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Author(s): Michele K. Esposito

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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 NOVEMBER 2003–15 FEBRUARY 2004

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

The primary event of this quarter was Israeli PM Ariel Sharon's declaration of a unilateral disengagement plan, backed by, and to be carried out in coordination with, the U.S. This, combined with U.S. support in principle for Israeli construction of a West Bank separation wall, marked a significant shift of U.S. policy from formally criticizing unilateral actions prejudging final status to supporting them as ways of moving the peace process forward. These changes have made more obvious than previously that the debate on the future of the peace process is being carried out by Israel and the U.S. exclusively, without Palestinian or any other input.

The quarter had opened, however, with cautious optimism that Israel and the Palestinian Authority (PA) might resume contacts aimed at implementing the road map after a long period of heightened violence and uncertainly marked by the resignation of PA PM Mahmud Abbas on 9/6/03, an escalation of Israel's assassination policy (9/5–10/4), Israel's air strike on Syria on 10/5/03, and Israel's Operation Root Canal (10/10–19) in Rafah (see Quarterly Update in *JPS* 130). A new PA government under PM Ahmad Qurai' was inaugurated on 11/12 and opened talks (11/13) with Israel on a possible meeting between Qurai' and Sharon. The U.S. was pressing Sharon, who had refused to take any steps toward peace until the PA began to dismantle militant groups, to draft a package of conciliatory gestures to present to Qurai' at their first meeting to jump-start road map implementation, as well as to seize the diplomatic initiative after the 10/13 announcement of the independent Israeli-Palestinian peace proposal, the

Geneva Accord (see Quarterly Update and special document section in *JPS* 130). Secretly, Hamas was continuing contacts with the U.S. and Israel via the European Union (EU) and Arab envoys (begun ca. 9/10 following Israel's 9/6 assassination attempt on spiritual leader Shaykh Ahmad Yasin; revealed in the Arab press and confirmed by Hamas on 12/21 and by the EU on 12/23) that involved an immediate, though unpublicized, cessation of attacks inside Israel as of 9/10 as a demonstration of good faith. The follow-up was hoped to be an Israeli halt to assassinations in exchange for a formal, declared cease-fire.

Although Israeli-Palestinian violence continued, with Palestinians being killed almost daily under the Israel Defense Force's (IDF) loose open-fire regulations and significant IDF raids into Palestinian areas, when the quarter began there had been no Hamas attacks inside Israel since 9/9, no Israeli civilian deaths since 10/9, no Jewish settler fatalities since 10/22, no IDF fatalities since 10/23, and no IDF assassinations since 10/28. At least 2,888 Palestinians (including 38 Israeli Arabs and 15 unidentified Arab cross-border infiltrators), 828 Israelis (including 245 IDF soldiers and security personnel, 180 settlers, 403 civilians), and 47 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada.

Sharon Opts for Unilateral Disengagement

The first inkling of a serious Israeli unilateral disengagement plan came on 11/17, when Sharon met secretly in Rome with U.S. National Security Council (NSC) Middle East adviser Elliott Abrams for "relationship maintenance" talks. Abrams reportedly (*Ha'Aretz* 11/22, 11/24; *Voice of Israel* 11/24) again pressed Sharon to take steps to ease restrictions on Palestinians' daily life, with Sharon

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suggesting instead that Israel might take a series of unilateral steps in mid-2004 to ease Palestinian conditions, possibly including removing some Jewish settlements. Follow-up talks were held quietly in Washington on 11/25 between U.S. National Security Adviser (NSA) Condoleezza Rice and Sharon's chief of staff Dov Weisglass. Weisglass reportedly (*Mideast Mirror* 11/28, 12/1, 12/5) laid out a 2-stage plan drafted by Sharon for U.S. Pres. George W. Bush's approval: In the first phase, the U.S. and Israel would agree on the nonviability of the Qurai' government, with the expectation that it would fall within 6 months, marking the actual end of the road map. They would further agree that the U.S. would not attempt to replace the road map with a new plan, but that the 2 governments would express firm support for the road map, while Israel would offer gestures to the Palestinians aimed at demonstrating (for Israeli and international consumption) Israel's efforts for peace. In the second phase, Sharon would "fill the vacuum that is created" by the anticipated fall of the Qurai' government by unilaterally declaring Israel's borders, taking 60% of the West Bank.

In keeping with this reported agenda, Sharon publicly pledged (11/23, 11/24) that he would offer the PA a set of conciliatory gestures to revive the road map and bolster the Qurai' government in his forthcoming meeting with Qurai' (for which no date had been set, but which Sharon expected "in the next few days"). He also warned that if talks with the PA failed, he might take "unilateral steps" in the West Bank and Gaza. After the Rice-Weisglass meeting, Sharon's tone became more strident. On 11/27, he threatened that if the PA did not make concessions, Israel would unilaterally impose a solution taking permanent control of some occupied territories, adding that "the Palestinians should have understood already that what they didn't get today, they may be unable to receive tomorrow," and admonishing the PA that "you don't have unlimited time," there "is a limit to our patience."

At the same time, several semi-official behind-the-scenes meetings took place regarding reviving the road map in an apparent attempt to offer a carrot along with Sharon's stick. In Madrid on 11/28, PA FM Nabil Shaath, Labor M Ghassan Khatib, and former security affairs M Muhammad Dahlan met with Likud parliamentary caucus chmn. Gideon Saar, Labor MKs Dalia

Itzik and Danny Yatom, and Hadash MK Ahmad Tibi; sitting in were former EU special envoy Miguel Moratinos, former U.S. amb. to Israel Martin Indyk, former Jordanian FM 'Abd al-Ilah Khatib, and unnamed UN representatives. The same day in London, a Palestinian delegation led by PA National Security Adviser Jibril Rajub met with an Israeli delegation headed by Sharon's son Omri and including Maj. Gen. Amos Gilad, coordinator of government activities in the occupied territories, as well as Labor MKs Ephraim Sneh and Yitzhak Hartog. No details of these meetings were released. In addition, U.S. Asst. Secy. of State for Near East Affairs William Burns visited (11/28-29) Israel and the occupied territories to discuss reviving the road map.

Meanwhile, senior aides to Sharon and Qurai' met (11/30) to arrange a meeting between the PMs to discuss implementing the road map, but failed to agree on an agenda. (Indeed, through the end of the quarter, the Qurai'-Sharon meeting was always just about to take place, but never did because the sides could not reach a mutual understanding of what would be discussed.) Unilaterally, Qurai' went to Jordan on 11/30 to ask King Abdallah to transmit to Bush the PA's ideas for halting violence and restarting road map implementation, and to urge Bush to press Israel to halt assassinations and separation wall construction. Abdallah delivered the message in a meeting with Bush on 12/4.

Meanwhile, Egypt renewed (11/19) its mediation of cease-fire talks among Palestinian factions, sending mediators to the occupied territories (11/19-21) and hosting the Palestinian factions in Cairo (12/4-8). The factions offered (12/6) to halt suicide bombings inside Israel in exchange for Israel reopening talks with the PA, holding the Sharon-Qurai' meeting, and halting raids on PA areas, but Israel said the offer was a non-starter unless the factions agreed to halt all attacks on IDF soldiers and Jewish settlers in the occupied territories as well, which 5 factions (including Hamas and Islamic Jihad) rejected as tantamount to a demand for a unilateral cease-fire. Qurai' traveled to Cairo 12/7 to lobby the factions personally to accept Israel's demands for the sake of the road map, but the factions refused, arguing that Israel had ignored their previous unilateral cease-fire (see Quarterly Update in *JPS* 130) and thus that they had no reason to enter another cease-fire agreement unless Israel was party to it. Talks ended on 12/8

without agreement. Weisglass agreed (12/7) to continue talks on a Sharon-Qurai' meeting, but said that if Qurai' "cannot deliver even a cease-fire, clearly there is nothing to offer."

Meanwhile, in an interview with the Israeli daily *Yedi'ot Aharonot* on 12/5, Israeli's Dep. PM Ehud Olmert, a close ally of Sharon, called for Israel's unilateral withdrawal from a significant portion of the West Bank, not including settlements around Jerusalem, so as to preserve an 80:20 ratio of Jews to Arabs in the State of Israel. (Olmert's popularity ratings immediately climbed from around 7% to 15%.) Soon afterward, Sharon began meeting with his coalition partners and Labor leaders to feel them out on the issue of unilateral separation, raising speculation that he was testing the waters in anticipation of making a major policy address on disengagement in his speech to the upcoming Herzliya conference on 12/18.

The high-profile Israeli, Palestinian, and U.S. diplomatic efforts in the run-up to the Herzliya conference (12/16–18), however, remained focused on reviving the road map, apparently to demonstrate a last ditch effort to get implementation rolling. In Washington, U.S. Secy. of State Colin Powell met (12/11) with Israeli FM Silvan Shalom to press Israel yet again to take steps to ease restrictions on Palestinians' daily life and with Egyptian mediator Omar Sulayman regarding reviving the Palestinian cease-fire talks. Powell and Shalom held follow-up talks in Washington on 12/15. In Rome, U.S. Asst. Secy. of State David Satterfield met with Israeli and PA officials on the sidelines of a major donor conference (see below) to press them to restart road map implementation. Satterfield then met (12/13) Qurai' to press him to begin cracking down on Palestinian militant groups, in keeping with the road map. The U.S. also brokered (12/15) a meeting between PA Negotiations Affairs M Saeb Erakat and Weisglass to discuss road map implementation. Most notably, Pres. Bush publicly warned (12/12) Israel not to take any actions that could prevent creation of a viable Palestinian state.

The Palestinians made significant gestures to Israel in an effort to restart talks. PA head Yasir Arafat released (12/10) a statement saying, "We accept Jewish sovereignty over the Wailing Wall and over the Jewish Quarter of the Old City. We accept this only because we recognize and respect the Jewish religion and the Jewish historical at-

tachment to Palestine." He also affirmed that Israeli citizens "have the right to determine the identity and character of the State of Israel, as long as it remains a democratic state and grants equal rights to others, including its large Arab population." On the right of return, he said that the refugee problem "must be resolved in a manner that is just and acceptable to both parties, Israel and the Palestinian leadership." Israel dismissed (12/10) the statements as "lawyerly and deceptive." Islamic Jihad declared (12/10) that it could agree to the establishment of a Palestinian state based on the 1967 borders indefinitely "on a temporary basis." [Shaykh Yasin made a similar statement on 1/7 (reiterated 1/10), saying Hamas could accept a "temporary peace" or renewable "long-term truce" with Israel in exchange for a Palestinian state based on 1967 borders; Israel dismissed the statement as purely "tactical."] The Palestinian factions also resumed cease-fire talks under Egyptian auspices in Gaza (12/16) and Cairo (12/17).

For Israel's part, Sharon restated (12/10) his commitment to the road map and authorized the IDF (12/9) to remove 5 unauthorized settlement outposts, as required by the road map—though the IDF removed only 1 on 12/15. Jewish settlers unilaterally evacuated (12/10) a second such outpost. Labor MK Ephraim Sneh presented (12/10) Qurai' with a staged plan for resuming road map implementation based on the old Gaza First formula, which Qurai' viewed as a nonstarter given Sharon's previous manipulations of the formula (see Quarterly Updates in *JPS* 129, 130).

Meanwhile, between 11/15 and 12/17, Israeli-Palestinian violence continued at a moderate level. Of note, an al-Aqsa Martyrs Brigade (AMB) gunman killed 2 IDF soldiers at a checkpoint near Jerusalem on 11/18, marking the first IDF deaths since 10/23; the AMB also fatally shot 2 Israeli security guards at a separation wall construction site on 11/22. The IDF staged major raids on Rafah (11/18–19, 12/11), Jenin (11/22), Amari refugee camp (r.c.; 12/1) and Khan Yunis (12/15), and continued bulldozing Palestinian agricultural land, demolishing Palestinian homes, and firing on Palestinian residential areas (see Chronology for details). Mysterious explosions on 11/30 and 12/9 that killed 1 Islamic Jihad member and 3 Hamas members may have been assassinations. By 12/17, the cumulative death toll had reached 2,926 Palestinians and 833 Israelis.

Sharon's Herzliya Speech

At the Herzliya conference on 12/18, Sharon, as anticipated, gave a major policy address, threatening that if the Palestinians did not show progress on the road map within "a few months," he would end negotiations and unilaterally define Israel's "security lines" (roughly along the lines of the separation wall in the West Bank), "strengthening control" over large areas of the West Bank, including all of Jerusalem, and removing a number of Jewish settlements, saying such steps "will be fully coordinated with the United States." At the same time, he reiterated his commitment to the road map, pledging to remove unauthorized settlement outposts and ease restrictions on Palestinian movement, including removing curfews and closures and reducing the number of road-blocks. The PA denounced (12/18) Sharon's self-termed "disengagement plan" as a threat to toss out the road map. Highlighting the degree to which the quiet U.S.-Israeli talks on the disengagement plan had been obscured by the high-profile meetings on the road map, White House spokesman Scott McClellan's initial statement (12/18) on the U.S. reaction to Sharon's speech was that the U.S. would "oppose any unilateral steps that block the road toward negotiations under the road map." Later the same day, a "senior Bush administration official" issued a clarification, hailing Sharon's speech as "very positive" and stating that any suggestion of U.S. displeasure was "a misreading of what Scott McClellan said" and that the White House was "not opposed to unilateral steps by Israelis and Palestinians as long as they move the ball forward." Administration officials speaking anonymously acknowledged (12/18) that the Sharon speech was based on a tacit U.S.-Israeli agreement that Qurai' was "proving to be a disappointment"—echoing the Weisglass plan outlined to Rice on 11/25 (see above).

Immediately following the Herzliya speech, open diplomatic efforts by the Israelis, Palestinians, and the U.S. nearly ceased for more than a month, except for half-hearted attempts (12/21, 12/24) to secure a Qurai'-Sharon meeting. Egyptian FM Ahmad Maher made an emergency visit (12/22) to Israel, his first visit to Israel in 2 years, to urge Sharon to continue road map talks with the Palestinians, but nothing came of the meeting. Egyptian envoy Osama Baz met (1/1) with Arafat in Ramallah to urge him to press ahead with Palestinian cease-fire talks, but these were effectively suspended.

One reason for the absence of diplomatic activity on the road map and disengagement plan in the wake of the Herzliya speech was the uncertainty over what Sharon intended by his disengagement plan and how serious he was about it. Sharon's wording at Herzliya was vague and convoluted (see Doc. C1), indicating essentially that he was prepared to declare unilaterally Israel's borders and effectively annex most of the West Bank but explicitly stating that nothing was written in stone, that disengagement would not be "political" or irreversible, and that it would not preclude the road map. While the PA, the U.S., and the rest of the world largely waited for Sharon to flesh out his plan, Sharon was content to do nothing except erode the Palestinian position on the ground through military actions.

Indeed, Israel dramatically escalated its military actions in the occupied territories to coincide with Sharon's Herzliya speech. The day of the speech (12/18), the IDF killed 2 senior Popular Front for the Liberation of Palestine (PFLP) members and a Hamas member in what appeared to be assassinations, launched a major raid on Nablus, and stepped up operations in neighboring Balata r.c. in a campaign (dubbed Operation Still Water) to clear out militants in the Nablus area that continued until 1/6. The IDF then assassinated (12/25) Islamic Jihad military cmdr. Muklid Humayid and attempted but failed to assassinate (12/30) senior Hamas military commander Jamal Jarrah. The IDF also staged major raids on Hebron (12/22), Jenin (12/22), Wadi al-Silqa (12/22), and Rafah (12/22–24). Jewish settlers placed caravans (12/27) on the sites of 2 unauthorized outposts previously removed by the IDF. The Israeli escalation had what was arguably its intended effect. In response to the deaths of the PFLP members on 2/18, a PFLP suicide bomber (from Bayt Furik, outside Nablus) detonated a device at a bus stop in Tel Aviv on 12/25, killing 4 IDF soldiers and 1 Israeli civilian. AMB gunmen fatally shot (12/22) 2 IDF soldiers near Dayr al-Balah. In the 2 weeks after the Herzliya speech, 37 Palestinians and 7 Israelis were killed, bringing the comprehensive death toll since the start of the al-Aqsa intifada to 2,964 Palestinians and 840 Israelis.

Meanwhile, Sharon remained silent about his intentions. He announced the appointment (12/28) of IDF Maj. Gen. Giora Eiland, head of Israel's National Security Council and former chief of military planning, to oversee the drafting of his unilateral disengagement

plan. Simultaneously, to demonstrate movement on the road map, he ordered (12/28, 1/4) 6 unauthorized settlement outposts to be removed, of which only 1 was inhabited, housing 10 families. The settlers automatically appealed to the Israeli High Court, temporarily blocking the orders, making Sharon's move an empty gesture.

The UN and the Separation Wall

Another reason for the decline in diplomatic activity on the road map and disengagement plan was the announcement on 12/19, the day after the Herzliya speech, by the UN's International Court of Justice (ICJ) that it would give a nonbinding advisory opinion on the legality of Israel's separation wall; interested parties were invited to submit relevant information to the court by 1/30 in preparation for hearings in the Hague beginning on 2/23. To the Sharon administration, which had little if any interest in implementing the road map, this matter clearly took precedence. By 1/15, Sharon had set up 3 ministerial comms. to prepare a defense of the wall on the levels of security, politics, and law, plus a 4th ministerial comm. to handle public relations. The government also allocated \$1 m. for legal expenses and hired 3 of the world's top PR firms to repackage and promote the separation wall as a purely security measure—a "terror prevention fence"—that Israel was forced to undertake as a last resort to prevent Palestinian suicide bombings. (Indeed, after a suicide bombing on 1/29, the Israeli FMin. launched a new section of its Web site with graphic video from the bombing scene, introduced by the statement, "The anti-terrorist fence could have prevented this massacre . . . All those who criticize Israel for building the fence should take a look at this morning's pictures from Jerusalem.")

The PA and Arab states also made efforts to prepare written and oral testimony and to lobbying EU and nonaligned states to denounce the wall as a violation of the Fourth Geneva Convention. To this end, PA FM Shaath toured 9 EU countries (Belgium, Britain, Denmark, France, Germany, Ireland, the Netherlands, Sweden, and Switzerland), several Arab states (including Jordan), and Russia between 1/1 and 1/24. At the same time, Israel lobbied the U.S. and EU to adopt the Israeli position (submitted to the ICJ on 1/30) that the court had no jurisdiction to debate the case on the grounds that the ICJ could claim jurisdiction only in disputes where the parties mutually agree in advance

to abide by the ruling. Israel further argued that by agreeing to issue an opinion, the ICJ was harming efforts to reach a negotiated settlement between the parties. By the 1/30 deadline, some 29 countries including Australia, Britain, the EU, France, and the U.S. had submitted statements supporting Israel's challenge of the ICJ's jurisdiction, but all these countries except the U.S. also acknowledged that the wall was a major obstacle to peace.

After the 1/30 ICJ deadline for written submissions, the ICJ hearings continued to be an important issue but became less prominent in the media. On 2/9, the Israeli High Court opened its own hearings on the legality of the wall, but adjourned the same day after hearing only 2 petitions, and did not reconvene or issue a ruling for the rest of the quarter. On 2/12, Israel announced that it would not send a delegation to the ICJ, saying there was no point in doing so when it did not recognize the court's jurisdiction. The Israeli FMin., however, said (2/12) that it would send spokespersons to present Israel's case to the media. Meanwhile, Qurai' toured (2/9–19) Britain, Brussels, France, Germany, Ireland, Italy, and the Vatican to press the PA position on the wall in the run-up to the hearings.

Meanwhile, on the ground, Israeli-Palestinian violence began to rise. The IDF assassinated an AMB member (1/8) and fatally shot (1/7) 2 AMB members and 1 Hamas member in what may have been assassinations. On 1/9, 2 days after Israel had dismissed Shaykh Yasin's suggestion of a long-term renewable cease-fire, the Hamas spiritual leader stated that none of the contacts that Hamas had initiated with the U.S. through mediators had achieved any results, effectively ending attempts to reach an understanding with Israel on containing the violence. Days later, a female Palestinian suicide bomber detonated (1/14) a device at the Erez crossing, killing 3 IDF soldiers and an Israeli security guard—an attack Shaykh Yasin claimed as a joint operation by Hamas and the AMB. Another apparent Palestinian suicide bomber was intercepted (1/11) by the IDF but killed only himself; no group took responsibility. The IDF also steadily intensified bulldozing operations in Gaza, and house demolitions and raids on Palestinian areas throughout the occupied territories (see Chronology for details), including major raids on Nablus (1/3–5), Tulkarm r.c. (1/12), Rafah (1/20–22), Nabi Salih village near Ramallah (1/25), and then Gaza City

(1/28). On 1/29, another Palestinian suicide bomber acting on behalf of the AMB and Hamas detonated a device on a bus in Jerusalem, killing 10 Israelis and wounding 44. The IDF responded by assassinating a wanted Hamas member in Hebron (1/30) and fatally shooting a wanted AMB member in Jenin (2/1) in what may have been an assassination. By the close of 2/1, the comprehensive death toll had reached 2,995 Palestinians and 855 Israelis.

Disengagement Plans Go Forward

While the ICJ issue was foregrounded in 1/04, the unilateral disengagement issue was developing. On 1/8, a concerned Qurai' warned that if Israel unilaterally imposed new boundaries with the West Bank, precluding creation of a viable independent Palestinian state, the PA would have no choice but to press for a 1-state solution to the Israeli-Palestinian conflict—a binational Arab-Jewish state in all of Israel and the occupied territories, which Sharon viewed as a demographic threat. The PLO Exec. Comm. also stated (1/10) that the PLO could reiterate its 1988 unilateral declaration of a Palestinian state in the occupied territories if Sharon took unilateral action. Qurai''s statement drew a sharp rebuke from Powell, who said (1/8) that a 2-state solution was the only option, that Palestinians were to blame for the collapse of the peace process, that Sharon's threats to take unilateral action were only "plans" and "speculation," and that Sharon was merely looking for a "reliable partner to stand up and start acting," adding that the Arab states "have got to wrest authority away from Arafat that will allow [Qurai'] to start taking action with respect to terror and violence."

On 1/12, Sharon made a formal statement to the Knesset (endorsed by a vote of 51-9) reiterating his intention to disengage unilaterally from the occupied territories if the Palestinians did not make concessions soon. At the same time, an anonymous U.S. official stated (*Financial Times* 1/13) that "the administration is gearing up to justify what Sharon is going to do. It will spell the end of the road map." Another anonymous U.S. official stated (*Financial Times* 1/13) that the U.S. was considering sending John Wolf, the special envoy overseeing road map implementation recalled to Washington ca. 10/1/03 (see Quarterly Update in *JPS* 130), back to the region, but that this would be a token gesture mainly to appease the EU,

rather than a serious effort to revive the road map.

On 1/22, Sharon chief of staff Weisglass met again with NSA Rice in Washington to discuss Sharon's unilateral separation plan. Afterward the U.S., as predicted by the unnamed official, did announce (1/22) that it would send Wolf to the region for a brief visit, stressing that he had resumed full time his main job of running the State Dept.'s nonproliferation bureau. Wolf and Asst. Secy. of State Satterfield made a 2-day visit (1/27-28) to Israel and Ramallah, meeting with Weisglass and Qurai', and returned to Washington without comment. In an extensive closed briefing to the *Washington Post* (1/22) on the Weisglass-Rice meeting, an anonymous Israeli official stated that the U.S. had expressed concerns about the separation wall but had pledged not to raise them publicly as long as the PA failed to take action against "terrorism," explaining that the U.S. and Israel had agreed that the "sequence is that you, Mr. Palestinian, will obey the rules which are well-accepted among other members of the civilized community of nations, and then you may be allowed to discuss politics." Around the same time, the IDF reportedly held war game simulations aimed at evaluating the risks to Israel if the PA were allowed to collapse completely or if Arafat died.

Unilateral separation returned to the headlines on 2/2 when Sharon announced in an interview with *Ha'aretz* that he had given orders to plan for the "relocation" of 17 Jewish settlements in Gaza (out of 20—17 authorized and 3 unauthorized—recognized by the government) and 3 in the West Bank over the next 2 years, integrating the evacuated settlers (numbering around 7,500) into existing West Bank settlements. He also said that he was "working on the assumption that in the future there will be no Jews in Gaza." Sharon spokesman Raanan Gissin stated (2/2) that Israel would likely maintain 3 Jewish settlements on the northern border with Gaza (see Settlement Monitor). Dep. PM Olmert stated (2/2) that implementation would begin in 6/04 or 7/04 as part of Israel's unilateral separation plan, if talks with the Palestinians failed to make progress. Sharon stated his intention to discuss the plan with Pres. Bush in an upcoming meeting (no date had been set) in Washington and explore whether the U.S. would finance the cost of implementation (which Israel estimated on 2/8 at \$2 b.).

Olmert and Omri Sharon flew (2/4) to Washington to brief Powell and VP Dick Cheney on Sharon's new ideas, stressing that the timetable for disengagement and relocation of the settlements would be in keeping with the road map and Bush's vision for creation of a Palestinian state by 2005. On 2/12, Powell stated that the U.S. was taking Sharon's plan seriously and would shortly send 3 senior officials to Israel to discuss it in more detail before endorsing it.

As had been the case with the Herzliya speech, a significant escalation in military operations had been timed to coincide with Sharon's 2/2 *Ha'Aretz* interview. On 2/2, the IDF assassinated senior Islamic Jihad member Yasir Abu Aysh, firing missiles at his Gaza City home; his brother (also a senior Islamic Jihad member), AMB Rafah leader Majdi Khatib, and senior Hamas member Baha' Judah were also killed. In addition to maintaining the pace of incursion, demolitions, and bulldozing (see Chronology for details), the IDF also assassinated wanted Hamas member Nasir Abu Shuka in Bureij r.c. (2/5) and Islamic Jihad military cmdr. Aziz Shami in Gaza City (2/7), and fatally shot PFLP Rafah military cmdr. Ashraf Abu Libda on 2/8 in what may have been an assassination. On 2/11, the IDF launched a major incursion into Gaza City, leaving 12 Palestinians (5 Hamas members, 2 Islamic Jihad members, 2 PA security officers, and 3 bystanders) dead and 60 wounded (33 of them children); 1 of the Hamas members was apparently assassinated. The same day (2/11), the IDF also raided Rafah, fatally shooting 3 Palestinians, wounding 17 (including 10 children), and demolishing 27 houses and 3 schools. The IDF also fatally shot (2/12) a wanted Hamas member near Ramallah in what may have been an assassination. Observers viewed (e.g., BBC 2/11, *New York Times* 2/12) the step-up in attacks in Gaza as a concerted effort to take out the militant leadership and inflict pain on Gazans in advance of a pullout in order to prevent militants from claiming the withdrawal as a victory that forced Israel to slink away, as Hizballah had done after the IDF withdrawal from Lebanon in 5/00.

Intifada Data and Trends

During the quarter, at least 141 Palestinians and 27 Israelis were killed, bringing the toll at the close of the quarter to at least 3,029 Palestinians (including 38 Israeli Arabs and 15 unidentified Arab cross-border in-

filtrators), 855 Israelis (including 260 IDF soldiers and security personnel, 181 settlers, 414 civilians), and 48 foreign nationals (including 2 British suicide bombers).

The Ramallah-based Prisoners Club estimated (1/4) that as of 12/31/03, Israel was holding 950 Palestinian administrative detainees (including 50 under age 18 and 3 women), up from 850 at year-end 2002. Figures released (1/28) by the IDF and Israeli Prison Authority, on the other hand, included 650 administrative detainees and 5,944 other prisoners (of whom 2,521 had been charged); of the prisoners and detainees combined, 236 were under age 16, and 90 were women. As noted below, Israel released (1/29) 401 Palestinian prisoners as part of a prisoner exchange with Hizballah.

Israel continued to transfer West Bank Palestinian administrative detainees to Gaza as punishment for involvement in Palestinian violence, arguing that they could not be tried because their cases would jeopardize intelligence sources (see Quarterly Update in *JPS* 130). Up to 17 transfers were reportedly carried out this quarter (3 on 11/23, 12 on 12/5, 12/31, 1/20), bringing the total number of detainees transferred to Gaza to date to 20. Most sentences were for 2 years, though at least 1 detainee was given a 4-year term.

This quarter, Israel carried out 10 killings that were clearly or almost definitely assassinations (down from 22 last quarter), in the process killing 8 bystanders and wounding 29: Hamas's Majdi Bahish (12/18), Jihad Suwayti (1/30), Nasir Abu Shuka (2/3), and Ashraf Abu Hassanian (2/11); Islamic Jihad's Muklid Humayid (12/18), Yasir Abu Aysh (2/2), and Aziz Shami (2/7); the PFLP's Jibril Awwad and Firas Haneni (2/18); and the AMB's As'ad Falah Khaliliyya (1/8). At least 11 other killings (11/30, 3 on 12/9, 12/24, 3 on 1/7, 2/1, 2/8, 2/12) were probable assassinations, but could not be verified; 1 bystander was killed and 21 were wounded in these incidents. An attack on 12/30, which wounded 11 bystanders, was clearly a failed assassination attempt.

During the quarter, there were 5 Palestinian suicide attacks (down from 12 last quarter), which killed 21 and injured about 81 (compared to 67 killed and about 203 injured last quarter). Of these, 4 were bombings (12/25, 1/11, 1/14, 1/29). The 5th attack (12/22) could be called "suicide" insofar as it was certain to result in the deaths of the 2 AMB members who staged it. Two attacks

(1/14, 1/29) were apparently jointly staged by the AMB and Hamas, 1 by the AMB alone, 1 by the PFLP, and 1 by an unknown assailant. The 1/14 suicide bombing was the sixth carried out by a Palestinian woman. The Palestinian use of mortars, rockets, and roadside bombs seemed to be up significantly from last quarter; 5 incidents reportedly caused material damage, and 3 incidents caused light injuries to 10 Israelis.

IDF demolition of Palestinian houses remained high this quarter (see Chronology for details). Once again, the vast majority were in Gaza, with at least 163 concentrated in the Khan Yunis/Rafah area (not counting 1 apartment building on 12/21, 1 mosque on 1/20, and 3 schools on 2/11) and 30 in central Gaza (not counting the sealing of 4 houses on 1/5, 1/7). The Palestinian Center for Human Rights estimated (12/25) that the IDF had demolished more than 800 homes in Rafah since the start of the intifada; UN officials put (10/15) the figure at more than 1,000. There were relatively few house demolitions in the West Bank: roughly 18 in Ramallah, 16 in Nablus (not counting the demolition of 1 apartment building on 1/22), 11 in Hebron, 4 each in Jenin and Tulkarm, and 2 each in Bethlehem and East Jerusalem (not counting 2 houses sealed on 12/8, 1/21), and none in Qalqilya. The IDF also continued bulldozing Palestinian land in Gaza: about 514 dunams in central Gaza (mostly in Bureij, Dayr al-Balah, and Wadi al-Silqa), 163 dunams in southern Gaza (mostly in al-Qarara), and 8 dunams in northern Gaza. Bulldozing in the West Bank was reported only in Hebron (34 dunams).

Israel also approved (12/2) construction of 1,720 new housing units in West Bank and Gaza settlements, raising to 2,819 the number of units approved since the road map was announced. Settlers fenced off (12/12) 1,750 dunams of Palestinian land outside Ramallah belonging to Tarmsaya village and fired on Palestinians who attempted to reach their olive groves on the land. The Israeli Interior Min. reported (12/30) that the settler population (excluding East Jerusalem) had reached 236,318, meaning that the settler population had grown by 16% since Sharon took office in 2/01 and doubled since Israel signed the 1993 Oslo Accord, which pledged to take no action to predetermine the outcome of final status talks.

The PA Central Bureau of Statistics (PCBS) reported (12/31) that the number of Palestinians worldwide had reached 8.7 m., including 2.3 m. in the West Bank and 1.4 m.

in Gaza, but not including 1 m. Israeli Arabs. PCBS estimated that there are 2.8 m. Palestinians in Jordan, 436,000 in Syria, 415,000 in Lebanon, 62,000 in Egypt, 595,000 in other Arab states, and 236,000 in the U.S.

Of note: After Israeli MK Yossi Sarid threatened (mid-11/03) to leak information concerning Israel's 10/20/03 attack on Nusayrat r.c., the IDF acknowledged (11/20) that it had deliberately given journalists inaccurate information concerning the missiles fired and military methods used by the IDF in the attack, which killed at least 11 Palestinians and wounded more than 100 (see Chronology in *JPS* 130), but did not provide any details. The IDF originally stated that the missiles fired were so small that they were incapable of causing widespread damage, accusing Palestinian bystanders and the PA of deliberately inflating casualty figures, and speculating that the car targeted in the attack was carrying explosives that caused the high number of casualties. Sarid was believed to have proof that the IDF used a flechette missile (banned internationally).

Also of note: Twice this quarter (12/1, 1/30) the IDF gave the PA advance warning before it entered Ramallah to conduct arrest raids, promising that no operations would take place near Arafat's headquarters.

Separation Wall

Construction on Israel's separation wall in the West Bank continued this quarter despite diplomatic maneuvers related to the ICJ. (For background on the wall and maps see Lagerquist article in *JPS* 130.) The IDF completed segments of the wall cutting off Jenin fr. the west (1/2) and isolating Abu Dis (1/12) from Jerusalem, and began work on new stretches outside Hebron and in the Jordan Valley, near Tubas, on 1/9. The IDF also confiscated (1/5) 1,559 dunams of land in Beitunia (west of Ramallah) for the separation wall.

Israel took limited steps before the ICJ hearings to make the wall appear less onerous and to demonstrate Israeli efforts to accommodate Palestinian concerns, particularly after acting Israeli atty. gen. Enda Arbel submitted (1/19) an opinion to Sharon stating that it would be very difficult to defend certain portions of the wall route to the ICJ. The Sharon administration approved (1/9) changes in the route of the wall that would have cut off the villages of Azun, Baqa' al-Sharqiyya, and Khirbat Jabar near Qalqilya and several homes in Tulkarm from the east as well as the west, sandwiching them

between the wall and the Green Line. Sharon also stated (2/8) that Israel would shorten the route of the wall to reduce the hardship on Palestinians, but gave no details.

On 12/31, IDF soldiers ordered a Palestinian family living on land isolated between the separation wall and the Green Line near Qalqilya to evacuate their home because it "is now in Israel." A human rights group secured permission for the family to stay while the order is being appealed.

On 2/8, an ailing 8-year-old boy from Habla village died en route to the hospital when no IDF soldiers were present to allow his ambulance passage through the separation wall to reach a Qalqilya hospital, marking the first death directly associated with the wall.

Palestinian and international peace activists continued to hold nonviolent demonstrations along the separation wall, with some protests (e.g., 12/27, 12/28) involving 1,000s of individuals. On 12/26, IDF soldiers fired live ammunition at nonviolent protesters demonstrating at the wall near Qalqilya, wounding 1 Israeli (who had just finished 3 years of IDF service) and 1 American. An embarrassed IDF chief of staff Lt. Gen. Moshe Ya'alon visited the wounded Israeli in the hospital on 12/28, where he declared that the IDF had not known that Israelis were among the 12/26 demonstrators and promised a full investigation. In nearly identical incidents on 12/31 and 1/3, the IDF again fired live ammunition at nonviolent protesters near the wall, wounding 2 Israelis and 10 Palestinians, and arrested and deported 32 foreigners. On 1/14, the IDF raided Budrus, near Ramallah, and detained the coleaders of the Popular Comm. Against the Wall, a nonviolent protest group that organizes rallies against the wall, on charges of having connections to "terrorism"; an Israeli judge ordered the men released within days, citing lack of evidence.

Independent Peace Initiatives

The Geneva Accord (see special document section in *JPS* 130) was formally unveiled at a high-profile ceremony in Geneva on 12/1. Arafat did not endorse the details of the plan but declared it a "brave and courageous initiative," while Sharon continued to denounce it as "subversive." Even before the formal unveiling, the Israeli High Court ordered (11/19) Israel's state-run broadcasters to air advertisements urging people to read the Geneva Accord text, which drafters began mailing to every Israeli home in mid-

11/03. In a possible bid to pressure Israel and the PA to move forward, the U.S. announced (12/2) that U.S. Secy. of State Powell, Asst. Secy. of State Burns, and NSC adviser Abrams would meet with the Geneva Accord drafters in Washington on 12/5, reiterating the U.S. commitment to the road map but welcoming the accord as a positive grass-roots peace initiative. After the 12/5 meeting, the U.S. issued a lukewarm statement saying, "When we get to the third phase [of the road map, addressing final status issues], we'll talk about the kind of things that the Geneva plan talks about." Drafters spent the quarter touring the world promoting the accord, notably holding a briefing for UNESCO conference participants in Paris on 1/19, and met again with U.S. officials in Washington on 2/11, but by the end of the quarter, the proposal seemed overtaken by events.

The U.S. also for the first time invited (11/26) former Shin Bet head Ami Ayalon and Palestinian figure Sari Nusseibeh to Washington on 12/12 to discuss their proposals for reviving the peace process. The Nusseibeh-Ayalon initiative (see Doc. A1 in *JPS* 130), similar but much vaguer (and therefore arguably more attractive) than the Geneva Accord, had generally been ignored by the U.S. when it first came out in 9/02. Nothing further was heard about the initiative after the 11/26 meeting.

On 12/21, 13 reservists of the IDF elite commando unit Sayaret Matkal signed an open letter to Sharon, refusing to serve in the occupied territories, stating that the IDF had "long ago crossed the line between fighting a just cause and oppressing another people." As a result, 2 of the reservists then on duty were removed from their unit on 1/19. In addition, IDF Lt. Col. Eitan Ronel (res.), a veteran of the 1973 war, resigned (1/4) his commission in an open letter to Sharon posted on the Internet. The letter came the same day that 5 IDF soldiers were sentenced to a year in prison for refusing to serve the IDF "as long as it acts as an army of occupation."

THE PA AND INTRA-PALESTINIAN RELATIONS

The Qurai' government appeared to make little headway on reform efforts this quarter, though the Palestinian Council (PC) and Executive Comm. (EC) seemed to meet more regularly (e.g., 12/9, 12/13, 12/14, 2/1), albeit without taking any major decisions. Serious political and reform efforts were overtaken by the need to contain the PA's

mounting financial woes and the growing insecurity in Palestinian cities (see below).

Symbolic of the PA's dual crises, PA Negotiations Affairs M Erakat (1/17) and PA National Security Adviser Rajub (2/4) revealed that the U.S. had warned that if the PA did not make progress toward capturing and prosecuting those responsible for the 10/15/03 Erez roadside bombing that killed 3 American security guards (see Quarterly Update in *JPS* 130), the U.S. would cut off \$200 m. in crucial USAID funding to Palestinian organizations for emergency health, education, and water programs. Indeed, the U.S., in Rajub's words, was already "black-mailing" the PA by banning U.S. diplomats and other personnel from entering the West Bank and Gaza, and by pressuring other countries to withhold aid until the Palestinian bombers were arrested and tried. The U.S. confirmed (2/4) that it had made such threats several times. The PA hastily convened (2/7) a military tribunal to arraign 4 Palestinians in connection with the 10/15 attack but did not charge them with staging the attack. The U.S. dismissed (2/9) the effort as inadequate and insincere.

Fiscal Matters

PA Finance M Salam al-Fayyad presented (12/2) the PC with the PA's FY 2004 budget, which anticipated PA expenditures of more than \$1.7 b. for 2004, with the deficit reaching \$890 m., economic growth retracting slightly, and poverty and unemployment levels remaining the same. (The PC approved the budget on 1/5.) Fayyad hoped that donors would help cover recurrent expenses and the deficit, but their response (12/10–11) at the Ad Hoc Liaison Comm. (AHLC) was restrained (see below). On 1/6, following the AHLC, a UN official speaking anonymously warned that the chances of the PA's financial collapse were high, stating that the PA was "staring at bankruptcy next month. This could be a tipping point where they can't go on." The official reported that the PA was having trouble paying salaries and that donor fatigue had sapped critical financial support. Fayyad acknowledged (2/15) that, due to a sharp decline in donor aid, the PA for months had been forced to sell off securities and borrow from local banks to cover the salaries of the more than 120,000 Palestinian civil servants.

Despite the budget crunch, Qurai' announced plans (11/17) for the Social Affairs Min. to take over providing charity to individuals who were previously provided for

by the Hamas charities whose funds were frozen by the PA on 8/28/03 under pressure from the U.S. (see Quarterly Update in *JPS* 130), as soon as "lists of those eligible for assistance are reviewed. The U.S. reportedly (*Ha'Aretz* 11/23) pledged to provide funds to the Social Affairs Min. to cover this expense, so as to undermine Hamas and bolster the PA. There was no word whether the U.S. would follow through given the issue of the 10/15 Erez bombing.

Security Efforts

Arafat chaired the first meetings of his new National Security Council—set up to consolidate and reinvigorate the PA security forces (see Quarterly Update in *JPS* 130) in Ramallah on 11/16, 12/14, and 1/25. The council affirmed its rejection of terrorism and violence, reaffirmed its determination to achieve a comprehensive cease-fire, and stated plans to take "firm" steps to end "anarchy" in the occupied territories and to reactivate the PA security forces, judiciary, and courts, but took no noticeable action to follow through. In late 1/04, with the internal situation continuing to deteriorate (reports indicated that Nablus, and to a lesser extent Jenin, were approaching states of lawlessness), the PC reprimanded the Qurai' government for its inaction. Soon after, in coordination with the IDE, PA Preventive Security Force (PSF) officers resumed (1/28) patrols in West Bank cities.

National Unity

Intra-Palestinian tensions increased significantly this quarter as the PA, and specifically Arafat's Fatah leadership, appeared increasingly absent and unable to affect conditions on the ground. In one popular demonstration, the frustrated families of Palestinian prisoners in Israeli jails demonstrated (1/19) outside a PC session in Ramallah, demanding that the PA do more to free detainees. Most other incidents appeared to have factional overtones.

In perhaps the most significant event of the quarter, 356 Fatah members published (2/7) a letter declaring their resignation from the movement, citing corruption, mismanagement, and lack of political direction within the party, warning that "Fatah is beginning to disintegrate as a result of internal contradictions" (see Doc. B). Senior Fatah officials downplayed the letter, claiming that the "vast majority" of the names were either false or of dead persons, whereas other sources (see *New York Times* 2/12) claimed the 356 represented the core of Fatah's

"young guard." The resignation came on the eve of a controversial Fatah Revolutionary Council (FRC) meeting, set for 2/8. In the weeks before the meeting, the Fatah "young guard" had pressed the movement to convene its 6th general congress (the 5th had been held in 1989) to elect a new Fatah Central Comm., currently dominated by the Fatah "old guard," which opposed the idea. The "old guard" had agreed to hold the FRC meeting to discuss the idea, but the "young guard" expressed (ca. 1/20) fears that such a meeting would merely be a stall tactic. After the letter of resignation, the FRC meeting was postponed indefinitely. Whatever the identity of the signers, even leading officials, including Fatah secy. Husayn al-Shaykh and FRC member Samir al-Shihadah, said (2/7) they agreed with the content of the letter, rejecting only the manner of its timing and presentation.

Some incidents in Gaza appeared to have been carried out by Fatah members supporting Muhammad Dahlan, former Gaza PSF head and former PA security affairs M, against Arafat loyalists; Arafat and Dahlan fell out in 2002 when Arafat began to suspect that Dahlan, with the encouragement of Israel and the U.S., was attempting to form his own power base in Gaza. In one case, 4 PSF officers stormed the PA police headquarters in Gaza City in an apparent attempt to assassinate the current Gaza PSF head Ghazi Jabali; Jabali escaped unharmed, but 1 PSF officer was killed and 11 were wounded. On 12/29, young Fatah members in Rafah waylaid and essentially kidnapped Arafat aide Ramzi Khoury and Gaza governor Muhammad al-Kidwa at the Rafah crossing as they returned from Egypt. The Fatah members took the pair on a forced 4-hour tour of the recent IDF destruction in Rafah, protesting the PA's failure to provide for 1,000s of homeless Palestinians. Within days, Qurai' made a trip to Saudi Arabia, where he secured \$22 m. for construction of 950 new houses in Rafah.

In another incident possibly involving Fatah splinter groups, unidentified gunmen fired (11/25) on the car of Nablus mayor and PC member Ghassan al-Shak'a (Fatah), another Arafat ally, in an apparent attempt to assassinate him, leaving him unharmed but killing his brother.

A number of incidents were related to the Geneva Accord, which many Palestinians condemned as ceding the refugees' right of return. Just before the formal ceremony in Geneva, the AMB issued (11/30) a leaflet de-

nouncing the accord drafters as traitors. Some 200 Palestinians harassed (11/30) around 50 Palestinians leaving Gaza to attend the ceremony, forming a gauntlet along the road to the Rafah terminal, kicking and moderately beating several of the 50. Unidentified gunmen thought to be AMB members fired (11/24) at the home of Geneva Accord drafter and former PA information M Yasir 'Abid Rabbuh, causing damage but no injuries. On 12/2, some 1,000 Gazans held a rally denouncing 'Abid Rabbuh as a traitor and condemning the accord.

There were also incidents of Palestinian militants harassing the Palestinian press. On 1/8, 5 armed, masked Fatah members detained and beat an al-Arabiyya TV reporter in Gaza to "remind you how you should cover Fatah," apparently displeased over previous al-Arabiyya coverage. In Ramallah on 2/2, 2-3 armed AMB members stormed the offices of *al-Dar* newspaper and al-Quds TV, destroying equipment, computers, and videos. Unidentified assailants set fire (2/13) to the car of the *al-Hayat al-Jadida* Gaza bureau chief. On 2/15, 200 Palestinian journalists temporarily occupied the PC building in Gaza to protest the spate of attacks and threatened to halt coverage on the PA security services as well as the Interior and Justice Mins. until the PA took action to prevent future incidents. The PA promised (2/15) to look into the matter, and the journalists agreed to call off their strike temporarily.

Meanwhile, Hamas and Islamic Jihad reportedly were discussing (ca. 12/11) formally establishing a joint political and military leadership, including possibly merging the groups. The groups have been coordinating their military actions for some time and have been drawing closer on many political stands.

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Palestinian Center for Policy and Survey Research (PCPSR) between 4 and 9 December 2003. Results are based on a survey of 1,318 men and women from the West Bank and Gaza. The poll, 10th in a series, was taken from PCPSR's Web site at www.pcpsr.org.

1. 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	27.5%	41.1%	32.5%
b. Support	61.8%	46.1%	56.0%
c. Oppose	6.8%	9.5%	7.8%
d. Strongly oppose	1.6%	1.9%	1.7%
e. No opinion	2.4%	1.4%	2.0%

2. With regard to the road map, do you think it has collapsed or do you think there is still room to implement it?

	West Bank	Gaza	Total
a. Has collapsed	57.1%	58.7%	57.7%
b. Has not collapsed, still room to implement	34.3%	31.8%	33.4%
c. No opinion	8.7%	9.5%	9.0%

3. Concerning armed attacks against Israeli settlers in the West Bank and the Gaza Strip, I...

	West Bank	Gaza	Total
a. Strongly support	42.5%	68.4%	52.0%
b. Support	42.3%	20.5%	34.2%
c. Oppose	10.4%	9.1%	9.9%
d. Strongly oppose	1.0%	1.2%	1.1%
e. No opinion	3.8%	0.8%	2.7%

4. Concerning armed attacks against Israeli civilians inside Israel, I...

	West Bank	Gaza	Total
a. Strongly support	17.4%	38.5%	25.1%
b. Support	24.5%	18.8%	22.4%
c. Oppose	46.0%	34.6%	41.8%
d. Strongly oppose	8.2%	7.0%	7.7%
e. No opinion	4.0%	1.0%	2.9%

JORDAN-ISRAEL

An increasing number of official Jordanian-Israeli meetings were held this quarter despite the ongoing al-Aqsa intifada. King Abdallah and officials in the Jordanian Planning Min. reportedly received (1/15) a visiting Israeli peace group, with the king addressing them on regional issues and the Israeli-Palestinian conflict, and planning officials encouraging Israeli investment in Jordan. In Amman, Jordanian and Israeli officials signed (12/1) a memorandum of understanding to improve environmental conditions in the Gulf of Aqaba. Some 100 Israeli, Jordanian, and Palestinian businessmen took part (1/16-19) in a conference at a Dead Sea resort regarding an ongoing 5-year joint

research project on the health and environment of the Dead Sea. King Abdallah also met (12/24) in Amman with Anti-Defamation League (ADL) pres. Barbara Balser and ADL national chmn. Abraham Foxman to request U.S. Jewish support for Jordan's request for increased U.S. military and economic aid.

Despite these signs of warming relations, Israel denounced (1/19) Jordan for "leading the international Arab campaign" against the separation wall at the ICJ and warned that Amman had "plenty to lose" if it went forward with plans to submit testimony supporting the Palestinian case against the wall. Sharon warned (1/20) that such action would be a departure from the "strategic cooperation" pledged in the 1994 peace treaty and was "incomprehensible" given Israel's assurances that the wall was not intended to encourage the flight of Palestinians to Jordan.

Shortly thereafter, Israeli FM Shalom canceled (1/27) a planned visit to Amman set for 1/28 on the grounds that Jordan was angry that the Israel-Hizballah prisoner swap (see below) did not include Jordanians. The explanation was disingenuous as Jordan had previously stated that it did not want to be part of the deal (see Quarterly Update in *JPS* 130). Moreover, Israel had already released (11/25) 10 Jordanian prisoners (of 81 being held) to mark Id al-Fitr and reportedly was prepared to release 18 more to coincide with Shalom's visit. Jordanians had been disappointed over the 11/25 release, as Israel had reportedly pledged to free 25 prisoners, renegeing at the last minute. In addition, 1 of the 10 released was allowed to stay temporarily in Israel, where he is married with 8 children, until a court decides whether to grant him permission to stay permanently.

On 1/12, 41 Jordanian parliamentarians called on the Jordanian government to break ties with Israel, saying that recent statements by Israeli leaders that Jordan should be the Palestinian homeland were a violation of the 1994 Jordanian-Israeli peace treaty. The same 41 parliamentarians signed (1/20) a petition demanding that the government expel the Israeli amb. and call off a planned visit of Israeli FM Shalom to Amman to protest the separation wall.

A Jordanian gunman transiting the Aqaba-Elat border crossing opened fire (11/19) on a group of Latin American tourists at the Israeli terminal as he approached from the Jordanian side, killing 1 and wounding 4 before being shot dead by Israeli border police. While Jordan believed the man acted alone,

and no group took responsibility, senior Israeli security sources speaking anonymously claimed that the attack had "the markings of an al-Qa'ida strike." Jordanian and Israeli security officials met immediately to discuss ways of enhancing border security to prevent such incidents.

In mid-1/04, 2 members of the Israeli fencing team were blocked from taking part in an international competition being held in Jordan out of concern that their participation would lead to the boycott of the tournament by Arab states.

SYRIA-ISRAEL

Syrian pres. Bashar al-Asad revived calls this quarter for a resumption of peace talks with Israel. Some time in 11/03, Asad reportedly sent messages to Israel via a third party (possibly UN special envoy Terje Larsen) proposing that if Israel ceased reconnaissance flights over Lebanon, Syria would guarantee that Hizballah would cease all anti-Israeli actions and that Israel's northern border would be quiet. After a confidence-building period, peace talks could resume. Israel reportedly rejected the proposal, with Israel and the U.S. saying that Syria would have to take confidence-building steps first, before Israel would do anything.

In light of this response, Asad granted a major interview to the *New York Times* (published on 12/1) in which he publicly urged the U.S. to support the resumption of Israeli-Syrian peace talks, stressing that Syrian and U.S. positions on global issues were virtually the same (excepting the issue of Israel), noting Syria's significant cooperation with the U.S. on al-Qa'ida, and reiterating Syria's rejection of terrorism. Israel publicly responded on 12/2 that it would only "seriously consider" resuming peace talks if Damascus "renounces terrorism" and agreed to resume talks "without preconditions" (i.e., without insisting the talks start from the point at which they broke off in 3/00; see Quarterly Update in *JPS* 116). Sharon explicitly stated (12/29) that negotiations would have to "start from scratch" if and when they were renewed and rejected reports that 80% of the issues between the 2 states had already been resolved in earlier talks. He further declared (12/29) that before negotiations could resume Syria would have to halt all "patronage to Palestinian terror," close all "terrorist training camps," cease sending "terrorists off to Israel," get rid of the Iranian Revolutionary Guard forces in Lebanon, "expel" Hizballah from southern Lebanon, allow the Lebanese

army to deploy along the border with Israel, dismantle the missile system along the border with Israel, and provide information on missing IDF soldiers. In addition, Israel announced (12/31) a \$62 m. plan to double the Jewish settler population in the Golan Heights within 3 years, saying the aim was to emphasize to Syria that the Golan is "an integral part of Israel."

Egyptian pres. Husni Mubarak (12/8) and FM Maher (12/3) urged Israel to take Asad's offer to resume talks seriously and urged the U.S. to press Israel on the issue. UN special envoy Larsen (1/8) and Turkish PM Recep Tayyip Erdogan both vouched (1/8, 1/29) for Asad's sincerity based on their own conversations with him. Similarly, Israeli pres. Moshe Katsav, FM Shalom, DM Mofaz, and Finance M Netanyahu urged Sharon to consider Syria's overtures seriously, believing Asad was in a weakened position following the war on Iraq and might give concessions on the Golan. In early 1/04, Israeli Druze MK Majalli Whbee (Likud) reportedly met with Syrian lawmakers in a personal capacity (in either Cairo or Damascus) regarding resuming negotiations; neither government commented on the visit. Officially the U.S. said (1/8) that it would not intervene but would not object if Israel wanted to resume talks. Israeli officials indicated (*Ha'Aretz* 1/9) that they were receiving mixed signals from Washington, with some U.S. officials recommending that it would be a good "tactical" move for Israel to accept Syria's offer, and other officials arguing that U.S. pressure on Syria was beginning to "bear fruit" and it would be unwise for Israel to "allow Syria to exploit new peace talks to divert this pressure." At all events, Sharon maintained his hard line. Katsav subsequently made (1/12, 1/14) 2 public appeals to Asad to come to Israel to prove his seriousness, but by then, Asad said he was convinced Sharon was not interested.

Asad's first public call (12/1) for a resumption of negotiations coincided with the House and Senate approval (11/20) of an amended version of the Syria Accountability Act, which Pres. Bush signed on 12/12 (see Doc. D1). The act recommends sanctions on Syria but allows the pres. to waive them on national security grounds (see Quarterly Update in *JPS* 130). In response, Syria called (12/13) for a frank, constructive dialogue with the U.S.; Asad met (12/13) with a U.S. Dept. of Homeland Security delegation regarding combating terrorism and the Israeli-Palestinian crisis; and Syria's

Expatriate Affairs M Buthayna Sha'ban met (12/13) with Abrams, Burns, and U.S. amb. to Damascus designate Margaret Scobeyl in Washington for talks on bilateral relations. Despite Syria's efforts to satisfy the Bush admin., Powell informed (2/12) the Senate Foreign Relations Comm. that the Bush admin. planned to impose sanctions under the act.

Britain's respected *Jane's Intelligence Digest* reported (1/23) that the Bush administration, particularly Defense Secy. Donald Rumsfeld, was seriously considering striking (via air strikes and "special forces snatch squads") Hizballah targets in the Biqa' Valley to draw Syria into a military conflict that would result in the removal of the Asad regime.

Israel continued its incitement against Syria. On 12/23, Sharon's office released a press statement claiming that the IDF had recently arrested 22 members of 3 Damascus-funded Hamas cells that had been plotting to kill IDF soldiers and hold their heads as ransom for the release of detained Hamas members. Sharon's office also reportedly leaked (1/8, 2/5) to the press claims by anonymous "Israeli security sources" that Syrian planes bringing relief aid to victims of the 1/26 earthquake in Bam, Iran, had transported missiles and other weapons from Iran to Hizballah on the return trip. Syria and Iran denied (1/9) the claims. British media outlets reported (1/9) claims by Syrian dissidents that the Syrian government had used ambulances to carry chemical and biological weapons out of Iraq in the months before the U.S. 3/03 invasion. U.S. NSA Rice stated (1/9) that the U.S. had no hard or credible evidence that weapons of mass destruction had been smuggled from Iraq to Syria, but that she "can't dismiss anything."

U.S. officials stated (12/19) that Syria had seized (ca. 12/12) 6 Arab couriers carrying \$23 m. thought to be destined for al-Qa'ida, acknowledging that the U.S. forces had tracked couriers leaving Kuwait and Saudi Arabia, but had been unable to capture them because they had no jurisdiction in the area. The U.S. was angry, however, that Syria had not allowed U.S. interrogators to see the captured couriers and that Syria intended to keep the \$23 m. seized rather than turn it over to Iraq's Interim Governing Council.

Spurred on by the U.S. "success" in Iraq, representatives of the Democratic Coalition to Free Syria (also known as the Syrian Democratic Coalition), an umbrella group

of 7 marginal Syrian opposition groups, including the Maryland-based Reform Party of Syria and the Kurdish Democratic Party-Syria, came (11/15-18) to Washington seeking U.S. support for their efforts to "bring democracy to Syria," pledging they would work to combat "terrorism" in Syria as well. The group held a follow-up meeting in Brussels 1/17-19. Group cofounder and Paris-based exiled Syrian human rights activist Nizar Nayuf released (1/18) to the press a letter he allegedly received from Syrian army intelligence sources, claiming that in the months before the U.S. war on Iraq, Iraq had placed \$2 b. in cash, plus gold and platinum, in the Central Bank of Syria and the Medina Bank in Lebanon, using go-betweens that included Lebanese parliamentarians Emile Lahoud (son of the Lebanese pres.), Talal Arslan (a Druze leader), and Kata'ib party head Karim Pakaradouni.

LEBANON-ISRAEL

The main event this quarter was the implementation of an Israeli-Hizballah prisoner swap that had been under negotiation via German mediators for 3 years. The agreement for a 2-phased exchange was announced on 1/24. The first phase was implemented 1/29-30, involving 3 parts: (1) the swap in Cologne, Germany, of suspected Mossad agent Elhanan Tenenbaum (kidnapped in 10/00) and the bodies of 3 IDF soldiers killed in a clash with Hizballah in the Shaba' Farms area in 10/00 for 21 Lebanese (including Hizballah's Shaykh 'Abd al-Karim Obeid, kidnapped in 1989, and former Amal head Mustafa Dirani, kidnapped in 1994) and 8 others (apparently 3 Moroccans, 3 Sudanese, 1 Libyan, and 1 German); (2) the Israeli transfer of the bodies of 59 Lebanese militants (11 Hizballah and the remainder members of Communist and Palestinian groups) to the International Committee of the Red Cross at the Israel-Lebanon border; and (3) Israel's release to the occupied territories of 401 Palestinian prisoners. Hizballah and Israel immediately began (1/30) contact via Germany on the second phase, which would involve the release of Lebanese prisoner Samir Kantar (considered by Israel to have "blood on his hands" for his participation in a Palestinian Liberation Front raid into Israel to kidnap an Israeli family, during which the mother hid and accidentally smothered her baby to keep it quiet) in exchange for information on downed Israeli pilot Ron Arad. In addition, an Israeli comm. is to be set up to investigate

the whereabouts of 4 Iranians (including 2 diplomats) kidnapped in Lebanon in 1982, in an area controlled by Israel's Lebanese allies the Phalange.

In the meantime, Israel continued near daily surveillance flights over Lebanese territory, violating Lebanese airspace. On 11/16, Israel made its largest air incursion over Lebanon since the IDF withdrawal in 5/00, warning that it could strike Syrian military targets in Lebanon if Syria did not keep Hizballah in line. On 12/10, IDF soldiers in the disputed Shaba' Farms area fatally shot 2 armed Lebanese civilians inside Lebanese territory, near the separation fence along the occupied area. The IDF crossed into Lebanese territory to retrieve the bodies, which were taken to Israel and then returned (12/12), following an emergency meeting with Israeli officials demanded by the UN Interim Force in Lebanon (UNIFIL). On 12/12, Israel admitted the men were hunters.

In a major incident on 1/19, the IDF sent a bulldozer into Lebanese territory north of Zarit, some 15 mi. from the coast, to clear mines laid by Hizballah along the UN blue line (the de facto border). Hizballah shelled the bulldozer when it crossed the fence, killing 1 IDF soldier and wounding 2. Initially, Israel defended its action by saying (1/19) that although the bulldozer was north of the blue line fence, the fence in that area runs south of the true border, so the bulldozer was actually in Israeli territory. Claiming retaliation for Hizballah's alleged "cross-border" attack, Israel sent (1/20) warplanes to strike Hizballah targets in s. Lebanon, warning that "Israel will not allow Hizballah to unleash terror against Israel with impunity." After the air strikes, Israel admitted (1/20) that the bulldozer had indeed crossed into Lebanese territory on 1/19, but said its actions were justifiable because the IDF had notified UNIFIL 2 weeks earlier that Hizballah had laid mines and UNIFIL had not acted. Even after Israel's admission, Powell accused (1/20) Hizballah of deliberately taking action to escalate hostilities with Israel, saying, "It's unfortunate that Hizballah once again has caused this need for response."

Israel also continued to incite against Hizballah (and by extension, Syria and Iran). On 11/24, current and former U.S. officials, speaking anonymously and citing Israeli and U.S. intelligence sources, claimed that Hizballah had set up a "significant presence" (estimated at around 90 men) in Iraq, but was not, under orders from Iran, targeting U.S.

forces. The sources also blamed Hizballah for the 1996 Khobar Barracks bombing in Saudi Arabia, stating that "more recently, Hizballah has focused its activities on Israel." Similarly, the pro-Israel Washington Institute for Near East Policy (WINEP) issued (1/16) a report claiming that Hizballah is organizing the Shi'i resistance to U.S. forces in Iraq. Hizballah denied (1/16) that it had any personnel in Iraq, saying that WINEP was confusing the Iraqi Hizballah with Lebanese Hizballah, a completely different group.

Violence between Fatah and Usbat al-Ansar forces in Lebanon's 'Ayn al-Hilwa r.c. continued (see Quarterly Update in *JPS* 130), but there was reason for some optimism as the quarter ended. Immediately following the fatal shooting (2/11) of Muhammad Shuraydi, son of the Ansar leader, by suspected Fatah gunmen, Fatah and Ansar officials convened an emergency meeting to prevent violence in the camp from spinning out of control as had been the case several times in previous months. The sides agreed that any escalation of violence in the camp would be to Israel's benefit only and agreed to an indefinite cease-fire.

Of note: U.S. federal prosecutors charged (1/15) Mahmud Yusif Kourani, a Lebanese living in Michigan, with fighting, recruiting, and fundraising for Hizballah. Kourani, whose brother allegedly is Hizballah's chief military security officer in southern Lebanon, pleaded innocent.

REGIONAL AFFAIRS

RELATIONS WITH ISRAEL

Official contacts between Israel and the Arab states increased significantly this quarter. At the World Economic Forum meeting in Davos, Switzerland, on 1/23, Israeli FM Shalom stated that one benefit of the U.S.-led war on Iraq was that Arab states were "no longer afraid to have contacts with Israel," noting that at Davos alone he had met with the FMs of Oman, Qatar, and Tunisia, as well as Egyptian pres. Mubarak's son and expected heir, Jamal.

Egyptian pres. Mubarak himself met (12/10) with Shalom on the sidelines of a UN conference on information technology held in Geneva in an effort to repair strained bilateral relations, marking the first high-level Israeli-Egyptian contact since 8/02. Mubarak pledged to do what he could to narrow the gap between Israel and the PA. As mentioned above, Egyptian FM Maher also made

(12/22) his first visit to Israel in 2 years to encourage Sharon to move the peace process forward. Palestinians angry over his visit assaulted him when he visited the al-Aqsa Mosque later the same day, accusing him of being a traitor and collaborator with Israel, and slightly injured him. The PA formally apologized (12/22) for the incident.

Israel confirmed (1/7) the substance of detailed rumors in the Hebrew press that in 12/03, soon after Libya announced (12/20) plans to dismantle its unconventional weapons programs and allow access to international inspectors, it secretly sent FMin. officials to Europe for talks with Libyan officials regarding resuming ties. Libya first denied (1/7) that the meetings took place, but then announced (1/8) that it was suspending contacts with Israel. Unnamed sources told *Ha'Aretz* (1/8) that Sharon's office had deliberately leaked the story to scuttle the talks, which allegedly were being held by the FMin. despite opposition from Sharon's aides. Further rumors surfaced on 1/17 that Libyan-Israeli contacts were still underway, and that a Libyan delegation had secretly visited Israel just days earlier. Neither government confirmed or denied the report.

On 2/12, a group of around 180 Israeli tourists arrived in Morocco on the 1st commercial flight from Israel (with a stopover in Spain for PR cover.)

INTER-ARAB HIGHLIGHTS

There were virtually no inter-Arab efforts on behalf of the Palestinians this quarter, even in light of Sharon's statements on unilateral disengagement. Indeed, only 4 of the 22 Arab League permanent reps. (Algeria, Palestine, Syria, Tunisia) attended (12/30) a consultative meeting on developments in the occupied territories and to plan for the upcoming ICJ meeting on the separation wall, prompting Arab League secy.-gen. 'Amr Musa to reprimand the absentees.

The only significant diplomatic efforts made concerned the ICJ hearings on the separation wall. Jordan reportedly lobbied on behalf of the Palestinian position, especially with the U.S. and Russia. Algeria, Jordan, Saudi Arabia, Sudan, the Arab League, and the Organization of the Islamic Conference planned to give oral testimony when the hearings begin on 2/23.

The Arab states endorsed (1/23) an allocation of \$20 m. from the al-Aqsa and al-Quds funds to finance emergency education, health, and wastewater projects in

Palestinian areas cut off by the separation wall. The Arab Gulf Fund for United Nations Development Organizations (AGFUND), Islamic Development Bank, OPEC Fund, and Saudi Development Fund pledged (1/23) a matching \$20 m.

On a bilateral level, PLO Political Dept. head Faruq al-Qaddumi said (2/13) that the PLO was seeking a dialogue with Kuwait regarding resuming diplomatic relations. In 8/03, PA PM Mahmud Abbas had been scheduled to visit Kuwait but was forced to cancel at the last minute when Kuwait demanded that he issue a statement condemning the 1990 Iraq invasion and apologizing for Palestinians' support for Saddam Hussein.

INTERNATIONAL

UNITED STATES

The Israeli-Palestinian conflict moved even further down the Bush administration's list of concerns this quarter, as violence in Iraq escalated and campaigning for the 2004 presidential election got into full swing. In testimony before the Senate Foreign Relations Comm., Powell outlined (2/12) the Bush admin. policy priorities for 2004 with no mention of the Israeli-Palestinian conflict. When questioned by senators, he stated that the conflict was a "matter of the utmost urgency" for the U.S. and that "we fully understand that this conflict . . . is the source of a great deal of the anti-American feelings that exist in that part of the world and does affect what we're doing in Iraq."

Concerned EU and UN officials warned (1/6) that 2004 should not be a year of U.S. inaction on the peace process because of the elections, that the PA was on the verge of collapse, that the road map was "completely paralyzed," and that the Quartet was held "hostage" by U.S. inaction. They urged the U.S. to step in and revive the peace process or face the prospect that other parties would fill the vacuum with their own road map alternatives (e.g., the Geneva Accord or Sharon's unilateral disengagement).

Israel announced (11/25) that the U.S. would deduct \$289.5 m. from the \$3 b. in loan guarantees it would receive for 2004 to penalize it for illegal construction in the West Bank. U.S. and Israeli officials publicly disagreed over whether the \$289.5 m. included costs for the separation wall as well as Jewish settlements. (The U.S. agreed in 4/03 to give Israel \$9 b. in loan guarantees over 3 yrs.; see Quarterly Update in *JPS* 130.)

The Bush administration requested that the decision be characterized officially as a voluntary deduction by Israel and that the announcement should be made by Tel Aviv so as not to anger pro-Israel voters in the run-up to the presidential elections. Although the decision took weeks of negotiations between Rice and Weisglass, it was seen as largely symbolic, since the reduction in loan guarantees was expected to cost Israel only \$3 m./year in higher interest fees on 2004 borrowing.

Tel Aviv University's Jaffee Center for Strategic Studies issued (12/4) a report concluding that Israel was a "full partner to the picture presented by American and British intelligence regarding Iraq's nonconventional capabilities" in the months leading up to the war on Iraq, stating that Israeli intelligence services and government officials seemingly provided "an exaggerated assessment of Iraqi capabilities," raising "the possibility that intelligence was manipulated." The group called on the Israeli government to open an official investigation. Meretz MK Yossi Sarid stated (2/4) that Israel was aware before the U.S. launched the war that Iraq did not have weapons of mass destruction (WMDs), but that "Israel didn't want to spoil President Bush's scenario." Likud MK Ehud Yatom said (2/4) that Israel had told the U.S. that Iraq "apparently" had WMDs.

The U.S. army released (11/25) Capt. James Yee, a Muslim chaplain at Guantanamo Bay, arrested in 9/03 on suspicion of mutiny, sedition, espionage, and aiding the enemy, charging him instead with adultery, conduct unbecoming (for downloading pornography onto his official computer), and mishandling classified documents. Similarly, by 1/25, all but 2 charges of espionage and aiding the enemy were dropped against Yee's fellow Guantanamo serviceman, Air Force Senior Airman Ahmad Halabi. (For both cases, see Quarterly Update in *JPS* 130).

The U.S. District Court of Rhode Island ordered (1/26) Hamas to pay \$116 m. in damages to the family of an American man and his Israeli wife killed in a drive-by shooting in Beit Shemesh, Israel, in 1996.

RUSSIA

Russia's Middle East policy was more focused on Iraq this quarter than on the Israeli-Palestinian conflict, though Moscow did maintain diplomatic contacts to keep abreast of events. The new Russian special envoy Alexander Kalugin met with Qurai' in

Ramallah on 11/16 and officially presented his credentials to Arafat in Ramallah on 12/15. Russian Dep. FM Alexander Saltanov toured the region (ca. 1/1516) to consult with Arab leaders. Russian pres. Vladimir Putin received (11/19) King Abdallah of Jordan for talks on bilateral and regional affairs, including reviving the road map.

EUROPEAN UNION

EU relations with Israel remained strained this quarter despite a 3-day visit to Italy by Sharon to thank Rome for being Israel's most dependable European ally and for showing great support for Israel since assuming the 3-month rotating presidency of the EU.

EU-Israel Association Council talks in Brussels (11/17-18) focused on issues straining bilateral relations, particularly Israel's boycott of EU special envoy Marc Otte (see Quarterly Update in *JPS* 130). Israel demanded a "more balanced" EU stance on the Middle East and agreed to allow Otte to meet with senior FMin. officials, but the EU said that this was unacceptable and that Otte must be granted full access. The EU also "regretted" that Israel had made no progress on clarifying which exports to the EU are made in Israel and which are made in Jewish settlements (see Quarterly Update in *JPS* 130). The sides did not issue a joint statement after the meeting, though the EU issued its own statement, saying that Israel has a right to defend itself, but should "exert maximum effort to avoid civilian casualties," halt construction of the separation wall, cease assassinations and house demolitions, and stop trying to remove Arafat; the statement also condemned Palestinian attacks on Israelis.

Following the association council meeting, Sharon approved (12/8) a compromise deal on the rules of origin for goods exported to the EU under which Israel will include the city of origin on the customs manifests, so EU customs officials can determine which goods qualify for customs tax. Consumers, however, will continue to see "Made in Israel" labels that do not distinguish between Israel and the occupied territories.

EU anti-fraud investigators concluded (11/27) that there was no proof that EU money earmarked for Palestinian assistance had been diverted to the AMB through organizations in Belgium and Germany. Soon after, the EU and PA signed (12/6) 3 major cooperation agreements, including \$39 m. for emergency support and capital assistance

for small- and medium-sized businesses, \$12 m. for planning Palestinian elections, and \$8.5 m. for the PA judiciary for institutional support and development of a professional training system.

EU FMs met (12/2–3) in Naples with Israeli and Arab officials regarding launching a new Mediterranean parliamentary assembly to hold a “dialogue of cultures” aimed at bringing Jews and Arabs closer together. At the close of their meeting in Brussels (12/12–13), EU FMs issued a statement calling for a more influential EU role in the peace process, closer EU-Arab cooperation, and a halt to Israel’s construction of the separation wall.

Israel accused (1/18) Sweden of violating an understanding reached with Tel Aviv that the Israeli-Palestinian conflict would be off limits at an international conference on genocide convened in Stockholm beginning on 1/16. The inadvertent revelation of such an extraordinary understanding was precipitated by controversy over a display at a Stockholm art exhibit coinciding with the opening of the conference. The display, created by an Israeli-born Jewish artist, consisted of a small ship carrying the picture of a female Palestinian suicide bomber floating in a pool of red water, which the artist said was meant to call attention to “how weak people left alone can be capable of horrible things.” The Israeli amb. to Sweden vandalized (1/17) the display on the opening night of the show, and the Israeli government defended (1/18) his actions.

The Paris-based European Jewish Congress (EJC) condemned (11/28) the European Monitoring Center on Racism and Xenophobia (EUMC) for delaying release of a report commissioned by the EJC that apparently blames some members of the European Muslim community and far-left activists for a rise in anti-Semitic violence. The EUMC said it had delayed publication because the report is of “poor quality and lacking empirical evidence,” and the EUMC is “not in the business of stigmatizing whole communities on the basis of actions of racist individuals.” Specifically, EUMC board members objected to the definition of *anti-Semitism* used (apparently synonymous with *anti-Israel*), the timeframe of the study, the collection and interpretation of data, and the conclusions drawn. Although the EUMC planned to conduct and release a more detailed and scientifically rigorous report in 2004, the EJC accused the EUMC of “failure to come to terms with the fact that anti-Semitism is coming

from new and differing directions: Islamist, Arab, and leftist.” On 12/2, the World Jewish Congress leaked the faulty report in full, accusing the EUMC of “intellectual dishonesty and cowardice.”

UNITED NATIONS

The main event of the quarter, as noted above, was the decision (12/19) by the UN’s ICJ to give a nonbinding advisory opinion on the legality of Israel’s separation wall. On 12/8, the UN General Assembly (UNGA) had passed (90-8, with 74 abstentions) a non-binding resolution calling on the ICJ to issue an advisory opinion, marking the first time the UN had asked the ICJ for a legal opinion on the Palestinian-Israeli conflict. Israel and the U.S. objected (12/8) on the grounds that it would “politicize” the ICJ, though Israel pledged to cooperate if the motion moved forward. The other nations voting against the measure were Australia, Ethiopia, Marshall Islands, Micronesia, Nauru, and Palau. Hearings were set to begin 2/23 in Geneva.

The UN Security Council (UNSC) unanimously passed (11/19) Russian-draft res. 1515 endorsing the road map and calling on the sides “to fulfill their obligations under the road map in cooperation with the Quartet and to achieve the vision of two states living side by side in peace and security.” Although the resolution adds an international weight to the road map, UN Secy.-Gen. Kofi Annan stated (2/4) that he was “intrigued” by Sharon’s announcement regarding removing settlements in Gaza, believing that withdrawal from Gaza is a “first essential step” to peace. “If it does take place,” he said, “it can really be a very important moment and a new dynamic that can propel the process forward.”

In a report to the UNGA on illegal Israeli actions in the occupied territories issued (11/24) pursuant to UNGA res. ES-10/13 of 10/21/03, Annan demanded that “Israel stop and reverse” construction of the separation wall (see Doc. A1). He further stated (11/28) that the wall is “deeply counterproductive” to peace, prompting Israeli dep. amb. to the UN Arye Mekel to denounce (11/28) the UN’s “abhorrent propaganda campaign” to “misrepresent the true purpose of the fence,” which he characterized as “an efficient and nonviolent means of self-defense.”

The UNSC failed (1/29) to reach an agreement on the wording of a resolution condemning a Palestinian suicide bombing that day, when rotating member Algeria insisted

that any resolution must also include condemnation of the 1/28 raid on Gaza City that left 8 Palestinians dead. Instead, Annan issued (1/29) a statement condemning "those who resort to violence and terror." The Israeli amb. to the UN convened (1/29) a high-profile press conference to criticize Annan's statement as too "vague," "not sufficient," and exemplary of a "troubling trend" in the secy.-gen.'s office of insufficient support for combating anti-Semitism and of bias against Israel "that borders on the absurd."

In a similar case, Israel withdrew (11/26) its first UNGA resolution on child victims of Palestinian attacks (see Quarterly Update in *JPS* 130), saying it had become "the victim of a hostile takeover" by Egypt, which proposed an amendment to change the wording to refer to all Middle Eastern children, rather than just Israelis.

The UNGA approved (12/3) 6 resolutions on Palestinians and the peace process that come up for renewal annually. The resolutions call for: the peaceful settlement of the Palestinian question and implementation of the road map, passing 160-6 (Israel, Marshall Islands, Micronesia, Palau, Uganda, U.S.), with 5 abstentions; support for the work of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, passing 97-7 (Australia, Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 60 abstentions; support for the work of the UN Secretariat's Division for Palestinian Rights, passing 98-6 (Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 63 abstentions; support for the work of the Secretariat's Department of Public Information, passing 159-6 (Israel, Marshall Islands, Micronesia, Nauru, Palau, U.S.), with 6 abstentions; denunciation of Israel's occupation of the Golan Heights, passing 104-5 (Israel, Marshall Islands, Micronesia, Palau, U.S.), with 61 abstentions; reaffirmation of the status of Jerusalem as occupied territory, 155-8 (Costa Rica, Israel, Marshall Islands, Micronesia, Nauru, Palau, Uganda, U.S.), with 7 abstentions.

The UNRWA held (12/3) a pledging conference for the FY 2004 regular budget. Nineteen countries (Austria, Bahrain, China, Cyprus, Denmark, India, Indonesia, Ireland, the Republic of Korea, Kuwait, Luxembourg, Malaysia, the Netherlands, Norway, Sweden, Switzerland, Thailand, Tunisia, the United Arab Emirates) and the Holy See pledged \$72 m. toward the \$330 m. requested. Despite the low figure, this represents a signif-

icant increase in pledging compared to the same time period in 2002, when countries pledged only \$47.5 m. On 1/25, the UNRWA asked donors for an additional \$25 m. for the construction of 1,139 shelters for Palestinians in southern Gaza (primarily Rafah) made homeless by IDF demolitions since the start of the intifada; the UNRWA has already built 1,838 shelters in southern Gaza for 14,000 homeless Palestinians.

UN and international aid agencies made public (11/28) a letter that they recently sent to Israel warning that they might be forced to halt their activities in the occupied territories if the IDF continued to hinder their travel, fire on their staff, and place Palestinian cities and villages under sudden, indefinite curfew.

Israel protested (1/18) to the UN and Norway regarding a recent incident in which UN special envoy Larsen transported Qurai' to Tel Aviv in a Norwegian emb. car without Israeli approval for a secret meeting with Labor chmn. Shimon Peres on reviving the road map. Sharon reportedly learned of the incident from the Shin Bet, which trails Qurai' around the clock.

DONORS

The donors' AHLC meeting, originally scheduled for 11/18-19 (see Quarterly Update in *JPS* 130), was held in Rome 12/10-11. The meeting was "informal," as Israel and the PA were still refusing to meet, though both sent delegations. The meeting was held primarily to hear updates from both sides, rather than to make hard pledges, though the PA did seek financing for its \$1.7 b. FY 2004 budget, which PA Finance M Fayyad presented to the comm., along with an economic stabilization plan for 2004-2005. The donors said they would explore creating a special trust fund of \$650 m. to help cover the recurrent budget shortfall, suggesting that the remaining \$550 m. would be contingent upon PA progress in the peace process. World Bank officials briefed participants on its preparation of an update to its 5/03 report on the separation wall, which it expected to be released shortly. On the sidelines, Quartet reps. met to discuss ways of reviving the road map, and the Task Force for Palestinian Reform met to assess PA reform efforts and future plans. Israeli, PA, EU, U.S., and World Bank officials held (12/15) follow-up talks in Jerusalem on the Palestinian economy and overall economic conditions in the territories. They were to hold another follow-up

meeting on 1/29, but Israel cancelled it because of the suicide bombing earlier in the day.

In advance of the AHLC, Sharon and Shalom met (11/26–27) with Italian donor reps. to discuss Italian PM Berlusconi's ideas for a "Palestinian Marshall Plan," under which the EU would give Palestinians \$5 b. over 5 years. Donors had expected Italy to brief them on the idea at the AHLC, but there was no indication that this took place.

Bilaterally, the World Bank approved (12/2) a \$15 m. grant to the PA for

emergency needs in education, health, and social services. Bank officials noted that Palestinian GDP was down 30%; that the PA financial situation was precarious, with the PA facing a budget shortfall of around \$25 m./month; that Arab states had been falling short of meeting their donor pledges; and that the EU states had been disbursing their contributions at a slower pace than anticipated. UN Secy.-Gen. Annan appealed to donors (1/28) to fulfill and augment their pledges, warning the PA might collapse unless international aid is sent.



A Palestinian prisoner, released as part of the Israeli-Hizballah exchange on 29 January, is greeted by relatives in Ramallah. (AFP/Jamal Aruri)