The House (397-32; 7/23) and Senate (92-7; 7/24) approved a \$28.9 b. supplemental aid package to fight “terrorism” that including \$200 m. additional aid for Israel and \$50 m. in humanitarian aid for the Palestinians. Although Bush signed (8/2) the bill into law, he announced (8/13) that he was “rejecting” \$5.1 b. of the new spending that he did not request and was tacked on without his approval, including the Israeli and Palestinian aid, in order to teach Congress a lesson about “spending restraint.” He vowed to put forward separate requests to Congress for those items among the \$5.1 b. that he supported, specifically citing the Israeli and Palestinian allotments.

Dep. Asst. Secy. of State David Satterfield warned (7/11) the House International Relations Subcomm. that the administration opposed several bills before the House aimed at punishing Arafat, imposing diplomatic penalties on the PA, cutting off relief aid to the Palestinians, and freezing Palestinian assets, saying these measures would complicate diplomatic efforts to encourage formation of a moderate Palestinian leadership. Congressional supporters say they were only trying to enact measures that Bush called for in his 6/24 speech and 6/26 G-8 comments. At the close of the quarter none of the measures had passed.

The State Dept. released (5/21) its annual “Patterns of Global Terrorism” report for 2001, stating that IDF military operations in the West Bank and Gaza damaged Arafat's ability to rein in violence and contributed to an increase in attacks against Israel.

Families of seven Americans injured or killed in “terrorist attacks” in Israel between 1993 and 2001 filed (5/20) suit in U.S. federal court, seeking hundreds of millions of dollars in damages from the alleged sponsors of the assaults, including Hamas. The American Israel Public Affairs Comm. (AIPAC) and Council of Presidents of Major American Jewish Organizations requested (8/1) that tips on those behind the 7/31 Hebrew University bombing, which killed five Ameri-

cans, qualify for rewards of up to \$25 m. under the Bush administration's Rewards for Justice program (see Quarterly Update in *JPS* 123); that evening, the FBI opened an investigation into the bombing.

A U.S. federal judge ruled (8/9) that the Treasury Dept. acted reasonably and legally when it seized the assets of the largest U.S. Muslim charity, the Holy Land Foundation (HLF), in 12/01, saying that the government's evidence supports contentions that HLF is a front for Hamas and is itself a terrorist organization, and accepting the government's position that funding Hamas charities and schools is the same as funding its suicide bombers (see Quarterly Update in *JPS* 123). The judge rejected HLF's request to hold hearings on the government's evidence so that it may respond to the charges. Another U.S. federal judge declared (6/26) unconstitutional a 1996 law allowing the State Dept. to designate groups as "terrorists" since the groups cannot challenge the designation. The law will remain in effect while the Justice Dept. appeals. If the ruling were to stand (which it is not expected to do), the U.S. would no longer be able to prosecute those who offer "material support" to "terrorist" organizations.

RUSSIA

This quarter, Russia participated in the peace process mainly through Quartet meetings. Special envoy Andrei Vdovin spent long stretches in the region (ca. 5/28-6/2, ca. 6/26-6/29, ca. 7/19-25), meeting with leaders in an effort to revive peace talks.

EUROPEAN UNION

The EU participated in the peace process mainly through the Quartet this quarter, though EU foreign policy adviser Solana (ca. 5/30-6/2), German FM Joschka Fischer (ca. 5/30-6/1), and new French FM Dominique de Villepin (late 6/02) toured the region to consult with leaders.

At the close (6/22) of a two-day EU meeting in Seville, the EU reps. issued a statement urging a halt to Operation Determined Path and the quick convening of an international conference on the peace process, which they said should call for the early establishment of a democratic Palestinian state based on pre-1967 borders, with minor adjustments if necessary. The U.S. played down the statement, calling (6/22) it a "placeholder" until Bush's speech.

EU FMs held (7/22) a meeting in Brussels to discuss the Israeli-Palestinian situation. They denounced Israeli proposals to expel West Bank Palestinians to Gaza and urged Israel to release VAT taxes owed the PA, ease humanitarian conditions, facilitate the movement of aid workers in the territories, withdraw to 9/00 positions, and halt settlement expansion.

German FM Fischer presented (7/10) the EU and UN with a new Middle East plan that aimed to fill the gaps of the 6/24 Bush speech. It called for Arafat to appoint a caretaker PM to serve until 1/03 elections. After elections but before the end of 2003 a Palestinian state with provisional boundaries would be established, which would complete final status negotiations with Israel by the end of 2005. Nothing had become of the plan by the end of the quarter.

The EU added (6/27) the AMB, Kahane Chai, and the PFLP to its list of terrorist organizations. It was also considering adding the Palestine Liberation Front but apparently did not do so.

In Israel, the family of a Jewish settler killed in a West Bank shooting filed (5/20) a \$20.7 m. suit against the EU, alleging that the EU knew that the PA was using EU grant money to fund "terrorist attacks." The EU announced (6/19) that it had looked into the repeated Israeli allegations that EU funds donated to the Palestinians have been misused and found no evidence to support the claim.

A Belgian court threw out (6/26) a war crimes case against Sharon, effectively ruling that sitting world leaders are beyond the reach of Belgium's controversial 1993 law of "universal jurisdiction" over human rights cases (see Quarterly Update in *JPS* 123). The decision also nullifies cases against Arafat, Iraqi pres. Saddam Hussein, Cuban pres. Fidel Castro, and several African leaders.

Britain released (ca. 7/25) a report showing that its arms sales to Israel doubled from 2000 to 2001. Most sales included antitank missiles, large caliber ammunition, military aircraft engines, and components for combat aircraft. Britain agreed (7/9) to sell Israel video displays for its warplanes. To avoid the appearance of selling military equipment to Israel, Britain will ship the parts to the U.S., where the planes will be fitted. British Labor party MPs and human rights groups protested the decision. The British Dept. for Environment, Food, and Rural Affairs informed (7/5) all supermarkets that they must clearly

identify produce grown in illegal Jewish settlements and may not label them as "produce of Israel." The dept. said it took the action because of numerous consumer questions regarding produce origin, not for political reasons. The Israeli FMin. was "considering its responses."

UNITED NATIONS

At a closed-door UNSC session (6/22), Annan said that resolving the Israeli-Palestinian conflict depended "first and foremost" on Israel removing the settlements and withdrawing to 1967 borders. He also said that Arafat must halt attacks against Israel and do all he can to "delegitimize terrorism." In another closed-door session after Bush's 6/24 speech, Annan warned (7/18) that there would be little hope for progress on the peace process if the U.S. and other international mediators addressed only Israeli security concerns and ignored Palestinian humanitarian and economic conditions.

At a closed-door UNSC meeting on 7/26, U.S. Amb. to the UN John Negroponte, responding to a Syrian draft res. condemning Israel's 7/22 Gaza air strike, stated that the U.S. would only seriously consider UNSC resolutions on the Middle East that condemn Palestinian "terrorism and incitement"; explicitly denounce the AMB, Hamas, and Islamic Jihad; call for parties to pursue a negotiated settlement; and recognize that Israeli withdrawal to 9/00 lines is "connected" to the improvement of the security situation. Another U.S. official confirmed (ca. 7/30), "We would not be willing to entertain a text unless those elements—and not one or two of them, but all of those elements—are included."

The UN released (8/1) its staff report on IDF actions in Jenin r.c. during Operation Defensive Shield (see Quarterly Update in *JPS* 124). The report faults both Israel (for excessive use of force, using Palestinians as human shields, arbitrary arrests, keeping out aide and medical workers after the raid) and Palestinian militants (for stockpiling weapons in the camp, amid a civilian population), and concludes that Israel killed 52 Palestinians, including 22 civilians. The UNGA ordered the report in 5/02, after Israel refused to cooperate with a UN fact-finding mission. The UN depended on public sources, such as newspaper articles, and supplemented these with reports from human rights organizations. Israel and the PA were invited to submit their own reports, but only the PA did.

The UNGA held (8/5) a special session to discuss the report during which it passed (114-4, with 11 abstentions) a resolution, jointly drafted by the Palestinian delegation and the EU, expressing grave concern over Israel's continued occupation of Palestinian towns and the dire humanitarian situation in the territories and demanding Israel's immediate withdrawal. Israel, the Marshall Islands, Micronesia, and the U.S. voted against. Australia, Bulgaria, Canada, Honduras, Nauru, Nicaragua, Romania, Samoa, the Solomon Islands, and Tonga abstained.

In response to USAID's release (8/5) of its final report on malnutrition among Palestinian children, Annan appointed (8/7) American diplomat Catherine Bertini to the new position of special humanitarian envoy to the Palestinian territories. Bertini began her first visit to the territories on 8/12 to assess malnutrition levels, living conditions, and the current level of UN assistance.

The UNRWA mandate was renewed on 6/30. Peres's legal adviser Alan Baker was in the U.S. (late 6/02) lobbying Congress to condition U.S. aid to UNRWA on UNRWA reporting any "misuse of refugee camps." UNRWA said (6/26) that it feared that Israel was raising false charges of UNRWA allowing the camps to become "terrorist outposts" in order to reduce funding of the agency and ultimately to do away with it altogether. UNRWA already routinely notifies the relevant parties and complains to the PLO if Palestinians misuse UNRWA facilities (e.g., if gunmen shoot from UNRWA schools).

On 6/21, the U.S. threatened to pull out of 15 UN peacekeeping operations unless Americans taking part were given immunity from prosecution before the new International Criminal Court (ICC), which began work on 7/1. On 7/12, the UNSC unanimously approved a U.S. compromise proposal under which the UN will provide a one-year blanket deferral from prosecution (renewable indefinitely) to all nationals from countries that have not ratified the ICC charter, which include China, Israel (which revoked its signature to the charter on 7/1), Russia, and the U.S. On 8/9, the U.S. warned foreign nations that under a new antiterrorism law passed on 8/2, they could lose all U.S. military aid unless they signed bilateral agreements with the U.S. vowing not to turn over Americans to the ICC. As of 8/15, the only country to sign a nonextradition agreement with the U.S. was Israel (8/5).

TURKEY

Israel-Turkey-U.S. joint military maneuvers were held 6/3–16. These were originally supposed to be the second stage of maneuvers; the first stage, set for 4/22–5/6, was scrapped on 4/3 due to events in the region.

Israeli and Turkish sources reported (ca. 8/12) that Turkey recently received 54 HARPY attack drones from Israel as part of a secret \$90 m. deal for Israel to provide Turkey with 104 HARPYS. Turkey reportedly intends to use the unmanned drones, described as “propeller-driven miniature cruise missiles” with 23 kg of explosives and a 400 m range, to “destroy missile facilities across the border and enemy defense radar,” presumably in Iraq.

Israel initially decided (6/27) to cancel plans to purchase water from Turkey’s Manavgat Stream, virtually killing the Turkish water project, but revoked the decision (8/6) and agreed to buy 50 mcm of water per year for 20 years at the cost of \$1 b. Israel said (8/6) it agreed to the deal for political-strategic reasons.

DONORS

Most donor activity this quarter was under the rubric of the ITFR (see above).

The exact relationship between the various donor bodies (the Consultative Group, Ad Hoc Liaison Comm. [AHLC], Local Aid Coordination Comm. [LACC], and sector working groups) and the ITFR was somewhat nebulous, especially since the donor commitment has been continuing on a somewhat undefined/emergency basis since the five-year donor commitment initiated by the Oslo Accord ran out in 12/98. The efforts of the donor bodies and ITFR overlap significantly, and it is possible that as PA reforms proceed, the ITFR will come to replace the AHLC as it takes on the role of overseer of PA fiscal responsibility and transparency. In this regard, the ITFR could prove to be a vehicle for the U.S. to gain greater control over the donor process.

Donors convened (7/3) a LACC meeting at Erez crossing to discuss how to assist the PA in implementing its 100-day reform plan, which it called “broad-ranging, ambitious, and sufficiently specific,” and to review the latest Gaza damage assessment prepared by the Support Group (see Quarterly Update in *JPS* 124). The next major donor meeting is scheduled for 9/28–29 in Washington.



Palestinians survey the damage caused by the IDF aerial bombardment, 7/22, that assassinated Hamas’s Salah Shihada, also killing 14 bystanders and wounding 140. (AFP Photo/Mohammed Saber)