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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 AUGUST–15 NOVEMBER 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

As the al-Aqsa intifada entered its second year this quarter, Israel and the U.S. were refusing to deal with Palestinian Authority (PA) head Yasir Arafat and demanding PA reform, the formation of a new Palestinian leadership, and a halt to all Palestinian violence as prerequisites to Israeli withdrawal to 9/00 positions and resumption of peace talks. While the U.S. wanted to push the Israeli-Palestinian crisis into the background to focus on its "war on terror" and a possible strike on Iraq, Israel continued its policy of "containment" and disproportionate violence to "batter" the Palestinians. Palestinian violence was relatively low as a result of Israel's Operation Determined Path, launched in 6/02 (see Quarterly Update in *JPS* 125), so Israel could afford to wait. Meanwhile, the PA moved forward with its 100-day reform plan (see below) aimed at allaying Palestinian, as well as U.S. and Israeli, criticism.

At the opening of the quarter, Israel was still occupying the seven major Palestinian population centers in the West Bank (Bethlehem, Hebron, Jenin, Nablus, Qalqilya, Ramallah, Tulkarm) retaken at the opening of Determined Path; only Jericho remained under PA control. Stringent Israeli closures, 24-hour curfews, and roadblocks kept some 700,000 West Bank Palestinians in their homes and divided the West Bank into eight sealed zones, with villages and towns within them largely isolated from each other. Palestinians in Gaza were generally not under curfew and were less restricted, though Israel Defense Forces (IDF) roadblocks divided the Strip into three sections that could be sealed off at any time. As the quarter began, at least 1,894 Palestinians (including 29 Israeli Arabs and 11 unidentified Arab crossborder infiltrators), 575 Israelis (171 IDF soldiers and se-

curity personnel, 146 settlers, 258 civilians), and 18 foreign nationals had been killed.

The Gaza First Proposal Withers

At the opening of the quarter, Israeli DM Benjamin Ben-Eliezer, with the permission of PM Ariel Sharon, under some pressure from the U.S. to ease restrictions on the Palestinians so that violence would not spin out of control, was proposing a "Gaza First" plan to the PA. On 8/18, Israel and the PA agreed to an IDF withdrawal from parts of Gaza and from Bethlehem within 48 hours, with the PA to take control of security in those areas; if calm were maintained, Israel would extend the arrangement to Hebron. Israel made no promises to halt assassinations, arrest raids, or home demolitions, and the PA made no commitment to make preventive arrests of members of opposition groups. By 8/19, the IDF had turned over control of the main n.-s. road in Gaza to the PA Preventive Security Force (PSF), lifted the curfew on Bethlehem, and withdrawn to the outskirts of that city, poised to reinvade if deemed necessary. (Bethlehem's PSF commander noted that all but three patrol cars and a few radios had been destroyed by the IDF; officers were driving their own cars and using cell phones and pay phones to stay in contact with station houses.) PA Interior M 'Abd al-Razzaq Yahya met (8/18) with the National and Islamic Higher Coordinating Comm. of the Intifada (NIHC), composed of all Palestinian factions, to urge them to declare a cease-fire to aid Gaza First implementation. The al-Aqsa Martyrs Brigade (AMB), Hamas, and Islamic Jihad were strongly opposed, still angry over Israel's 7/22 assassination of the founder of Hamas's military wing just after being informed that Hamas and the Fatah *tanzim* had agreed to declare a unilateral cease-fire (see Quarterly Update in *JPS* 125).

As Yahya continued talks with the NIHC (e.g., 8/22, 8/23, 8/24), the IDF assassinated

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(8/20) senior Popular Front for the Liberation of Palestine (PFLP) member Muhammad Saadat and *tanzim* leader Afsam Salima, fatally shot (8/24) AMB Jenin cmdr. Muhammad al-Ott (8/24) in what was likely an assassination, and stepped up (8/20–24) attacks on residential areas of Gaza, raids in Hebron, and arrests of senior Hamas members (see Chronology for details).

Israeli and PA teams met again on 8/23 to assess the Gaza First implementation, but although Bethlehem in particular had been quiet, the IDF put off for a week discussion of expanding the arrangement to Hebron. The PA complained that the IDF had turned over only the main n.-s. road and a few secondary roads in Gaza and essentially still controlled Bethlehem through its cordon around the city. On 8/25, Israel declared that there would be no further IDF redeployments from PA areas until after the Jewish holidays at the end of 9/02, at the earliest.

On 8/28, the IDF reported mysterious barrels floating off Gaza's shore near Shaykh Ajlin and launched an "intensive operation" to halt what it believed to be arms smuggling. Although the DMin. acknowledged later in the day that the barrels contained refrigerators, Ben-Eliezer used the incident to postpone indefinitely (8/28) further talks on Gaza First. On 9/5, he formally called off implementation of the plan following a roadside bombing in Gaza that disabled a tank and killed two IDF soldiers and an ambush of an IDF patrol near Bayt Lahia that killed one soldier and wounded another. Israel did not, however, reoccupy Bethlehem.

Toward a Road Map to Final Status

With Gaza First effectively dead by 8/25, focus shifted to efforts by the Quartet (the European Union [EU], Russia, UN, and U.S.) to draft a "realistic road map" toward Palestinian statehood by 6/05, the plausible target date mentioned by U.S. Pres. George W. Bush in his major Middle East policy address on 6/24/02 (see Quarterly Update in *JPS* 125). While U.S. Asst. Secy. of State David Satterfield traveled to the region (8/28–9/3) to discuss PA reform and ways of achieving a general cease-fire, the EU led the effort to draft a detailed, phased plan in keeping with Bush's 6/24 outline. EU FMs met in Denmark on 8/30 to work on a draft based on proposals already put forward by France (see Quarterly Update in *JPS* 123), Germany (see Quarterly Update in *JPS* 125), the Arab League (see Doc. B1 in *JPS* 124), and the International Crisis Group (see Doc. A2 in *JPS*

125). Danish FM Per Stig Moeller, the rotating head of the EU, discussed the plan with Arab leaders on the sidelines of an Arab League session in Cairo on 9/5.

The EU presented its draft to other Quartet members and reps. of Israel, the Palestinians, and Arab states on 9/17 on the sidelines of the UN General Assembly (UNGA) opening session but did not release it publicly. The Quartet agreed to continue work on the draft, confirming the aim of creating a provisional Palestinian state with temporary borders by the end of 2003 and a permanent state by 6/05. Also on the sidelines of the UNGA session, Bush met (9/12) with PA Planning M Nabil Shaath, his first contact with a PA official since his 6/24 call for a change of PA leadership, to reiterate personally his commitment to an independent Palestinian state. Bush's speech to the UNGA (9/12), while focusing on Iraq, also repeated that pledge.

Through the end of the quarter these were the only types of contacts held to mediate between Israel and the Palestinians, though the international community kept channels open to both sides. Direct contacts between Israel and the PA were limited to issues involving PA reform, though PA requests for such things as VIP passage to convene reform meetings were often denied.

From 8/25 to 9/18, violence continued at a moderate level (see Chronology), with Israel increasingly targeting Gaza (especially Bayt Lahia, Dayr al-Balah, Khan Yunis, Rafah), conducting major raids (e.g., 8/28, 8/29, 9/7, 9/9, 9/11, 9/13), shelling and firing at residential areas, bulldozing Palestinian agricultural land, and demolishing Palestinian houses. House demolitions and bulldozing increased in the West Bank as well. The IDF began (ca. 8/24) easing curfews in the West Bank for longer periods during the day, particularly during school hours after the Palestinian school year began on 9/1, though curfews were still severe and widespread. The IDF kept up its assassination campaign, killing wanted AMB member Rafat Daraghma (8/31, but missing the main target, local AMB leader Jihad Sawafta) and wanted Palestinian Mahmud Harfush (9/10). Two AMB members were killed, perhaps assassinated, on 9/6. The IDF also killed an increasing number of unarmed Palestinian civilians, targeted for "acting suspiciously" or caught in the cross-fire of larger IDF operations. (Following 12 such killings between 8/28 and 9/1, Israeli pres. Moshe Katsav ordered [9/1] an investi-

gation into IDF operations but ultimately ruled [9/6] that the IDF acted appropriately in all incidents.) The IDF also arrested (8/25, 8/27) most senior PFLP members not already dead or detained, severely crippling the organization. Aside from the two Palestinian attacks on 9/5, mentioned above, the only major Palestinian attacks during this period were a failed car bombing (9/5) and a PFLP shooting inside Brakha settlement that wounded two settlers (8/31). As of 9/17 1,942 Palestinians (including Israeli Arabs) and 579 Israelis had been killed.

Operation Matter of Time

Palestinian violence escalated sharply on 9/18, when an Islamic Jihad suicide bomber detonated a device at a bus stop in Umm al-Fahm in Israel, killing one Israeli; an AMB gunman ambushed a Jewish settler vehicle near Jenin, killing one settler; and a second Jewish settler was found murdered in East Jerusalem. The next day, a Hamas suicide bomber detonated a device on a bus in Tel Aviv, killing five Israelis and injuring more than 50. Sharon immediately convened (9/19) his cabinet, which unanimously decided to launch Operation Matter of Time to "isolate . . . Arafat rather than expel him." (Sharon reportedly wanted to expel Arafat to Gaza or abroad, and the IDF had operational plans to capture and transfer him to a third country as of 8/17, but Labor coalition members would not support this.) The IDF reimposed 24-hour curfews on all West Bank areas except Hebron and sent tanks into Ramallah to surround Arafat's offices. The cabinet also demanded (9/19) the immediate extradition of around 20 wanted Palestinians (later raised to 50, including Force 17 head Mahmud Damara and PA General Intelligence chief Tawfiq Tirawi) allegedly among the approximately 200 Palestinians hiding in Arafat's offices. (Although 28 Palestinians surrendered between 9/19 and 9/20, Israel said none of them was wanted.)

Between 9/19 and 9/21, the IDF blew up six buildings (including the four-story PA Interior Min. and the Ramallah governate building) in the PA's Ramallah complex, destroyed 11 caravans housing temporary PSF offices, and set fire to storehouses, leaving the building in which Arafat was taking shelter the only structure standing in the compound. Soldiers dug a trench around that building and demolished staircases inside to keep him and his men confined to one floor. Late on the night of 9/21, the IDF warned those inside the building to evacuate or risk

being harmed when the IDF blew it up, prompting 1,000s of Palestinians to take to the street in protest, despite the curfew. The IDF fired stun grenades and live ammunition at the crowds, killing two Palestinians (including a journalist with Voice of Palestine). After al-Jazeera TV aired news of the spontaneous Ramallah demonstrations, 1,000s of Palestinians violated curfews in Jenin, Nablus, and Tulkarm and rallied in Gaza to protest; the IDF fatally shot two Palestinian protesters in Nablus and Tulkarm. None of the Palestinians in the Ramallah compound evacuated, and the IDF did not blow up the building; Israeli officials said the threat was "psychological combat," one of the efforts aimed at making living conditions so unbearable that Arafat would seek refuge abroad. Intense Palestinian protests in defiance of the curfews continued across the West Bank and Gaza through 9/23, tapering off around 9/25.

After the U.S. ordered (9/22) Israel to halt the Ramallah attack immediately, the IDF operation turned into a siege of Arafat's compound. The UN Security Council (UNSC) ordered (9/24) Israel to stop the offensive and withdraw immediately, and the U.S. requested (9/25) that Israel comply, but Sharon refused (9/25). On 9/27, U.S. Amb. to Israel Daniel Kurtzer delivered a personal message from Bush to Sharon, pressing him to end the standoff quickly and noting that Israel's continued defiance of the 9/24 UNSC resolution was hurting U.S. efforts to build a coalition against Iraq. Sharon sent (9/27) his bureau chief, Dov Weisglass, to Washington to discuss the issue with Secy. of State Colin Powell and National Security Adviser (NSA) Condoleezza Rice, after which Israel lifted the siege on 9/29, allowing Arafat and all those inside to leave; IDF troops remained in Ramallah, however, with snipers posted around Arafat's building. MK Natan Sharansky stated (9/29) that Israel "didn't correctly assess . . . how much the U.S. has already started counting down to the strike against Iraq. . . . This is the result."

Meanwhile the IDF stepped up (9/20) raids in Gaza, stating (9/24) that the incursions were the start of a major campaign in the Gaza Strip targeting Hamas. Between 9/20 and 9/29, the IDF killed nine Palestinians (possibly including assassinations of a local AMB leader and a senior Hamas military leader) and wounded 24 in a single raid on Gaza City (9/24); attempted (9/26) to assassinate most wanted Izzeddin al-Qassam Brigades member Muhammad Dayif, wounding

him, killing two other Hamas members, and wounding 30 bystanders; fatally shot senior Hamas member Nashat Abu Jabara (9/26) and wanted Palestinian Muhammad Yaghmur (affiliation unknown; 9/26) in what may have been assassinations; and sealed (9/20) the Jerusalem offices of PLO Jerusalem affairs adviser Sari Nusseibeh for a second time (see Quarterly Update in *JPS* 125). By 9/28, when the al-Aqsa intifada marked its second anniversary, 1,975 Palestinians and 589 Israelis had been killed (see Doc. A2).

The U.S. Strives to “Maintain Momentum”

Soon after the Ramallah siege ended, the U.S. reportedly warned Sharon to limit Israeli incursions, ease restrictions on Palestinians' day-to-day functioning, and make gestures to the PA (e.g., releasing VAT taxes) to keep momentum toward a road map going and generally to keep the conflict out of the international spotlight as Bush admin. efforts to build a coalition against Iraq mounted after the UNGA session of mid-9/02. Violence, however, remained high (see Chronology).

In the West Bank, the IDF reduced the number of troops inside Palestinian cities and towns and eased curfews in most areas during the day, but tightened the encirclement of population centers, shifted arrest raids and searches to villages, and randomly reimposed curfews with some frequency, endangering Palestinians caught in transit between their homes and daily errands. Israel steadily intensified operations in Gaza and generally seemed to loosen open-fire restrictions (Palestinian casualties in 10/02 [88] were up 25% from 9/02 [61]), hitting an increasing number of innocent Palestinians, particularly children under 18. As the olive season unfolded in 10/02, Jewish settler attacks on Palestinian farmers, aimed at eliminating one of the Palestinians' few remaining sources of income, intensified dramatically. (UNRWA recorded incidents of settlers intimidating olive pickers in 113 villages in 10/02, which left one Palestinian dead and dozens injured. The Land Defense General Comm. reported 999 acts of destruction by settlers on more than 12,200 dunams of West Bank olive groves in 10/02.) When IDF soldiers intervened, it was usually to remove the Palestinians, allowing settlers to steal or destroy the olive harvest.

In the first week after the end of the Ramallah siege, the IDF clashed (9/30) with Islamic Jihad members in Nablus and Balata

refuge camp (r.c.), leaving one soldier dead and three buildings afire, and shot at stone-throwing Palestinian youths protesting the incursion, killing two boys ages 10 and 12 and injuring 25. Soldiers conducted (10/2) arrest raids outside Gaza City, detaining more than 100 Palestinians. The IDF staged (10/7) a massive raid on Khan Yunis, shelling a crowd of civilians, firing on a hospital, killing a total of 17 Palestinian civilians, and wounding more than 100. The IDF said (10/7, 10/8) that the unprovoked raid, which Sharon called (10/8) a “success,” was part of its new strategy to put pressure on Hamas and “interfere with their self-confidence,” though no Hamas members were killed or captured. The IDF fatally shot (10/6) Islamic Jihad member Samir Nursi in Jenin r.c. in what may have been an assassination. The IDF also announced (10/3) that soldiers had rehearsed grabbing Arafat and expelling him via helicopter to “a distant country.” Palestinian mortar fire, antitank grenades, roadside bombs, and gunfire to challenge incursions seemed to creep upward as a result of Israel's escalation. The PA warned (10/7) the U.S. that Israeli settlement expansion was becoming so extensive—eliminating the possibility of a viable Palestinian state—that the Palestinian leadership might soon be forced to abandon a two-state solution. Then on 10/10, a Hamas suicide bomber prematurely detonated a device at a bus stop near Bar Ilan Junction in Israel, killing one Israeli and wounding 16. The next day, an Islamic Jihad member preparing a suicide bombing outside the U.S. embassy in Tel Aviv was captured without incident.

These events, combined with the general upswing in violence, placed Israel, which wanted to strike hard at the Palestinians, in a difficult position vis-à-vis the U.S., which feared the impact of spiraling violence. On 10/11, Amb. Kurtzer delivered a letter from the Bush admin. to Israel criticizing it for not fulfilling pledges to ease the Palestinians' hardship and for its raids in Gaza. The only gestures Israel had made to the PA was to go ahead (10/4) with a small, overdue transfer of VAT taxes (see below) and to dismantle (10/9–10) one occupied and 11 unoccupied West Bank settlement enclaves. (The IDF and Jewish settlers removed 22 enclaves by 10/17, only two of them occupied. The one occupied enclave that the IDF dismantled sparked clashes with settlers who repeatedly reoccupied the site 10/16–29, until the IDF apparently gave up trying to remove them.)

Kurtzer's letter had no impact. In a speech to the Knesset on 10/14, Sharon called on Palestinians to replace their "murderous regime" and declared that 2003 could be "a year of change," but "we first have to give the Palestinians a very heavy blow before we can talk peace." Violence continued apace with the IDF assassinating AMB member Muhammad Ubayyat (10/13) and Islamic Jihad members Wassim Saba'na and Muhammad Musa (10/14). As of 10/15, around 2,034 Palestinians and 591 Israelis had been killed.

The U.S. Trumps the EU Road Map

On 10/16 Bush received Sharon in Washington for talks on Iraq and, to a lesser extent, the Palestinians. Sharon reportedly (*Jerusalem Post* 10/16) sought U.S. commitments regarding a post-Saddam effort to resolve the Israeli-Palestinian conflict in exchange for Israel staying out of a war with Iraq, but no details were released. Bush said little about Israeli actions in the territories (though Powell raised concerns in his meeting with Sharon on 10/17) but urged Sharon to pull out of one Palestinian city to give the Palestinians encouragement. (The IDF withdrew from some neighborhoods of Hebron on 10/20, 10/25.) Most important, Bush presented Sharon with a U.S. draft road map (see Doc. D3) that the U.S. planned to submit to the Quartet as an alternative to the EU draft plan. After the meeting, Sharon praised Bush, saying Israel had "never had such relations with any president of the United States as we have with you. We never had such a cooperation in everything as we have with the current administration." He also said he had not bothered to look at the U.S. draft.

On 10/17 U.S. Asst. Secy. of State William Burns began a two-week tour of Europe and the Middle East for consultations on Iraq and the Palestinian situation. At his first stop, in Paris, Burns presented the Quartet and PA Planning M Shaath with the U.S. draft road map. After stops in Egypt (10/19), Jordan (10/20), Saudi Arabia (10/20), Lebanon (10/21), and Syria (10/22), Burns finally arrived in Jerusalem (10/23) to brief Israeli and PA officials on the six-page document, which Sharon still claimed not to have read. It is uncertain how the U.S. draft differs from that of the EU, which was never released. The U.S. draft proposes three phases: In phase 1 (10/02–5/03) the PA would form a new cabinet that would appoint a PM, declare the cessation of the armed intifada, halt all violence, and hold parliamentary elections—in that order; Israel would withdraw to 9/00 positions and halt all settlement activity (includ-

ing natural growth) "consistent with the Mitchell report"; Egypt and Jordan would return amb. to Israel. In phase 2 (6/03–12/03) the Quartet would set up a monitoring body to oversee Palestinian security cooperation, hold an international conference to discuss Palestinian economic recovery, and mediate negotiations on the establishment of a state with provisional borders by 12/03. In phase 3 (1/04–6/05) a second international conference would be held to endorse the provisional state, relaunch final status negotiations to be completed by 6/05, and take steps to restart Israeli peace talks with Lebanon and Syria. Burns held follow-up talks with Israeli and PA officials (excluding Arafat) on 10/24 to gauge their initial reactions (Israel accepted the principles expressed but said that requirements on settlements and halting all operations in populated areas were unreasonable; the PA said it lacked adequate timetables and would interfere with internal politics by demanding appointment of a PM) and requested they give their official comments to the U.S. within two weeks so that the plan could be revised and revisited in 11/02. A final version was to be agreed and presented formally in 12/02—more than a month into the proposed timetable, an oddity the U.S. did not explain.

Meanwhile violence deepened: On 10/18, after a year of near daily gunfire, stonethrowing, physical assaults, and vandalism by local Jewish settlers, 150 Palestinian residents of Yanun evacuated their West Bank village and moved to neighboring Aqraba, marking the first time that settler harassment forced out an entire village. (Some families returned on 10/23 after the IDF guaranteed their protection. Settler attacks resumed on 10/25, but the families did not leave.) On 10/21, two Islamic Jihad suicide bombers detonated a car bomb next to a bus outside Hadera, killing 14 Israelis and wounding 40. Israel stated (10/22) it would delay its military response in deference to U.S. regional concerns but reimposed curfews and blockades across the territories, barred West Bank Palestinians from harvesting olives, saying troops could not offer protection from Jewish settlers, and ordered a halt to all drilling for water by West Bank Palestinians. (The ban on olive picking was lifted late on 10/22 after Arab MKs petitioned the Israeli High Court.) Days later, the IDF launched (10/25) Operation Vanguard, a two-week operation (ending 11/10) reoccupying and conducting house-to-house searches and arrest raids in Jenin town and r.c., the home of the Hadera

bomber. The IDF also assassinated two Islamic Jihad members (10/27), a Hamas member (10/29), and a wanted PA intelligence officer (10/30). A Hamas suicide bomber was captured and virtually executed (10/27) by a group of soldiers and settlers, but the fatal gunshots detonated his device, killing three IDF soldiers and wounding 18 others. A Palestinian gunman infiltrated (10/29) Hermesh settlement, killing three settlers and wounding two before being shot dead. By 10/30, some 2,062 Palestinians and 611 Israelis had been killed.

Sharon Calls Early Elections

On 10/30, DM Ben-Eliezer, FM Shimon Peres, and Labor's three other cabinet ministers resigned from the coalition government in protest over the FY 2003 budget (passed that day, 67-45), leaving Sharon with a right-wing minority coalition of 55 of 120 Knesset seats. (Labor head Ben-Eliezer had demanded on 10/28 that Sharon shift \$150 m. allocated to Jewish settlements to social services given the downturn in the economy.) When he could not reach a compromise to keep Labor in the government or an agreement with the right-wing National Union-Yisrael Beitunia bloc to expand his coalition, Sharon dissolved (11/5) the Knesset, forcing early elections within 90 days. Sharon also named party rival and former PM Benjamin Netanyahu as his interim FM and former IDF chief of staff Shaul Mofaz as his interim DM, creating a much more hard-line cabinet. Senior Israeli officials immediately declared that "everything—everything—is now on hold until after the election," which was quickly set for 1/28/03. In his first official statement as FM, Netanyahu specifically stated (11/6) that the U.S. draft road map was no longer on the agenda. (Netanyahu, who long before had declared that he would challenge Sharon for the PM candidacy in the next Likud primary—now set for 11/28—also vowed on 11/12 that if elected, his first act as PM would be to expel Arafat.)

Some senior U.S. admin. officials admitted (11/7) that the U.S. draft road map was "moribund because of Israeli indifference, Palestinian violence, and the administration's preoccupation with Iraq" and stated (11/7) that there were debates within the admin. over what steps each side should be required to take. Nonetheless, work on the road map continued. PA Information M Yasir 'Abid Rabbuh (11/2) and Planning M Shaath (11/3) began separate regional tours to dis-

cuss the U.S. draft with Arab leaders. Asst. Secy. of State Satterfield went forward with a tour (11/11-16) to present and discuss with Israel, the PA, and the Quartet a revised version of the plan based on their comments. The new draft reportedly tightens security demands on the Palestinians and requires Israel to make an express commitment to an "independent, viable, sovereign" Palestinian state; Satterfield asked the sides to keep the details of the plan secret while discussions continued. He also admitted (11/13) that while he "would not exactly call [the road map] frozen," it is an "evolving" document, and "domestic developments in both Israel and the Palestinian areas have always influenced the timetable of our efforts."

From 10/31 through the end of the quarter, violence continued at a high level. The IDF continued to target Gaza, particularly Hamas members, and staged massive incursions into Gaza City (11/14), Nablus (beginning 11/13), and Tulkarm (beginning 11/12). Curfews, while eased somewhat, were in place for long stretches in most areas of the West Bank. In the West Bank, the IDF was inside or encircling all Palestinian population centers, and restrictions on movement were high. (No IDF forces were in Jericho, as was the case last quarter, and there was only a light troop presence in Bethlehem.) The IDF assassinated Islamic Jihad military leader Iyad Sawalha (11/9), two senior Hamas members (11/4, 11/15), and possibly a wanted Palestinian (11/8). In retaliation for Sawalha, Islamic Jihad killed (11/9) an IDF soldier on patrol. A Hamas gunman killed (11/6) two Jewish settlers in Gush Katif settlement. An AMB gunman killed (11/10) five Israelis in n. Israel. Islamic Jihad staged (11/4) a suicide bombing in Tel Aviv, killing two Israelis and wounding 30. The IDF apparently foiled other suicide bombings on 11/2, 11/7, and 11/10. Just at the close of the quarter, Islamic Jihad staged (11/15) a well-planned, dramatic ambush of a detail of IDF soldiers, border police, and Jewish settler security officials en route from the Ibrahim Mosque/Tomb of the Patriarchs in Hebron, killing 12 (including the IDF Hebron cmdr.) and wounding 15. (The gunmen carefully allowed a group of Jewish worshippers to clear the area before opening fire on the security detail.) With little diplomatic activity afoot and a hard-right Israeli interim government in power, the period until the Israeli elections or a U.S. strike on Iraq looked bleak.

Intifada Data and Trends

At the close of the quarter, at least 2,058 Palestinians (including 30 Israeli Arabs and 12 unidentified Arab crossborder infiltrators), 633 Israelis (including 195 IDF soldiers and security personnel, 154 settlers, 284 civilians), and 19 foreign nationals had been killed. The *Washington Times* (9/11) reported that 31 of the Israelis killed (including five active duty IDF soldiers and one security guard) and one of the Palestinians held U.S. citizenship.

The UN reported (9/1, 10/1, 11/1) that between the start of Operation Determined Path on 6/18/02 and 8/31/02, 144 different West Bank localities (cities, villages, and refugee camps) had been placed under curfew, with 62 remaining under curfew for more than 30 days. In 8/02 an average of 74 localities were under curfew at a time. This figure dropped to 46 for the month of 9/02, 26 for the last week of 9/02, and 14 for the last half of 10/02, with Jenin (560 curfew hours for 10/02 out of a possible 744), Nablus (712 curfew hours in 9/02), Qalqilya, and Tulkarm (480 curfew hours for 10/02) the hardest hit. As of 10/1, the UN reported that 14 Palestinian locales (Amari r.c., Askar r.c., 'Ayn Bayt al-Ma' r.c., Balata r.c., Bayt Iba, Bayt Wazzan, Beitunia, al-Bireh, Jenin r.c. and town, Nablus, Ramallah, Tulkarm r.c. and town) whose population totaled around 431,000 had been under 24-hour curfew without a full day's break for more than 100 days (the total had been 560,000 in 9/02).

This quarter, Israel carried out 17 killings that were clearly or almost definitely assassinations (down from 19 last quarter): AMB's Rafat Daraghma (4/7), Muhammad al-Ott (8/24), and Muhammad Ubayyat (10/13); Fatah *tanzim* member Afsam Salima (8/20); Hamas's Asim Sawafta (10/29), Muhammad Obeid (11/15), and Hamid Sidr (11/4), plus an unidentified member (9/28); Islamic Jihad's Ahmad Jawdatallah (10/27), Ala' Khadayriyya (10/27), Muhammad Musa (10/14), Wassim Saba'na (10/14), and Iyad Sawalha (11/9); PFLP's Muhammad Saadat (8/20); and three wanted Palestinians of uncertain affiliation (9/10, 9/27, 10/30). At least eight other deaths—two on 9/6, two on 9/24, two on 9/26, 10/6, 11/8—had the markings of assassinations but could not be confirmed. An attack on 9/26 was clearly a failed assassination attempt against Hamas's Muhammad Dayif.

There were 13 Palestinian suicide attacks (down from 27 last quarter), which killed 43 and injured around 175 (down from 86 killed

and around 330 injured last quarter). Of these, six were bombings (9/18, 9/19, 10/10, 10/21, 10/27, 11/4, 11/15). The other seven attacks (8/23, 8/31, 9/5, 10/18, 10/29, 11/1, 11/6) could be called "suicide" insofar as they were certain to result in the deaths of those who staged them. Though multiple groups occasionally took responsibility for a single incident, Hamas is believed to have staged five attacks, Islamic Jihad three, the AMB two, and the PFLP one; two incidents were carried out by unaffiliated individuals. Use of mortars, rockets, grenades, and to a lesser degree roadside bombs seemed to be up. A Qassam-3 (with a range of up to 12 miles) was apparently used for the first time on 9/12 (injuring a Jewish settler in Gaza) and again on 9/13. For the second time, Palestinians disabled (9/5) a Merkava tank with a roadside bomb; the first time was on 3/14/02.

IDF demolition of Palestinian houses was up dramatically this quarter, with most incidents in the Rafah area (at least 45 houses and 21 stores in Rafah and 9 homes in nearby Brazil r.c.) and Jenin (at least 19 houses), with other concentrations around Gaza City, Jerusalem, Jiflik, Ramallah, and the areas surrounding Kefar Darom settlement. IDF bulldozing of Palestinian land seemed to be significantly higher as well (see Chronology for details).

A month into the Palestinian school year, UNRWA estimated (10/2) that while most Palestinian children had either returned to school or were receiving alternative schooling, more than 226,000 children and 9,300 teachers were unable to reach their regular classrooms and at least 580 schools had been closed due to IDF closures and curfews.

At least nine ailing Palestinians died when they were barred from crossing IDF checkpoints to reach hospitals or when the IDF barred medical workers from reaching the wounded (8/17, 9/23, 9/29, 10/4, 10/7, 10/21, 10/22, 10/23, 11/7); in one incident (11/12) the IDF halted an ambulance and arrested a patient being taken to the hospital for heart trouble.

The UN estimated (8/30) that 70% of Gazans and 55% of West Bank Palestinians were living below the poverty line of \$2/day. UNRWA put (11/4) unemployment at around 50%. According to the PA Central Bureau of Statistics (PCBS; 8/30), 56% of Palestinian households had lost at least half of their income and about 20% had lost all of their income between 3/02 and 8/02.

The PCBS also released (11/10) data from a forthcoming statistical abstract showing that there are 9.1 m. Palestinians in the world: 3.5 m. in the West Bank, Gaza, and East Jerusalem; more than 1 m. inside the Green Line; 2.6 m. in Jordan (of a total population of 4.85 m., as estimated by the kingdom's National Population Commission; see Jordan-Israel below); 411,000 in Syria; and 391,000 in Lebanon. (While the Lebanon figure reflects UNRWA rolls, the actual number is widely believed to be far less, as many Palestinians have left the country.)

The international group Reporters Without Borders ranked (10/24) the PA 82d and Israel 92d in the world for their respect for press freedom and treatment of journalists. This quarter, the IDF shot and wounded one Swedish journalist (9/2), fired at a Reuters crew (8/29), and detained and took the cameras of three camera crews (9/18, 9/28, 9/30). Three Palestinian journalists arrested by the IDF during Operation Defensive Shield in 4/02 were released in 10/02. On 11/1, Hamas members attacked and injured two Reuters cameramen.

Buffer Zones

Israel continued work this quarter to create a buffer zone and security fence paralleling the Green Line in the West Bank (see Quarterly Update in *JPS* 125). At the opening of the quarter, the IDF seemed to have fully implemented plans (see Quarterly Update in *JPS* 125) to divide the West Bank into eight zones (Bethlehem, Hebron, Jericho, Jenin, Nablus, Qalqilya, Ramallah, Tulkarm) through myriad roadblocks and closed military zones. Throughout the quarter, efforts seemed to concentrate on confiscating land for construction of the security fence as well as digging "antitank trenches" and erecting walls around Palestinian population centers to reduce points of entry and exit to a few IDF checkpoints (one in Qalqilya's case, three in Jenin's). Israel was reportedly (10/29) incorporating into the fence project plans first discussed in 2000 to limit points of entry from the West Bank to five, including crossings at Jalama (n. of Jenin), Taibeh (between Qalqilya and Tulkarm), at Atarat Junction (between Ramallah and Jerusalem), and near Tarqumiyya (in the s.).

Israel said (8/26, 9/4) that it was drafting plans to run the separation fence w. of some Israeli Arab towns inside the Green Line, treating them as part of the West Bank, and e. of nine Jewish settlements (Aley Zahav, Beit Aryeh, Beit Horon, Hashmonaim, Kiryat

Sefer, Matityahu, Menora, Ofarim, Pdu'el), effectively annexing them. The Israeli cabinet approved (9/11) a proposal by Sharon to include Rachel's Tomb in Bethlehem within the area to be enclosed by the new security fence around Jerusalem and to build a new bypass road to the tomb. A section of the separation fence currently under construction reportedly (9/6) will divide Abu Dis and Azariyya from Ras al-Amud and the rest of Jerusalem. An Israeli court blocked (early 11/02) the IDF, however, from completing construction of a section of the fence running s. of Ramallah, which would have cut through lands belonging to Kafr Aqab, Semiramis, and Umm Sharayit, cutting off 20,000 Jerusalem residents from Jerusalem itself. (See map in Settlement Monitor.)

In addition, the Israeli government was considering (8/25, 10/2) constructing separation fences around each individual or large blocs of settlements in the West Bank; each fence would enclose a paved perimeter road encircling a 200–400 m buffer area, further insulating the built-up areas. The YESHA settlers council disapproved (8/25), saying the government would be fencing in the settlers instead of fencing out the Palestinians. The IDF began (ca. 10/2) work on perimeter areas for Nachliel and Rimoni settlements as an experiment. Another "fenced-in bloc" was being planned that would include the Ariel-Barqan bloc, Elkana, Emmanuel, Ginot Shomron, Karnei Shomron, Keddumim, Kedar, Ma'ale Shomron, and Nofim.

On 10/22, the IDF reported that it had appropriated some 15,000 dunams of Palestinian land for the fence and buffer zone. The government has promised to return the land to its owners at an unspecified date in the future, but analysts believed (*Ha'Aretz* 10/22) that "because a fence is to be built on the land, there is a very remote chance that the residents of the Palestinian villages will ever get their land back." The IDF believed that the first 98 km segment of the security fence and all its electronic components would be completed by 7/03 and that an 8.5 km section running from n. of Jenin to Mei Ami Junction would be completed by 1/03. Current construction was reportedly concentrated in a 78 km stretch from n. of Jenin to the Elkana settlement area and in a 21 km stretch on the n. and w. sides of the "Jerusalem envelope."

The Palestinian human rights group LAW estimates (9/25) that 11,000 Palestinian will end up living in a closed military zone be-

tween the Green Line and the security fence. (For further information on the buffer zone, see B'Tselem, *The Separation Barrier: Position Paper*, September 2002.)

Israeli Legal Maneuvers

The Israeli High Court ruled (9/3) that the government could banish to Gaza the West Bank relatives of Palestinians accused of staging attacks on Israelis, but only in "extreme cases" where "that person, by his own deeds, constitutes a danger to the security of the state." The ruling argues that such forced transfer constitutes "assigned residence" under Articles 41–43 of the Fourth Geneva Convention and is therefore legal under international law. The court thus upheld an 8/12 military court order to expel to Gaza for two years the brother and sister of senior AMB member Ali Ajuri (assassinated 8/6/02) for allegedly aiding in the staging of the 7/17/02 Tel Aviv bombing. The court overruled an order to expel another Palestinian for lending a car and giving food to his brother, Naseer Assida, without knowing that he was (allegedly) plotting the 7/16/02 ambush of a settler bus; Assida has not been captured. The IDF transferred Intisar and Kifal Ajuri on 9/4, giving them each \$215, a change of clothes, and a bottle of water and leaving them in a field in a dangerous area near Netzarim settlement. They were found by local Palestinians and taken in by a Palestinian NGO in Gaza City.

Israel's Interior M Eli Yishai took (8/22) initial steps to revoke the residency rights of four East Jerusalem Palestinians arrested for participation in a Hamas cell that perpetrated the 7/31/02 Hebrew University bombing that killed nine (including five U.S. citizens). He said, "There is no need to wait for a trial because the evidence is clear and based on intelligence of their terrorist activity." An Israeli court indicted (9/12) the four for murder, but Yishai had not revoked their residency rights by the end of the quarter.

Yishai did strip (9/9) the citizenship of Israeli Arab Nihad Abu Kishak, who is accused of aiding a suicide bomber and of membership in Hamas, marking the first time such a measure has been taken against an Israeli accused of a security offense. Yishai has reportedly (*Ma'ariv* 9/11) said that he would consider revoking the citizenship of anyone who "undermines democracy and peace in the country."

Israel's legal moves came amid increasing reports that security forces had arrested bedouin (9/12), Israeli Arabs (e.g., 8/26,

9/27), and East Jerusalem Palestinians with residency permits (e.g., 9/9) for participating in or plotting attacks inside Israel. Most arrests were announced weeks after they took place, and few details were released (except to note any connections the alleged perpetrators may have had with Hamas, Hizballah, or Israeli Muslim associations), indicating the level of government concern for an apparently growing trend. Three Israeli Arabs were convicted (10/22) of involvement in a Hamas bombing on 8/4/02 and sentenced to 5–8 years; four others admitted guilt on 11/5. A Palestinian from the territories indicted in a civilian court on terrorism charges on 7/30 was convicted (9/12) and sentenced to 22 years.

Israel announced on 10/2 that it had arrested West Bank Arab Liberation Front leader Rakad Salim on charges of distributing money to the families of Palestinian suicide bombers and others killed during the intifada. Israel also released (10/10) documents allegedly proving that Salim was connected to transfers of money from Iraqi to Palestinian bank accounts. The government admitted (10/10), however, that it had not attempted to halt the transfers, taken action against the banks involved, or arrested intermediaries distributing money from Saudi Arabia or other states. The PA accused (10/10) Israel of attempting to link the Palestinians to Iraq at the moment when the U.S. was threatening to strike Saddam Hussein.

On 10/23, the Knesset rejected (51–23) a proposed bill that would ban from parliament any party trying to incite the expulsion of Palestinians or Israeli Arabs.

Independent Peace Initiatives

There were few peace initiatives this quarter, particularly as Israel continued to bar entry to Israel of foreigners it suspected of making solidarity visits to the Palestinians (see Quarterly Update in *JPS* 125). On 8/21, 52 French peace activists were denied entry and detained for deportation at Ben-Gurion airport. Israel agreed to let them in after the French government intervened, reminding Israel that the group was invited by an MK.

The Israeli daily *Ha'Aretz* reported (9/4) that an "alternative peace conference" was held in Istanbul by a group called the Louisiana Forum to discuss plans to bring its members plus reps. of Israel, the PA, Egypt, Jordan, the Quartet, Japan, and Canada (as donor states), and perhaps Saudi Arabia and Morocco together in Copenhagen before the end of 2002. This "Copenhagen initiative"

would replace the idea of an international conference to revive the peace talks (see Quarterly Update in *JPS* 125). The participants at the Istanbul meeting (apparently the members of the Louisiana Forum) included the PFLP's Riyadh Malki and newly appointed PLO rep. to Washington Hanna Sini-ora for the Palestinians; IDF Maj. Gen. (res.) Shlomo Gazit, former FMin. dir. gen. and Mossad agent David Kimche, former Ehud Barak adviser Menachem Klein, and former FMin. dir. gen. Reuven Merhav for Israel; former Egyptian amb. to Moscow Salah Basyuni; Gen. (ret.) Tahsin Shurdum of the Jordanian air force; and Canadian FMin. officials.

INTRA-PALESTINIAN RELATIONS AND REFORM EFFORTS

At the start of the quarter, the PA was continuing efforts to fulfill its 100-day reform plan, as outlined on 6/23/02 (see Doc. B3 in *JPS* 125), but after Sharon placed Arafat under siege in Ramallah, most efforts ceased. The 10/5 deadline passed without comment by the PA, Israel, or the U.S.

The Quartet's International Task Force for Reform (ITFR), comprising Quartet reps. and chief donor reps. (Japan, Norway, IMF, World Bank) met in Paris on 8/22 and in Amman on 11/14 to assess the PA's progress on reform, with each of the ITFR's seven subcomms. (civil society, elections, financial accountability, judicial and rule-of-law reform, market economics, local government, and ministerial and civil reform) providing a briefing. Talks reportedly focused on elections (see below) and the ongoing humanitarian crisis.

Political Reform

Political reforms centered this quarter on approval of a new Executive Authority (EA; the PA's cabinet) and plans for presidential and parliamentary elections. In addition, Arafat named (9/3) Hanna Sini-ora (a U.S. citizen, Christian from Bayt Hanina, publisher of the *Jerusalem Times*, and chair of the European-Palestinian Chamber of Commerce) to replace Hassan 'Abd al-Rahman as the PLO rep. in Washington.

Executive Authority

In late 8/02, Arafat sought to convene the first full Palestine Council (PC) session in Ramallah since 5/15/02 for PC members to discuss reform and endorse Arafat's new cabinet, appointed on 6/9/02 (see Quarterly Update and Doc. B1 in *JPS* 125). The PA

asked (8/28) Israel to waive travel restrictions for PC members so they could travel to Ramallah, but Israel said it would only do so if Arafat did not chair the session. Several days later, under pressure from the U.S., Israel said it would allow the meeting to convene under Arafat but would not allow 12 of the PC members from Gaza to attend because they were "involved in terrorism." In protest, all Gaza reps. stayed in the Strip and participated in the meeting by video link.

The three-day meeting (9/9–11) was so dominated by debate over the new EA that reform and election issues were not discussed as planned. From the opening of the debate on the second day, most PC members argued that they should reject the EA to show that they would not be a rubber stamp for Arafat and to protest the reappointment of EA members accused of corruption. After the 9/10 session, 57 PC members representing Fatah met separately with Arafat to warn him that they planned to give his cabinet a vote of no confidence. On 9/11, as more PC members rose to speak in opposition to the new EA, Arafat and his close aides (Tayyib 'Abd al-Rahim, Saeb Erakat, Ahmad Qurai') maneuvered to avoid the no confidence vote, proposing that the PC vote only on the five new members of the cabinet or vote on each member separately, and threatening to contest a no confidence vote in the PA High Court. The vote went forward anyway, and just before it was to be held, Arafat announced his acceptance of the EA's offer to resign. The PC broke into "sustained applause."

Under the Basic Law, Arafat had two weeks to propose an alternative EA, which would serve until the 1/03 elections. Between 9/13 and 9/17, Arafat held several meetings with Fatah leaders regarding the makeup of the EA. Fatah leaders reportedly named eight standing EA members they deemed unacceptable for a new cabinet because they had been linked, directly or indirectly, to mismanagement, misuse, and embezzlement of public funds, as well as to corruption in general; three of these, they recommended, should be prosecuted immediately. The eight named reportedly were Information M 'Abid Rabbuh, Public Works M Azzam al-Ahmad, Communications M Imad al-Faluji, Youth and Sports M Ali Qawasmi, Planning M Nabil Shaath, Supply M 'Abd al-'Aziz Shahin, Civil Affairs M Jamil Tarifi, and Social Welfare M Intisar al-Wazir; some reports named Local Government M Saeb Er-

akat and Labor M Ghassan Khatib as among the eight. (The names of the three recommended for prosecution were not reported.)

Israel's siege of Arafat's compound (9/19–29) derailed the EA appointment process. Though PA and Fatah officials outside the compound continued discussions (e.g., 9/21, 9/23), Arafat was unable to name the new cabinet by 9/25, the two-week deadline. After the siege ended, the PC granted (10/5) Arafat a one-month extension. After numerous meetings (e.g., 10/8, 10/12–14, 10/16, 10/21) with PC, Fatah Central Comm., and PLO Exec. Comm. members, which reportedly discussed significant changes in the makeup of the EA, Arafat announced (10/29) a cabinet virtually identical to the one that resigned, containing many of the members accused of corruption (see Doc. B1). This time PC members agreed "to put aside these issues as long as the political crisis remains" and approved (10/29) the EA 56-18. (Israel again barred Gaza PC members from attending).

Elections

Last quarter Arafat set the target date for PA presidential and PC elections as 1/03. At the PC session on 9/11, he set the date of 1/20/03.

The EA decided (8/18) to base the election process on the existing Elections Law No. 13 (1995), which is based on the Oslo accords and considers occupied East Jerusalem a constituency. Israel had already warned (ca. 8/15) that it would not allow East Jerusalemites to participate in the elections (see Quarterly Update in *JPS* 125). On 8/24, PA Local Government M Saeb Erakat said that he had rejected U.S. demands to amend the election law to create a ratio, rather than a constituent, system so as to exclude Jerusalem. On 8/26, the PC shifted positions and recommended drafting a new elections law. A draft was reportedly submitted for consideration on 9/1, but no further action was taken by the end of the quarter.

Erakat also said (8/24) that the U.S. had demanded that the PA hold elections for a PM rather than president and hold elections later than 1/03. At the ITFR meeting on 8/22, the U.S. reportedly demanded that the PA hold PC elections first, have the new PC appoint a PM to run day-to-day operations, and then hold elections for a ceremonial pres. Some analysts suggested (*Mideast Mirror* 9/19, *Ha'Aretz* 10/3) that the U.S. was pushing Arafat to appoint a PM acceptable to the U.S. and Israel and to cancel elections alto-

gether; Arafat could claim to have resisted U.S. pressure to elect a new leadership and to name his own man, while the U.S. and Israel would avoid the risk that an even less compliant Palestinian leadership be elected. Indeed, following the resignation of the EA, Israel and the U.S. proposed (9/11) that elections be delayed until security, economic, and political reforms have been completed, arguing that until then, it would be virtually impossible for "legitimate opponents" to win against Arafat. The U.S. draft road map (see above) modified and crystallized these demands into a proposal that Arafat appoint a new EA that would name a PM, followed by PC elections closer to 5/03, with no mention of municipal or presidential elections. After the collapse of the Israeli government in early 11/02, the U.S. (ca. 11/13) recommended that elections be put off until 5/03 "to avoid coinciding with the Israeli elections" on 1/28/03.

Reports (ca. 8/21) also indicated that the U.S. had demanded that the PA create an independent election commission (replacing the PA Central Election Comm.) to oversee the vote, give opposition candidates access to free and independent media, ban the use of PA funds for any candidate, and make all candidates sign a "code of ethics" that would include a pledge of nonviolence. On 10/31, Arafat issued a presidential decree naming a new nine-member elections comm., chaired by Bethlehem mayor and Birzeit University pres. Hanna Nasser, co-chaired by Birzeit prof. Ali Jarbawi, and including two judges and three lawyers. All of the members were political independents. Arafat met with four members of the new comm. on 11/11; the other five were unable to reach Ramallah because of curfews and closures, and Israel would not grant them VIP passage.

Security Reform

On 8/28, Interior M Yahya, in charge of security reforms, announced that the PA had made strides in reforming the PSF and restructuring the Interior Min. Barely two weeks later, however, Yahya sent (9/9) Arafat a letter declaring that he was "suspending" his work as interior minister because Arafat had prevented him from demilitarizing the police force, removing PSF cmdrs. involved in attacks on Israel, and firing the Interior Min. dir. gen. and because his efforts to implement Gaza First and secure a cease-fire had been undermined by the AMB, Hamas, and Islamic Jihad. Yahya's resignation did not become an issue because

the EA resigned days later. When Arafat named (10/29) the new EA, he replaced Yahya with Hani al-Hassan, a Fatah Central Comm. member and close Arafat associate.

Arafat security adviser Muhammad Dahlan submitted his letter of resignation to Arafat ca. 10/12, citing the slow pace of reform. On 10/21 the press leaked word that during a closed meeting of a Gaza businessmen's association on 10/13, Dahlan stated that he had urged Arafat to "end the armed uprising immediately after the 9/11 terrorist attacks on the U.S." and told him that the PA must enforce a cease-fire "even if it has to use a stick" to do so. Dahlan denied the statements, but other attendees confirmed them.

On 9/16, after much delay, the first and only 20-day retraining course for PSF officers began in Jericho. Only 30 PSF officers took part in the training, run by the CIA, with Egyptian and Jordanian security experts. Originally 150 PSF officers were to have taken part, but Israel demanded lists of the participants and barred at least 100 on security grounds. The PA contemplated boycotting the session unless Israel allowed all the PSF officers to attend, but ultimately agreed to go forward with the 30. There was no word at the end of the quarter whether further retraining sessions were planned.

Fiscal Reform

The main financial issue this quarter was Israel's transfer of \$681 m. of VAT taxes collected on the PA's behalf. Last quarter, Israel committed to transferring \$43 m. in three installments, but only completed two transfers totaling \$29 m. After Finance M Salam Fayyad held (9/13) unsuccessful talks with his Israeli counterparts, the U.S. pressed (9/30) Israel to make its third transfer, but Israel said (9/30) that it was on hold since the first two installments (allegedly) were not used for their intended purposes. After the U.S. pressed again (10/4), Israel turned over the last \$14 m. on 10/9, but said it would not agree to further transfers until mechanisms were in place to guarantee how the PA would use the money.

On 10/14, Israel and the U.S. reached an understanding over what would constitute adequate supervision of the PA's finances. This reportedly included Israeli demands that the PA provide a list of all individuals receiving PA salaries and that officials from the U.S., EU, and possibly Japan (as a donor rep.) be stationed in the PA Finance Min. to oversee its activities. As of 11/10 Israel was reportedly refining a proposal to create a

professional audit body to watch over the PA's finances that would be managed by an internationally recognized firm of accountants, headed by Americans, with European participation. On 11/14 the ITFR again pressed Israel to resume monthly transfers of VAT taxes. Meanwhile, the Knesset finance comm. authorized (11/11) the transfer of \$5 m. of VAT taxes to Israeli funds for the separation fence; most of the money is to be used to fund policing of the fence.

Fayyad announced (8/17) the members of the board of the Palestinian Investment Fund: himself (chmn.), Sabih al-Masri (dep. chmn.), Economics M Mahir al-Masri, Arafat adviser Muhammad Rashid, Samir Sa'id Khuri, Talal Nasir al-Din, and Azzam Shawwa. PA Planning M Nabil Shaath announced (9/12) that the U.S. and World Bank had agreed to contribute \$20 m. and \$15 m., respectively, to a new investment guarantee fund that would support investment projects by the private sector by pledging to compensate banks for 50% of their losses in the case of a default on a loan. The PA hopes other countries will contribute to the fund, bringing its capital to \$165 m.

Rule of Law

Arafat signed (10/5) legislation formally declaring Jerusalem as the capital of a future Palestinian state. He decided to sign the two-year-old bill after Bush signed legislation on 9/30 requiring the U.S. to recognize Jerusalem as the capital of Israel (see below).

National Unity

At the close of last quarter, the NIHC was holding productive national unity talks and reportedly (8/12) was close to finalizing a draft unity platform that included a unilateral halt to attacks on Israeli civilians inside Israel and the declared goal of a state based on the 1967 borders. Talk of a comprehensive unilateral cease-fire ended following the IDF 7/22 assassination of Hamas military leader Salah Shihada (see above), and Islamist groups remained uneasy about explicitly giving up their long-term goal of a state in all of historic Palestine. Once Interior M Yahya shifted (8/18) the focus of the talks back to pressing the factions to adhere to a cease-fire in the territories to facilitate the Gaza First agreement, the nationalist and Islamist opposition saw little purpose in continuing the meetings, which petered out by 9/02. Thereafter, relations became much more factionalized, with each group basing its decisions less on national unity than on how much

leverage they would get over other groups. As of late 10/02, the AMB, Hamas, Islamic Jihad, Palestinian resistance comms. (PRCs), and PFLP were reportedly considering forming a new national movement to replace the PA.

As of 9/25, the PRCs in the Ramallah area were promoting their efforts to facilitate Palestinians' daily life in the absence of a central governing authority by dealing with health problems, providing free medical care, reinforcing order and security, protecting public and private property, fighting corruption, arranging rehabilitation programs, opening youth centers, holding training courses, etc., in coordination with remaining PSF and PA branches. There was no word on whether PRCs in other areas were organizing similar programs.

After the breakdown of unity talks, the EU and U.S. reportedly continued to work with select Fatah Central Comm. members on a draft cease-fire agreement that they could shop to the other factions. A preliminary draft was leaked to the press on 9/10, outraging other factions as well as Fatah cadres who had been kept in the dark. IDF military intelligence chief Aharon Farkash acknowledged (10/6) that the AMB had stopped striking at Israelis inside Israel and that the PA was trying to persuade other factions to follow suit. On 11/5, Fatah issued a cease-fire order declaring that "all activists who belong to the Fatah movement, politicians and military personnel, are strictly forbidden to open fire for any reason whatsoever."

On 11/10, Fatah opened three days of talks with Hamas in Cairo in the aim of agreeing on a unified political program and strategy for dealing with Israeli aggression and of securing a Hamas cease-fire and Hamas participation in the PA and in upcoming elections. Talks were proposed by the EU, tacitly approved by the U.S., led by Fatah Central Comm. member Zakariya al-Agha and Damascus-based Hamas politburo chief Khalid Mishal, and attended by Arafat adviser Muhammad Rashid. Fatah explained (11/10) that it was holding talks with Hamas's external leadership because its positions were more extreme than those of the Hamas leadership inside the territories and because Hamas's internal leadership tends to defer to the external leadership. At the close of talks on 11/13, the groups set up a joint comm. to continue discussions. Some reports indicated that they also reached a verbal agreement to

halt attacks "everywhere" during an "initial period" of the three-month run-up to Israeli elections. Egyptian pres. Husni Mubarak sent (11/14) envoy Omar Sulayman to Israel and the territories to brief Sharon and Arafat on the talks and reportedly to encourage Israel to "grab the opportunity" to move the peace process forward and respond to the initiative by ceasing all assassinations and broad military operations in the territories. Israel's assassination of a senior Hamas member and the Islamic Jihad ambush on 11/15 likely derailed these efforts.

Palestinian political differences and criticisms concerning the PA were acute this quarter, as exemplified by the 9/9–11 PC session, and occasionally erupted into violence. For example, PC member Nabil 'Amr, who resigned his position on the EA as parliamentary affairs M in 4/02, published (9/2) an open letter to Arafat, denouncing his handling of the peace process and intifada and calling on him to admit the PA's failures and implement reforms. When, during the siege of Arafat's compound, 'Amr took part in talks (9/23) with PLO Exec. Comm. secy. Mahmud Abbas and other Fatah Central Comm. and PC members concerning formation of the new EA, rumors flew that he and Abbas were organizing an alternative Palestinian leadership. On 9/24, suspected AMB gunmen fired at 'Amr's residence, causing damage but no injuries. In response, the Fatah Nobles, a group that reportedly supports Abbas, issued (10/1) a leaflet sharply attacking the AMB for engaging in "terrorism" and calling on the PA to disband it. As Arafat continued negotiations on a new EA after the Ramallah siege, the AMB issued (ca. 10/22, 10/29) a leaflet threatening to resume operations inside Israel and to target "corrupt figures" in the PA if the new EA included "any corrupt ministers from the outgoing cabinet," whom it considered "hirelings" of the U.S. and Israel.

Following the Bethlehem funeral (10/14) of AMB member Muhammad Ubayyat, assassinated by the IDF on 10/13, angry AMB members attacked and seriously beat Fatah official Issa Qaraq'a and tossed a grenade into the home of newly appointed elections comm. chmn. Nasser, causing no injuries. Fatah said (10/14) it considered the attacks an assault on Fatah itself.

Masked Palestinian gunmen kidnapped and murdered (10/7) PSF riot police chief Raghbi Abu Lahiya in Gaza City. When PSF officers attempted to arrest two suspects, a group of armed Hamas members intervened,

sparkling a clash that left five Hamas members dead and 30 people injured. The PA demanded that Hamas turn over the suspects, but Hamas denied (10/7) involvement in the killing, saying one of its members whose brother had been killed by Abu Lahiya on 10/1/01 arranged the murder as a personal vendetta. Tensions mounted over the next three days as funerals for the slain Hamas members turned into massive pro-Hamas rallies, whereas Abu Lahiya's funeral (10/10) was attended by 20,000 PA supporters. Hamas and the PA opened (10/10) reconciliation talks to cool tensions, agreeing not to pursue the Abu Lahiya incident, and the crisis slowly dissipated by 10/20.

There were five collaborator killings this quarter, up from three last quarter. The AMB killed three Palestinian women (8/24, 8/30, 10/26) and one man (8/31) and wounded (10/26) a fourth woman it accused of spying for Israel. Hamas shot an alleged collaborator on 9/18. The PA announced (9/25) that it had arrested 11 Palestinians for aiding Israel in various assassinations. Of these, four, including at least two members of Hamas, were sentenced to death (10/17, 10/19, 10/24, 10/29) and one was sentenced to life (10/27); none of the capital sentences was carried out.

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Palestinian Center for Policy and Survey Research (PCPSR) between 14 and 22 November 2002. Results are based on a survey of 1,319 men and women from the West Bank and Gaza. The poll, sixth in a series, was taken from the PCPSR's Web site at www.pcpsr.org.

1. The Palestinian president presented his new government to the PC on 10/29. Would you give this government a vote of confidence?

	West Bank	Gaza	Total
a. Definitely yes	6.6%	5.3%	6.1%
b. Yes	32.1%	36.8%	33.9%
c. No	41.5%	37.4%	40.0%
d. Definitely no	9.0%	15.0%	11.3%
e. No opinion	10.8%	5.3%	8.7%

2. There are internal and external calls for wide and fundamental domestic reforms and changes in the institutions and authorities of the PA. Do you support or oppose these calls?

	West Bank	Gaza	Total
a. Strongly support	23.4%	26.6%	24.6%
b. Support	62.1%	57.5%	60.4%
c. Oppose	11.0%	9.9%	10.6%
d. Strongly oppose	1.7%	4.6%	2.8%
e. No opinion	1.7%	1.4%	1.6%

3. After reaching a peace agreement between the Palestinian people and Israel and the establishment of a Palestinian state that is recognized by Israel, how soon do you think reconciliation between the two people will be achieved?

	West Bank	Gaza	Total
a. Reconciliation is not possible ever	38.1%	43.2%	40.0%
b. Only in many generations to come	15.8%	13.1%	14.8%
c. Only in the next generation	10.1%	9.9%	10.0%
d. Only in the next decade	7.1%	7.1%	7.1%
e. In the next few years	17.3%	19.8%	18.3%
f. No opinion	11.5%	6.9%	9.8%

4. After reaching a peace agreement between the Palestinian people and Israel and the establishment of a Palestinian state that is recognized by Israel, would you support or oppose the process of reconciliation between the State of Palestine and the State of Israel?

	West Bank	Gaza	Total
a. Strongly support	12.7%	17.2%	14.4%
b. Support	61.7%	52.7%	58.2%
c. Oppose	18.9%	15.0%	17.4%
d. Strongly oppose	5.3%	14.3%	8.7%
e. No opinion	1.5%	0.8%	1.2%

5. [Would you support or oppose] changing the Palestinian presidential system to a parliamentary system in which power resides in the hands of a prime minister while the position of the president is ceremonial?

	West Bank	Gaza	Total
a. Strongly support	8.1%	7.7%	8.0%
b. Support	40.7%	35.9%	38.9%
c. Oppose	39.9%	38.7%	39.4%
d. Strongly oppose	5.8%	14.9%	9.3%
e. No opinion	5.5%	2.8%	4.5%

JORDAN-ISRAEL

Jordan expressed increasing concern this quarter about a possible strike on Iraq and potential ramifications for the kingdom. Jordanian FM Marwan Muasher stated (11/8) that Jordan had received private assurances from Israel that it would not expel Palestinians during an Iraq conflict, but it has been unable to secure a public declaration. Israel said (11/8) that the U.S. had not expressed any concern about the possibility of an expulsion, though it had noted that Jordan had raised the issue. A senior U.S. official, speaking on condition of anonymity, said (11/8) that he was "not sure" how the U.S. would respond if Israel made a move to expel Palestinians, adding, "We're pretty occupied now [with Iraq, North Korea, and the 'war on terrorism']". There are people here who would be happy to give Sharon that kind of leeway."

Jordan refused (early 9/02) to grant entry to around 40 Palestinians with Jordanian passports whom Israel wanted to deport for working illegally in Israel. Israel kept them in detention, mostly at Ofra detention center in Beitunia. Jordanian government sources also said (10/16) that the kingdom had turned down requests for citizenship by 100,000 Gazans who carry Jordanian travel documents, citing the "constant Jordanian position on the refugee issue and rejecting the idea of resettlement." Some 150,000 Gazans carry Jordanian travel documents. (Jordanian PM Ali Abu Raghieb revealed on 9/3 that a "secret census never previously published" shows that Palestinians make up 43% of the Jordanian population, substantially lower than the 60–70% frequently estimated by experts. The census itself was not released.) Jordan also announced (11/6) that in order to curb the influx of Iraqis in advance of a possible U.S. war, it was limiting entry permits granted to Iraqis to 14 days nonrenewable, requiring that new Iraqi arrivals be over

age 40 and requiring those whose visas expire to wait six mos. before applying for reentry.

Israel revealed (9/23) that it had arrested three Palestinians near the Allenby Bridge who had entered the West Bank allegedly to stage an attack on Ben-Gurion Airport. Israel claimed, without providing evidence, that the men were members of the Palestine Liberation Front and had trained in and received their orders from Iraq. A Jordanian security court convicted (10/23) and sentenced four Jordanians to terms of 5–8 years for possession and transporting of weapons to the West Bank. The group was captured on 2/17/02 attempting to smuggle arms into the West Bank via Aqaba (see Quarterly Update in *JPS* 125).

As in previous quarters, Jordan continued to keep diplomatic contacts with Israel to a minimum in light of the ongoing intifada, but maintained bilateral ties of benefit to the kingdom. Jordan and Israel announced (9/1) plans to build an \$800 m. pipeline from the Red Sea to replenish the Dead Sea, which is slowly evaporating, and to augment Jordanian water reserves. The project, under discussion since the 1994 Jordan-Israel peace agreement and not expected to begin for nine months, would be the largest cooperative venture undertaken by the two countries. Jordan also reported (9/25) that exports from qualified industrial zones (QIZs) were \$25 m. in 2000, grew to \$150 m. in 2001, and reached \$138 m. during the first six months of 2002.

At the opening of the quarter, Jordan said (8/22) that Israel was allowing around 10–15 truckloads/day of goods to enter the PA areas for Palestinian humanitarian relief and was occasionally allowing a plane to deliver medical goods. Jordan also announced (8/25) that it had completed the \$48 m. construction of six new community centers, four new schools, three new health centers, and three new water treatment plants in eight Palestinian refugee camps in the kingdom.

As concern about an Iraq attack mounted after the mid-9/02 UNGA session, King Abdallah called (10/30) on his government to launch a "Jordan First" campaign to encourage national unity and "give priority to national interests." He also appointed a Jordan First comm. that excluded opposition members. Even before the national unity drive, Jordanian authorities arrested (10/7) and held without bail three members of the antinormalization comm. of the Jordanian

professional associations on charges of membership in an illegal organization for allegedly distributing antinormalization posters (see Quarterly Update in *JPS* 125). PM Ali Abu Raghieb offered (10/13) to release the three men if the professional associations dissolved the antinormalization comm., but the professional associations refused. Jordanian M of state for political affairs and information Muhammad Adwan stated (10/14) that the antinormalization comm. was “illegal and posing a threat to Jordan and its economy. . . . It is defaming Jordan, slandering its people, and hurting its economy.” The statement raised concerns that the government would issue a provisional law that would strip the professional associations of their right to political activity. As a concession, the associations announced (10/20) that they had dropped the practice of compiling “blacklists” of individuals and companies who have relations with Israel, as it did in 11/00 (see Peace Monitor in *JPS* 119), but as of 11/10, the three comm. members were still in detention. In another sign of a political crackdown, Jordan closed (10/28) the Jordan Society for Citizens’ Rights apparently because of public statements critical of official policies on citizenship and temporary laws since the parliament was dissolved in 6/01. Jordan, however, released (8/18) al-Jazeera TV’s chief editor after charging him with defaming a foreign head of state (Qatar’s) by running a critical cartoon (see Quarterly Update in *JPS* 125).

A lone gunman fatally shot (10/28) a USAID employee outside his home in Amman. A little-known group called Nobles of Jordan took responsibility. The group has staged only one previous attack—the assassination of a Mossad agent in Amman on 8/7/01. Jordanian security services rounded up (10/29) scores of Islamist leaders and activists around the kingdom for questioning regarding the murder. Soon after, Jordanian security forces began (11/10) arrest sweeps in s. Jordan to round up Islamist activists as part of a declared campaign to “put things in order before the possible war on Iraq.” The sweeps sparked riots in Ma’an on 11/10 that left one policeman and three Islamists dead. Security forces immediately sealed the city, imposed a 24-hour curfew, conducted searches for members of Islamist groups, and reportedly shelled homes. By the time the curfew was lifted on 11/15, at least five Jordanians had been killed, including at least one police officer, and 80 people had been

arrested, including eight foreigners. Ma’an residents said (11/15) at least 10 people had been killed and scores injured.

SYRIA-ISRAEL

The Israeli-Syrian negotiating track remained dormant this quarter. The main issue was Israel’s considerable escalation of rhetoric linking Syria, and less pointedly Iran, to “terrorism” and the U.S. “war on terror” beginning in early 9/02.

Respected Israeli military correspondent Ze’ev Schiff, citing anonymous intelligence sources, claimed (9/2) that Syria had allowed as many as 200 al-Qa’ida operatives to “entrench” themselves in Lebanon’s ‘Ayn al-Hilwa r.c. and that the operatives were Jordanians, Lebanese, and Palestinians who flew directly to Beirut on flights from Damascus and Tehran—claims denied by Syria and the PLO. (Sharon repeated the accusations on 10/21, warning that “if war [between the U.S. and Iraq] comes, we see what Syria-Iran-Hizballah are preparing: they’ll be surrogates for Saddam, opening a second front to help him,” and stating that Pres. Bashar al-Asad is “integrating the terrorists into Syria’s front-line forces.”) Israel then alleged (9/26) that Syria and Iran were supplying Hizballah with “thousands of surface-to-surface rockets, including missiles with the range to strike cities in northern Israel.” Following a fatal Hizballah artillery attack on IDF forces in Shaba’ Farms on 8/29 (see below), Israel warned Syria that it considered Damascus responsible for increasing tensions on the n. Israel border. After the 10/21 Islamic Jihad suicide bombing, killing 14, Israel, which normally blames all such incidents on Arafat and the PA, for the first time stated, “We know for a fact that Damascus is responsible for the direction, for the instruction, for the guidance, and for the money that is being used to make these kinds of attacks.”

The “revelations” conveniently coincided with U.S. Asst. Secy. of State Satterfield’s trip (9/2) to Damascus (to urge Syria to rein in Hizballah in light of the 8/29 attack on Shaba’ Farms) and the opening (9/18) of the U.S. House debate on the draft Syria Accountability Act (H.R. 4483), calling for sanctions on Syria for supporting terrorism. Resisting the pressure, Bush asked (9/18) the House to refrain from sanctioning Syria and to suspend work on draft H.R. 4483, saying it could “complicate or even undermine our efforts” toward achieving an Israeli-Syrian peace agreement.

Asst. Secy. of State John Bolton testified (ca. 10/7) before the Senate Foreign Relations Comm. that the U.S. was "extremely concerned" that Syria and Iran might still be "benefiting" from Russian technology and experience in building their nuclear and missile programs. Syria denied (ca. 10/14) nuclear cooperation with Russia.

LEBANON-ISRAEL

Tensions between Israel and Lebanon remained high this quarter. Israel continued to make reconnaissance flights over Lebanon on a daily basis, and Hizballah continued (e.g., 8/27, 9/2) 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* 125). On 8/29, Hizballah shelled IDF positions in the disputed Shaba' Farms area of the Golan Heights, killing one IDF soldier and wounding two. Palestinians in Lebanon (reportedly acting independently of any group) fired (9/30) a missile at Israel, but the shell did not reach Israeli territory; before they could fire again, Lebanese authorities and Hizballah members intervened and confiscated a second missile. The IDF reported (11/2) that since its withdrawal from s. Lebanon in 5/00, there had been 127 crossborder Hizballah incidents, involving small arms fire, infiltrations, mortar attacks, and anti-aircraft fire; of these, 85 targeted the Golan Heights (killing 7 IDF soldiers, wounding 42 soldiers and 8 civilians), and 42 (mostly anti-aircraft rocket fragments) hit inside Israel. Only one incident inside Israel was fatal—a 3/12/02 border infiltration by unknown gunmen who killed 5 Israeli civilians and 1 soldier (see Quarterly Update in *JPS* 124).

The main point of contention between Israel and Lebanon this quarter was Lebanon's Hasbani water project, begun in 2001, to divert water from the Hasbani River (which accounts for 20–25% of the water entering Lake Tiberias, one of Israel's main sources of freshwater) to provide drinking water for six s. Lebanon villages. Lebanon's plan would divert the Hasbani's Wazzani tributary, increasing its use of Hasbani waters from 7 mcm/yr. to about 10 mcm/yr., compared to the 160 mcm/yr. that currently flows to Israel. The most conservative estimate of annual Hasbani flow is 110 mcm/yr., meaning Lebanon would not be using one-tenth of the waters. Nonetheless, Sharon declared (9/10) that implementation of the plan would be "a pretext for war," and Israel reportedly drew up plans to strike targets in

Lebanon if the river flow was diverted. The U.S. sent (9/16) senior State Dept. water expert Richard Lawson to the region on a fact-finding mission and to mediate between the sides. Lawson proposed (10/7) "creative solutions," such as restricting Lebanon to using Hasbani water for drinking only, not for irrigation, but Lebanon maintained its right to unrestricted use. A "senior Israeli source" stated (10/7) that "as things look at the moment, we will have no choice other than to solve the matter militarily. The Lebanese . . . are really pushing it, leaving us with no choice. Even if we have to wait until the U.S. strike on Iraq is over, we won't let the matter go unnoticed." Lebanon inaugurated the pipeline at a ceremony on 10/16 attended by EU and UN envoys but no U.S. reps.

Internal dissent among Palestinians in Lebanon, particularly in 'Ayn al-Hilwa r.c., continued this quarter, perpetuating concerns that the Israeli-Palestinian conflict was spilling over into Lebanon (see Quarterly Update in *JPS* 125). Fatah and Usbat al-Ansar members clashed in 'Ayn al-Hilwa on 8/16 and 8/18. In a predawn raid on 9/4, Lebanese troops raided Jalil r.c. (pop. 4,000) near Baalbek, claiming to be seeking a wanted Fatah Revolutionary Council (FRC) member. The resulting clash with FRC gunmen, which left three Palestinians and one Lebanese soldier dead and 14 Palestinians wounded, marked the first Lebanese army raid on a r.c. in 32 years. Troops sealed and stayed in the camp until about 9/7, reportedly uncovering two truckloads of weapons. Also of note: on 11/12, explosions damaged three U.S. fast food restaurants in Lebanon—two Pizza Huts in Jounieh and Tripoli, and a Winners near Jounieh. No group took responsibility.

Federal investigators privy to sealed evidence and speaking on condition of anonymity said (9/2) that some of the proceeds of a 136-member methamphetamine/pseudoephedrine drug trafficking ring broken up in 1/02 went to Hizballah and Hamas. The drug ring operated in Canada, Mexico, and the U.S., with branches in Chicago, Carlsbad (CA), Cleveland, Detroit, Fresno, Las Vegas, Los Angeles, Phoenix, Riverside (CA), and San Diego and funneled money through Lebanon and Yemen.

REGIONAL AFFAIRS

RELATIONS WITH ISRAEL

Most Arab states continued to observe a moratorium on contacts with Israel to protest its military actions. Egypt, and to a lesser de-

gree Jordan, kept channels to Israel open to facilitate the peace process and assist the Palestinians. Egypt was instrumental in organizing the Fatah-Hamas cease-fire dialogue (see above), sending an envoy to Israel and the territories to encourage Israel and the PA to transform it into a peace initiative.

Israel released (10/13) eight Egyptian sailors captured with the *Karine A* arms ship in 1/02. A Jordanian sailor remains in custody.

INTER-ARAB HIGHLIGHTS

Most inter-Arab contacts this quarter revolved around the worsening Palestinian situation and the threat of a U.S. attack on Iraq. Later in the quarter, coordination focused on the EU and U.S. draft road maps for achieving a final status agreement and an independent Palestinian state by 6/05. Once again, Egypt led the diplomatic efforts, keeping in particularly close contact with Jordan, the PA, Syria, and Saudi Arabia. Contacts included one-on-one meetings between Mubarak and Morocco's King Muhammad VI (10/28–29), Saudi Arabia's Crown Prince Abdallah (ca. 9/30), Syrian pres. Asad 9/30), and Tunisian pres. Zine al-Abidine Bin Ali (10/30); Asad also met with Crown Prince Abdallah (8/26). As in previous quarters, the numerous inter-Arab discussions had little practical effect.

The Arab League FMs (9/4–5) met in Cairo with plans to discuss a Jordanian action plan for steps toward creation of a Palestinian state within three years. In the end, the FMs discussed only Iraq, and it is unclear whether Jordan even outlined its plan. The initiative was not mentioned again for the rest of the quarter. Similarly, another FMs meeting (11/9–10) that was scheduled to discuss the Palestinian situation and U.S. draft road map ended up focusing on the 11/8 UNSC Res. 1441 on Iraq inspections. Arab League FMs held (9/23) an emergency session on the IDF siege of Arafat's compound.

The Arab League revealed (10/14) that of the \$330 m. pledged by Arab states at the 3/02 Arab summit to support the PA for the period 4–9/02, only \$145 m. was received. Arab League FMs agreed (11/10) to accelerate disbursement of the remaining aid and appointed a comm. to visit delinquent Arab states to prod them to make payments.

INTERNATIONAL

UNITED STATES

The Israeli-Palestinian conflict remained peripheral for the Bush administration, as the U.S. made preparations for a possible strike on Iraq. In a major speech on 8/26, VP Dick Cheney argued that a preemptive strike on Iraq was necessary and justified. As for the claim that an attack would destabilize the region, Cheney stated, "I believe the opposite is true. Regime change in Iraq would bring about a number of benefits to the region. . . . Extremists in the region would have to rethink their strategy of jihad. Moderates throughout the region would take heart. And our ability to advance the Israeli-Palestinian peace process would be enhanced, just as it was following the liberation of Kuwait in 1991."

Israeli DM Ben-Eliezer stated (8/21) that Israel would give the U.S. access to military bases for an attack on Iraq if Washington so requested. As of 9/02, the U.S. reportedly was increasing its stockpiles of ammunition, medical supplies, and equipment in Israel in anticipation of a conflict, and as of 11/4, U.S. soldiers were reportedly training in urban warfare with the IDF in Israel. In early 9/02 Mossad dir. Meir Dagan secretly visited Washington on behalf of Sharon to discuss Israel's involvement in a possible U.S. military operation against Iraq and to share intelligence information. Dagan reportedly requested permission to post Israeli liaison officers at the UK and U.S. army headquarters during the offensive and discussed how Israel's special forces could operate on the ground in Iraq and how its air force could launch strikes on Iraqi targets in advance of a U.S. campaign. (U.S. Defense Secy. Donald Rumsfeld stated on 9/18 that "it would be in Israel's overwhelming interest not to get involved.") An Israeli security delegation led by DMin. dir. gen Amos Yaron and IDF policy planning head Maj. Gen. Giora Eiland held (10/3) further consultations on Iraq with U.S. Dep. Defense Secy. Paul Wolfowitz and Dep. Secy. of State Richard Armitage. Asst. to the Joint Chiefs of Staff Adm. James Metzger briefed (10/31) Ben-Eliezer on Iraq preparations as well. Senior Israeli DMin. officials said afterward that the U.S. admin. was "very determined" to attack and quoted Metzger as saying that if the strike went ahead, he would be stationed in Israel and "will make sure to pass on your every message and request to Washington."

In late 9/02 and early 10/02, Israeli officials began leaking statements by senior U.S. officials regarding its plans for a strike on Iraq, including anticipated schedules and coordination with Israel. Also leaked were reports that Israeli special forces were already operating (late 9/02) inside w. Iraq with the knowledge of the U.S. to locate missile launchers that could be used against Israel. (The story, first reported in the *Jerusalem Post* [9/29], was corroborated by a "former U.S. defense official" in the *Washington Post* on 10/18; see also *Ma'ariv* 10/3, *New York Times* 10/7, *Ha'Aretz* 10/8.) After the Bush admin. reportedly told Sharon it was "furious about the chatter," Sharon instructed (10/6) his cabinet to keep quiet about U.S. plans for Iraq.

At the close of the quarter three of the U.S. government's top policy-making positions on the Middle East were empty or about to become vacant, with no apparent moves underway to refill them. On 11/1 the *Jerusalem Post* reported that the U.S. had decided to transfer Consul Gen. Ronald Schlicher (the equivalent of the amb. to the PA) to another post. In addition, veteran State Dept. adviser on the Arab-Israeli peace process Aaron Miller announced (late 10/02) that he would be leaving the State Dept. in 1/03 after 17 years on the U.S. peace team. Miller and Schlicher are both critics of the Bush admin. decision to cut contacts with Arafat. Schlicher had just returned to Israel after more than three mos. of consultations in Washington that "did not go well" (see Quarterly Update in *JPS* 125). Finally, the position of senior dir. for Near East affairs at the National Security Council, formerly held by Bruce Riedel, has been left vacant by the White House for 10 mos.

The Bush admin. indicated (8/02) that it was going to launch a new effort to promote democracy in the Middle East, which it planned to announce formally at the UNGA opening session in 9/02. As part of the project, the U.S. would make a "review of the effectiveness of \$1 b. in U.S. foreign aid to the Middle East" to see whether it could be reallocated so as to "spur economic and democratic reforms" more effectively. The program would seek to promote economic, educational, and political reform, including providing \$25 m. for pilot projects and "additional millions for training political activists, journalists and trade union leaders," so as to develop economic opportunities and political safety valves in areas where there is anti-American sentiment. Given the central issue

of Iraq at the UNGA session, the U.S. did not unveil the plan then. After several delays, Powell announced (10/30) that no formal speech on the matter would be delivered, as the program was already underway. On 11/8, Asst. Secy. of State Burns gave a bland speech citing economic openness and democracy building as U.S. priorities in the Middle East.

Bush asked (9/4) Congress to approve roughly \$1 b. in additional spending for FY 2003, including \$200 m. for Israel and \$50 m. for the Palestinians, which originally were to be included in the 7/23/02 supplemental funding for counterterrorism (see Quarterly Update in *JPS* 125). The version passed (9/26) by the House and Senate and signed (9/30) by Bush symbolically recognizes Jerusalem as the undivided capital of Israel by requiring that all government documents list Jerusalem as the capital of Israel (including requiring passports of U.S. citizens born in Jerusalem to record the place of birth as Israel). The bill also requires that the East Jerusalem consulate report directly to the U.S. amb. in Israel, meaning that all diplomacy regarding the Palestinians would be filtered through the emb. in Tel Aviv; failure to do so would result in barring money from being spent on the consulate. Congressional aides said that such wording had been proposed before but that the State Dept. had always urged its removal; the State Dept. noted that officials were aware of the language in the bill but decided that senior officials' time was better spent lobbying Congress on other issues. The bill also urges the pres. to impose sanctions against Palestinians if they do not comply with signed agreements; withholds \$10 m. of \$35 m. in economic aid to Lebanon for failing to assert its authority over Hizballah; provides an additional \$300 m. in aid to Israel (including \$100 m. for munitions and the rest reportedly for the buffer zone project); and rejects equivalent aid for Egypt. When Bush approved the measure, he said that he interpreted the wording on Jerusalem as a "sense of Congress," not as binding on U.S. policy, which would encroach on his right to conduct foreign policy. Bush's signature of the bill sparked demonstrations after Friday prayers on 10/4 at the al-Aqsa Mosque and in Cairo.

As of 10/21, an Israeli FMin. and DMin. comm. headed by Sharon's bureau chief, Dov Weisglass, was reportedly working on a proposal to request \$10 b. in economic assistance from the U.S. An Israeli government source said that "the reason for the aid re-

quest stems from the United States' expected campaign against Iraq coupled with the American desire that Israel not interfere with Washington's plans or use IDF troops against Iraq." Reports on 11/15 claimed that the White House had agreed in principal to a \$10 b. aid package and that Israel would submit a "realistic" request shortly, which the White House would quickly push through Congress.

RUSSIA

This quarter, Russia participated in the peace process mainly through Quartet meetings. Special envoy Andrei Vdovin spent long stretches in the region (ca. 8/30–9/2, 10/3–11), meeting with leaders in efforts to revive peace talks.

Sharon made a three-day visit to Russia (9/29–10/1). Sharon's 90-minute scheduled talk (9/30) with Pres. Vladimir Putin on the strategic situation in the Middle East lasted three and a half hours. No details were released, but the Russian press reported that Sharon presented intelligence information linking the Palestinians and Iraq. Sharon also reportedly told a gathering of prominent Russian Jews that Israel planned to "put an end to terror" within a couple of months. PA senior negotiator Mahmud Abbas arrived in Moscow just after Sharon's visit for a three-day visit (10/2–4).

EUROPEAN UNION

The EU participated in the peace process mainly through the Quartet this quarter, concentrating efforts on drafting a road map to the creation of a Palestinian state. After the U.S. imposed its own draft road map on the Quartet (10/17), EU diplomats complained (*Washington Post* 11/10) that no one was listening to EU positions on the Israeli-Palestinian crisis and that the U.S. was ignoring its recommendations. A senior EU diplomat stated that the Quartet did not provide an adequate forum to meet EU demands for more participation, saying, "In the Quartet we meet, we talk, we discuss, but we don't implement."

EU foreign policy chief Javier Solana toured (10/6–1) the region to press the need for resuming peace talks immediately and to discuss details of the EU draft road map. Sharon asked (10/6) Solana not to meet with Arafat during his visit, but Solana refused, meeting with the PA head on 10/7.

The EU threatened (10/21) to take its trade dispute with Israel to arbitration if Israel continues to refuse to clarify the ori-

gins of Israeli goods exported to Europe (see Quarterly Update in *JPS* 125). The EU believes that Israel marks goods made in Jewish settlements as "made in Israel" to obtain duty-free status illegally. In late 2001, the EU gave Israel a 10 mo. grace period to clarify the origins of its products or face the removal of Israel's free trade status. The 10/21 decision constitutes an indefinite extension of that grace period.

Finland refused (10/28) to sell chemical warfare detection kits to Israel, citing EU prohibitions on exporting dual-use technology to countries in conflict.

UNITED NATIONS

At the opening of the new UNGA session on 9/12, UN Secy. Gen. Kofi Annan countered Bush's speech focusing on Iraq as the prime global threat by noting four "current threats to world peace, where true leadership and effective action are badly needed," the first of which is the Israeli-Palestinian conflict, where he said peace could be reached "only if we move rapidly and in parallel on all fronts. The so-called 'sequential' approach has failed." He stressed the need for an international conference to lay out a road map of parallel steps as well as for immediate humanitarian assistance to relieve Palestinian suffering. The other threats Annan named were, in order, Iraq, Afghanistan, and South Asian nuclear-weapons-capable countries.

At the close of the quarter, Annan painted (11/13) a grim picture in a major Middle East policy talk at the University of Maryland, warning that "an atmosphere of gloom and defeatism has descended" upon the region, with little hope for resolution of the Israeli-Palestinian conflict. He stated further (11/14) that he was "not sure there is anything anybody can do between now and the Israeli elections" on 1/28/03 to move Israel and the Palestinians toward peace, but said that all parties should continue refining the U.S. draft road map so they can "be ready to move when the time comes."

The UNSC convened (9/23) an emergency session on Israel's siege of Arafat's Ramallah compound. The PLO submitted a draft res. blaming Israel for the upswing in violence, demanding its withdrawal from Palestinian cities, and expressing concern for the Palestinian humanitarian plight. The U.S. denounced the draft as one-sided, threatened to veto it, and submitted its own draft res. condemning Palestinian suicide bombings, calling on Israel to cease military actions

around Arafat's offices and withdraw from Palestinian cities, demanding the PA bring to justice those responsible for "terrorist acts," and urging the UN to consider Hamas and Islamic Jihad as "terrorist" organizations. After further debate on 9/24, the UNSC passed (14-0, with the U.S. abstaining) Res. 1435 sponsored by Britain, Bulgaria, France, Ireland, and Norway, condemning "all terrorist attacks against any civilians," expressing grave concern over the Palestinians' humanitarian plight and reoccupation of Palestinian cities, demanding Israel's immediate halt to attacks on the PA headquarters in Ramallah and withdrawal to 9/00 positions, and calling on the PA to ensure that all those responsible for "terrorist acts" are brought to justice. Israel said (9/24) that if the Palestinians fulfilled their obligations to the letter, it would do the same; until then IDF operations would continue "until their objectives are met."

At the close of a meeting of the UN Comm. on the Exercise of the Inalienable Rights of the Palestinian People (9/23-24) in New York, NGOs issued a statement expressing dismay at the deterioration of Palestinian humanitarian conditions, calling for an immediate end to the Israeli occupation, and urging the U.S. to press Israel to adhere to UN resolutions on Palestine, as it has demanded of Iraq.

A multisector UN technical assessment mission visited (10/9-18) the West Bank and Gaza to assess current humanitarian efforts and the needs of the Palestinian population. Reps. from various UN organizations (e.g., UNRWA, UNICEF, UNESCO) and the World Bank met with local UN agencies, donor reps, local and international NGOs, and PA and Israeli officials. The mission drafted (10/02) a humanitarian action plan and response mechanisms to the unfolding humanitarian crisis that was adopted by the donor community (see below).

UNRWA chief Peter Hansen submitted (9/24) an emergency appeal for an additional \$74.8 m. for 2002, saying the Palestinians were facing their most severe humanitarian crisis since 1948. As of 11/4, UNRWA still sought \$37.9 m.

VATICAN

Pope John Paul II expressed (9/24) concern over Israel's "grave attack" on the PA headquarters in Ramallah and said that Sharon should "suspend such actions that compromise the already faint hopes for peace in the region."

The Vatican gave (11/6) \$400,000 to Roman Catholic causes in Israel and the West Bank to improve the lives of Christians there and to persuade them not to flee the ongoing violence. The pope encouraged "Christians to remain in these tortured places, like so many missionaries already are doing in heroic fashion," noting that "the safekeeping of holy sites . . . would be seriously put in danger if Christians abandoned them."

IRAN

Iran intervened as little as possible in the Israeli-Palestinian conflict this quarter, as Israel stepped up rhetoric trying to portray Iran as a worthy target for the U.S. war on terrorism (see Syria-Israel above). Iran released (10/24) three of ten Iranian Jews convicted in 1999 on charges of spying for Israel. Two others have already completed their sentences and have been released.

TURKEY

Turkish-Israeli relations remained relatively unaffected by regional events and the 11/3 landslide victory of the Islamic Justice and Development Party. Party chief Recep Tayyip Erdogan confirmed (11/14) that Turkey would continue its military cooperation with Israel as long as it serves Ankara's national interests. Israel signed (10/8) an \$18.5 m. deal with Turkey to buy firing control systems and other weapons for outfitting tanks. Joint Israeli-Turkey-U.S. military maneuvers scheduled for 10/14-25 were canceled due to the Iraq conflict.

The House passed (10/7) by voice vote a bill that would amend the 1985 U.S.-Israel free trade agreement to allow creation of qualified industrial zones (QIZs) in Turkey (see Quarterly Update in *JPS* 124). Goods produced jointly by Israel and Turkey in the QIZs would be granted duty-free entry to the U.S. A Senate version of the bill was under preparation at the close of the quarter.

DONORS

Donors continued to operate on an emergency basis this quarter, as they have since the start of the al-Aqsa intifada, with their main priority being to ease the humanitarian crisis in the occupied territories. Donor reps. often met alongside Quartet reps., twice (8/22, 11/14) under the rubric of the Quartet's ITFR, blurring the lines of their respective mandates—a development that began last quarter (see Quarterly Update in *JPS* 125). The evolving road map for creating a provisional Palestinian state apparently

would give donors the job of setting economic priorities, whereas the U.S.-dominated ITFR would monitor donor and PA performance. Donor reps. also sat in on a UN inter-agency meeting (e.g., 11/12) organized by the UN Special Coordinator's Office (UNSCO) so that donors and the UN could coordinate a single strategic response to the humanitarian crisis and the PA reform effort.

The Local Aid Coordination Comm. (LACC) held informal meetings (i.e., without Israeli or Palestinian reps.) on 9/27 and 10/17 to discuss the adequacy of the donor response to Palestinian needs as identified in the Ad Hoc Liaison Committee's (AHLC) damage assessment of the Israeli incursions during spring 2002 (see Quarterly Update in *JPS* 124) and a humanitarian action plan drafted by the UN Office for the Coordination of Humanitarian Affairs (OCHA) in 10/02 (released publicly on 11/19; see Doc. A1). The LACC essentially adopted the OCHA recommendations, based on the findings of a UN interagency technical assessment mission that traveled to the territories in 10/02. The plan notes the need for "short term aid interventions pending full resumption of the PA's capacity to deliver basic services" and recommends that aid efforts target food security, health, education, water and sanitation, psy-

chological support, shelter, and emergency employment, as well as improving humanitarian advocacy, commitment tracking, and coordination. Participants at the 11/12 UNSCO meeting recommended seeking \$300 m. in emergency funds for these target areas, in addition to current UN expenditures on development in the occupied territories. A pledging conference should be held in Switzerland in 11/19.

In keeping with the U.S. draft road map, the AHLC scheduled (10/02) a meeting for mid-12/02, after the final road map is supposed to be announced, to review the Palestinians' humanitarian situation and prospects for development and to identify priorities for donor assistance. With the collapse of the Israeli government on 11/5, donors said the meeting might be postponed. Sector working groups did not meet regularly this quarter largely due to logistical difficulties in getting together.

Meanwhile, the PA complained (8/28) that donors had transferred only 15% of the \$2.35 b. they pledged in 4/02 and 5/02 (see Quarterly Update in *JPS* 124). Of the \$2.35 b., \$880 m. was committed to support the Palestinian budget, \$770 m. to emergency job creation projects, and \$350 m. each to reconstruction and infrastructure projects.



Palestinian boys throw stones at an IDF bulldozer creating a buffer zone between Askar r.c. and Nablus, 8 October 2002. (AFP Photo/Jaafar Ashtiyeh)