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Author(s): MICHELE K. ESPOSITO

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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 AUGUST–15 NOVEMBER 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.

THE PALESTINIAN-ISRAELI CONFLICT

As the al-Aqsa intifada stretched into its fifth year, events took a dramatic turn this quarter with the sudden illness and death of Palestinian leader Yasir Arafat on 11/12. Although the initial transition of power seemed smooth—the mechanisms of succession being in place within the Fatah movement, the Palestinian Authority (PA), and the PLO—questions concerning future peace prospects under a new Palestinian leadership, the direction of the intifada, and the fate of Israeli PM Ariel Sharon's plan for Israeli disengagement from Gaza and withdrawal from 4 West Bank settlements (see Quarterly Update in *JPS* 133) acquired new urgency.

At the opening of the quarter, Sharon's disengagement plan had already lost some momentum in the wake of serious internal Palestinian clashes in late 7/04, mostly in Gaza; Israeli infighting over disengagement; and massive Israel Defense Forces (IDF) operations (6/28–8/5) in Gaza so that redeployment, tentatively set for mid-9/05, could take place from a position of strength. Despite ongoing violence, Israel and the PA had resumed low-level security contacts in early 8/04 to facilitate disengagement. In addition, Egyptian intelligence chief Omar Sulayman was overseeing national unity talks among Palestinian factions in Cairo and Gaza related to disengagement, and was shuttling between Sharon and PA PM Ahmad Qurai' seeking security and political reforms from the PA and guarantees from Israel to halt all actions in Gaza post-disengagement and to link disengagement to the U.S.-drafted road map for peace (see Special Document section in *JPS* 128). Weak hopes persisted that international conferences could be held in the fall to formally endorse a modified, de-

tailed disengagement plan, complete with timetable and oversight mechanisms, that would be acceptable to all parties.

Meanwhile, as the quarter opened violence in the West Bank had declined in intensity but was ongoing (see Chronology for details). The IDF was wrapping up Operation Full Court Press in Nablus, a two-week (8/7–19) series of nearly daily incursions into Nablus and its surrounding refugee camps and villages, aimed at local militant groups. Throughout the territories, Israeli troops continued to surround Palestinian population centers and control Palestinian movement through a network of checkpoints, barriers, bypass roads, closed military zones, and curfews, while in the West Bank construction work on the separation wall continued (see below). As of 8/16, at least 3,485 Palestinians (including 39 Israeli Arabs and 15 unidentified Arab cross-border infiltrators), 908 Israelis (including 281 IDF soldiers and security personnel, 189 settlers, 438 civilians), and 49 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada.

Consolidating Domestic Support

During late 8/04 and early 9/04, Sharon and Arafat were both engaged in defending their positions to their own constituencies: Sharon in pushing forward his disengagement plan, Arafat in resisting pressures for "reform."

At a Likud convention on 8/18, party members in a nonbinding vote defeated 2 proposals by Sharon aimed at securing backing for his disengagement plan by either bringing Labor into the governing coalition (defeated 843–612) or negotiating with "any Zionist party" to join the coalition (defeated 765–753). Sharon vowed to push forward with disengagement nonetheless.

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A day before the convention, in a move widely seen as an attempt to sway the voting, Sharon's Housing Ministry issued tenders for construction of 1,001 new housing units in 4 West Bank Jewish settlements (Ariel, 214; Beitar Ilit, 604; Karnei Shomron, 42; Ma'ale Adumim, 141), above and beyond 600 Ma'ale Adumim units approved on 8/2. This move confirmed Palestinian fears that disengagement was an Israeli ploy to solidify control of the West Bank. It also revived a disagreement with the U.S. over the meaning of the term "settlement freeze" (see Quarterly Update in *JPS* 133). Thus, the day the tenders were issued, Washington restated (8/17) that such construction would violate the 4/14/04 understandings between Sharon and U.S. Pres. George W. Bush calling for a settlement freeze, which it interpreted to mean a complete halt to all settlement construction, including "natural growth," and which Israel contended did not bar any construction within existing settlement "development boundaries." Downplaying the disagreement, the U.S. noted (8/19) that talks with Israel on the matter were already underway and that it would not comment further until the two parties "reached agreement" on how to interpret the clause. At the same time, Sharon canceled a planned visit to Washington by his adviser Dov Weisglass, who was to brief the White House on progress toward dismantling unauthorized settlement outposts, on grounds that he preferred not to "waste political capital" now by dismantling outposts when he would need all his political capital to implement disengagement. On 8/21, U.S. and Israeli officials quietly announced that the White House had agreed fully with the Israeli position on settlement construction, though the change would not be declared officially. This was confirmed by an anonymous U.S. official who stated (*New York Times* 8/22) that the White House had adopted "a covert policy decision toward accepting natural growth" so as to avoid a clash with Sharon in the run-up to U.S. presidential elections in 11/04. However, according to unnamed Israeli officials, the "new understanding" really had been "a secret de facto agreement for some time, particularly since the Mitchell Committee report in 2001" (*New York Times* 8/23). Immediately after the new U.S.-Israeli agreement, Israel then announced (8/23) tenders for another 533 new housing units in the West Bank settlements of Adam, Emmanuel, Har Adar, and Har Gilo, raising no U.S. complaints. (On

10/29, however, Secy. of State Colin Powell stated that Israel and the U.S. were still negotiating a common understanding on the definitions of "settlement," "settlement expansion," and "natural growth.")

On 8/30, Sharon presented his security cabinet with an accelerated Gaza disengagement timetable requiring a full cabinet vote on the first stage of redeployment as early as 9/14, a first Knesset vote as early as 11/3 (the day after the U.S. elections), and the first evacuation of settlers as early as 2/05 (before the final budget vote in 3/05). Having failed to secure the security cabinet's backing, a defiant Sharon angrily told (8/30) his full cabinet that disengagement would go forward and that "anyone who doesn't like [it] is welcome to leave." The next day, he announced the accelerated timetable to his Likud party, declaring that it "will be implemented, period." On 9/4, he told his cabinet that he considered the U.S. road map "dead," that any suggestions to revive it would "greatly harm Israel," and that his disengagement plan should be portrayed to the international community as the only viable option.

Meanwhile, Jewish settlers in Gaza reported (8/27) that settler leaders had launched an organized campaign to ostracize, boycott, and threaten settlers who support disengagement, including the estimated 2,000 who have approached the government regarding compensation packages (see Quarterly Update in *JPS* 133). Settler leaders also organized a demonstration (9/12) against disengagement in Jerusalem attended by 70,000 right-wing Israelis. Though many speakers at the rally advocated nonviolent resistance to evacuation, extremists handed out fliers with the verse "A time to love and a time for hate," and right-wing intellectual Haggai Ben-Artzi, brother-in-law to Sharon's Likud rival Benjamin Netanyahu, argued that forced evacuation of settlers from Gaza would be a "Nazi" act.

While Sharon tried to force his government into line on the disengagement issue, Arafat was similarly obstinate—though less confrontational—in resisting (or evading) reform measures being pressed upon him by the Palestinian Council (PC) and other PA figures. On 8/17, he gave "preliminary approval" to the 7/24 recommendations of the PC special committee on the political and security situation (see Doc. B in *JPS* 133), calling on him to deal with corruption, ratify laws restructuring the security services, and define powers of the executive, legislative, and judicial branches according

to the draft Basic Law (awaiting his signature). Arafat followed (8/18) with a speech to the PC regarding reform, admitting that he and his government had made mistakes and pledging his commitment to reform. But the speech, which had been eagerly anticipated (8/17) by the PC as "a quantum leap forward" on reform, transparency, and the rule of law, turned out to be disappointingly vague. Afterward, PC speaker Rawhi Fattuh (Fatah-Rafah) openly called on Arafat to take "some formal decisions, with your signature, about the issues you raised in the speech," but Arafat did not comment. Some PC members met with Arafat later in the evening to press him to sign reform legislation, but he refused outright. PC members, getting nowhere in their follow-up talks (8/21-24) with Arafat, postponed a PC debate on reform set for 8/24 out of concern that a no-confidence vote might be called that could topple Qurai's government. Instead, the PC special committee issued (8/25) a second report reiterating its 7/24 proposals, outlining Arafat's half-hearted responses to date, and proposing general recommendations for next steps, albeit without detailed actions or a timetable. The PC endorsed (31-12, with nearly half the members not voting) the report, though most viewed it as a declaration of the committee's failure to press reform. On 9/1, a PC session attended by only 20 PC members voted unanimously to suspend all work of the PC for 1 month (9/7-10/7) to protest Arafat's "noncompliance" with PC calls to implement reforms; though a quorum was not present for a binding referendum, the majority of PC members reportedly agreed to observe the strike, with several saying that if Qurai' and Arafat did not take reform steps by 10/7, they would hold a no-confidence vote when the PC reconvened.

More positively, the PA announced (8/25) plans to hold municipal elections, long demanded by Palestinians who view the appointed municipal councils as corrupt and unrepresentative. Elections would be held in 3 stages beginning in 12/04 (pending approval of amendments to the PA elections law and the law of municipal corporations) and lasting for as long as a year, depending on the degree of Israeli cooperation in facilitating Palestinian freedom of movement. Hamas (8/27) and Islamic Jihad (8/30) quickly welcomed the call, stating that they would take part in all aspects of the process. Voter registration opened across the occupied territories on 9/4, with all Palestinian factions urging their supporters to take part.

Arafat also authorized Qurai' to meet (8/22 and earlier) with former PM Mahmud Abbas (who had resigned as PM in 9/03, broke with Arafat over his failure to take reform steps, and moved to Amman) to bring him back to the territories and back into the PA; the talks were positive but inconclusive. Arafat, Qurai', and Fattuh also held reconciliation talks (8/23, 8/25) with Arafat rival and former Gaza security chief Muhammad Dahlan, widely thought to be behind the 7/04 disturbances (see Quarterly Update in *JPS* 133). Those talks improved relations slightly, though Dahlan declined invitations to take a symbolic position in the PA cabinet.

The Israeli and Palestinian domestic maneuvering proceeded despite the continued high level of violence. In particular, Israel made failed assassination attempts on Hamas's Ahmad Jabari (8/18), Islamic Jihad's Muhammad Khalil (8/26), and the al-Aqsa Martyrs Brigade's (AMB) Muhammad Abu Khalifa (8/30), which left 7 bystanders dead and 12 injured. The IDF also resumed incursions into Nablus (8/21-30) and staged a major raid on Bethlehem (8/24-25). Palestinian violence in the West Bank remained low, while use of mortars and rockets in Gaza remained sporadic but comparatively high (around a dozen strikes in 2 weeks), causing light damage and light injuries in 4 incidents (see Chronology for details). Violence escalated on 8/31 when Hamas staged a double suicide bombing in Beersheba, killing 16 Israelis and wounding 82 (twice the Israeli casualty figure for the previous 100 days) in the first suicide bombing in Israel since 3/14/04. In response, the IDF launched major raids on Khan Yunis (9/1) and Dayr al-Balah (9/2-3) in Gaza; carried out (9/7) a predawn air strike on a Hamas training facility in the Shuja'iyya neighborhood of Gaza City, killing 15 Hamas members and wounding 24. When Palestinian rocket fire continued, the IDF conducted (9/8-11) a major 4-day operation in the northern Gaza areas of Bayt Hanun, Bayt Lahiya, and Jabaliya refugee camp (r.c.), heavily shelling and firing on residential areas, killing 8 Palestinians, wounding 100, leaving 10,000s without electricity or water, demolishing or severely damaging 50 Palestinian homes, and bulldozing at least 90 dunams of land. In the following days, the IDF also assassinated 4 AMB members in strikes on 9/13 and 9/15 and made a failed attempt on an AMB leader on 9/15. Instead of curbing attacks, Palestinians roughly doubled their mortar and rocket

fire on IDF posts and Jewish settlements in Gaza, and on Sederot inside Israel (causing light damage in 3 incidents and light injuries to 2 IDF soldiers). A Palestinian suicide bomber on a bicycle detonated (9/14) a device at an IDF checkpoint near Qalqilya, wounding 3 IDF soldiers and 2 Palestinians. By 9/15, the death toll had reached 3,568 Palestinians and 924 Israelis.

Egypt Steps Up Mediation

Egypt's mediation efforts led by Sulayman continued this quarter, focused especially on seeking a unified national position among the Palestinian factions. Though the schedule that Sulayman had presented to Israel and the PA on 6/23 had been stalled by Israel's military offenses in Gaza in July and August (see Quarterly Update in *JPS* 133), he still attempted to stick to his proposed sequence for necessary preliminary steps to disengagement: sending PA security forces to Egypt (and possibly Jordan) for retraining (Egypt was still requiring clarifications from Israel and the PA in order to proceed); merger of the various PA security bodies into 3 (the temporary merging that Arafat had approved on 7/17 turned out to involve little more than reorganizing the senior chain of command); PA agreement on a detailed plan for security reform (Arafat was resisting PC efforts); a meeting of the Palestinian factions to agree on a national unity platform and ideally a 1-year unilateral cease-fire (significant progress had been made in bilateral meetings with the factions, but further progress required Israeli guarantees); and an international or Quartet meeting to lay out a broader, more detailed timetable for disengagement that would link it to road map implementation and a resumption of Israeli-Palestinian negotiations. (General preparations were underway, most notably by the European Union [EU].)

In late 8/04, Sulayman and Egyptian FM Ahmad Abu al-Ghayt resumed meetings with Qurai' (8/30-31) in Cairo and with Arafat (9/6) in Ramallah on disengagement, Egyptian retraining of PA security forces, ways of promoting the Palestinian national unity dialogue, and economic assistance to the Palestinians. Sulayman also pressed Arafat to hold internal Fatah talks to eliminate divisions among Fatah ranks to facilitate the expanded Palestinian dialogue.

On the national unity front, Egypt in early 9/04 held a week-long round of bilateral meetings—the first of several planned—with the 5 main Palestinian factions: the Democratic Front for the Liberation of

Palestine (DFLP), Fatah (reportedly including reps. of the AMB), Hamas, Islamic Jihad, and the Popular Front for the Liberation of Palestine (PFLP). Talks focused on requirements of a national unity platform that would outline “common issues related to the [current situation] and the way to put the Palestinian house in order,” as well as outlining a program for dealing with the Gaza Strip after Israeli redeployment. Talks broke down on 9/11, partly because Sulayman had been unable to provide Israeli guarantees that the withdrawal would be from all Gaza, including the Philadelphi Route, that it would take place according to a set timetable, and that assassinations and incursions into Gaza would cease after the withdrawal if the factions implemented a unilateral cease-fire. Immediately after the talks ended, Egypt announced plans to hold a second round of bilaterals beginning ca. 9/22 during which Sulayman would present the 5 factions with his own proposal for a platform based on his discussions to date with them as well as with Israel, the Quartet, and the U.S. After the 5 factions endorsed a draft, they would be joined by the 9 remaining PLO factions, putting finishing touches on the text, and unanimously adopt it as an official program.

The 9 smaller factions immediately protested (9/11) their exclusion from discussions and demanded to be included in all stages of negotiations. Reportedly in light of the factions protest, Egyptian pres. Husni Mubarak made (9/15) a 1-day trip to Damascus (where the 9 factions are based) to seek Pres. Bashar al-Asad's approval for Sulayman's approach of seeking consensus among the major factions first; no details were released. On 9/18, Egypt announced it was postponing the round pending a visit to Israel by FM Abu al-Ghayt to try to secure Israel's cooperation in meeting Palestinian demands for a cease-fire, though the protest by the 9 smaller factions may also have played a role. Despite the cancellation, Damascus-based Hamas leader Khalid Mishal and senior Hamas official Muhammad Nazzal went to Cairo for bilateral talks with Sulayman (9/19) and PA national security adviser Jibril Rajub (9/24) on postdisengagement power sharing in Gaza. Arafat held (9/19) separate talks with the Fatah Central Committee (FCC), PLO Executive Committee (PLOEC), and PA national security council to narrow internal differences on disengagement. And PC speaker Fattuh led (9/19) a delegation to Damascus possibly to discuss the national unity talks.

Meanwhile, PA Interior M Hakam Balawi held (9/12–16) marathon talks with Sulayman on preparing PA security bodies to take over control of Gaza after Israeli redeployment. The men reportedly drew up a comprehensive plan to boost the intra-Palestinian dialogue; discussed the PA's list of things needed to upgrade the security forces' performance; and agreed on PA administrative steps to eliminate factionalism in the security forces (including "pensioning off" senior officers), to stop any business dealings by security branches or those working for them, and to set professional criteria for promotions, training, and retirement. As a result of the meetings, the first 85 PA security officers were due to arrive in Egypt on 9/25 to begin training (45 in a 7-wk. program prepared especially for them; 40 to join the Egyptian police academy). Israel, however, denied (9/25) exit permits to the 85 men, complaining that Egypt was supposed to submit a list of the PA officers to Israel for its approval, along with a formal statement that the Egyptian government intended to host and train the men. The Israeli DMin. argued that if the list did not come from Egypt, the PA would effectively be deciding who can leave occupied Gaza, and without formal mechanisms for guaranteeing that the officers remained in Egypt, they could "travel further afield to Lebanon to meet with Hizballah agents for training." Meanwhile, PA negotiations affairs M Saeb Erakat held (9/13) talks in Amman with Jordanian FM Marwan Muasher regarding Jordanian assistance in retraining PA security officers; no agreements were reached.

While Egyptian efforts were ongoing, Sharon worked on the mechanics of his disengagement plan. On 9/22, he backed away from his accelerated timetable (see above) and declared that evacuation of Gaza settlements would begin in summer 2005, as planned last quarter, and would take 3 months to complete. The IDF cautioned (9/20) that the number of soldiers in Gaza would likely double before disengagement, with 1 division needed to guard settlers and a second to prevent Palestinian violence during the settlers' evacuation. By 9/13, Israel had requested that the U.S. cover the cost (estimated by Israel at \$350 m.) of building 2 infantry training bases and a storage and logistics base for a reserve armored division inside Israel to accommodate troops withdrawn from Gaza under disengagement. Israel argued that the U.S. should pay since the Clinton admin. previously pledged to

provide Israel with supplemental aid to cover the costs of its redeployments in the West Bank (1998–2000) and its withdrawal from Lebanon (5/00)—though the U.S. never gave the ultimate approval for or disbursed the aid to Israel (see Peace Monitors in *JPS* 115, 120). On 9/14, Israel's security cabinet endorsed (9-1) a draft compensation package for Gaza settlers that would pay each family that agrees to leave Gaza voluntarily around \$200,000, up to 1/3 of which could be paid in advance. The level of compensation would be based on how many years a family had lived in a settlement, the size of the house, and the family's current income. Families would get an additional \$20,000 if they moved to the Galilee or Negev. The package required Knesset approval.

Sharon also stepped up his hard-line rhetoric, appealing to his right-wing constituents but reinforcing Palestinian fears and international pessimism. He assured (9/15) Israelis that his government would not abide by the road map and that Israel would remain in much of the West Bank for an extended period, saying that after disengagement "it is very possible . . . there will be a long period when nothing else happens." He also restated (9/15) that Oslo was dead: "I don't think we carried out a formal act of annulment, but that agreement does not exist."

At the same time, Israeli mayor of Jerusalem Uri Lupolianski and city architect Uri Shatreet announced (9/13) a plan to "lessen overcrowding" in the Old City of Jerusalem by 2020 by offering Old City residents (i.e., Palestinians) "compensation" to move out and "providing them with alternative housing, possibly in Shu'fat or Anata refugee camps." The Israeli daily *Ha'Aretz* also reported (9/27) that the Israeli government currently had 700,000 dunams (d.; 4 dunams = 1 acre) of West Bank land that were currently under different stages of government "review" to see if they qualify as "state land" and therefore open for confiscation to expand settlements. Since 1/04, Israel has declared 2,200 d. of West Bank land to be state lands, adding to the 1,700 d. thus designated in 2003. Many of the unauthorized settlement outposts established during Sharon's tenure as PM have been located on "survey land" (i.e., land under review) to improve the chances that the areas will be confiscated as state land.

Meanwhile, to keep to Sulayman's timetable, the Quartet went ahead with a high-level meeting in New York on 9/22,

attended by U.S. Secy. of State Powell, Russian FM Sergei Lavrov, EU foreign policy chief Javier Solana, and UN Secy.-Gen Kofi Annan. Anonymous officials attending the session said talks were “dismal,” with Quartet members irritated equally at the PA for failing to halt violence and at Israel for failing to halt settlement construction. Powell reportedly stressed that financial aid should go to Gaza only after disengagement, but other members disagreed. Having “nothing good” to report, the Quartet did not hold a press conference but simply issued a statement noting that “the situation on the ground for both Palestinians and Israelis remains extremely difficult, and no significant progress has been achieved.” Separately, Powell publicly called (9/23) on Arafat to step down for the sake of achieving “what you say is your dream: a state for the Palestinian people.”

Meanwhile, Israeli-Palestinian violence continued to escalate. A female AMB suicide bomber detonated (9/22) a device at a border police checkpoint in East Jerusalem’s French Hill settlement, killing 2 Israeli policemen and wounding 16 Jewish settlers. On 9/23, 3 Palestinian gunmen of the Abu Rish Brigades (ARB, a Fatah offshoot), Islamic Jihad, and the Palestinian Resistance Committees (PRC) attacked an IDF post outside Gaza’s Morag settlement, killing 3 IDF soldiers and wounding an Israeli journalist before being shot dead. The IDF assassinated 3 senior Hamas members on 9/19 and 9/20, made a failed attempt on a PRC member on 9/27, may have been behind the death of an AMB leader on 9/26, and launched major raids into Jenin (9/21), Khan Yunis (9/21–27), and Nablus (9/23). In addition, Israel apparently assassinated Hamas spokesman Izzeddin Khalil in Damascus on 9/26 (see below). By 9/27, the fourth anniversary of the al-Aqsa intifada, the death toll had reached 3,593 Palestinians and 930 Israelis.

Operation Days of Penitence

On 9/28, after 4 Qassam rockets had been fired on Sederot earlier in the day, causing light damage, the IDF sent 30 tanks and troops into Bayt Hanun and Jabaliya r.c. in northern Gaza, cutting electricity and shelling residential areas. Operations expanded into Bayt Lahiya on 9/29, with at least 6 Palestinians killed and 60 wounded during the day. Palestinians fought back with roadside bombs and antitank rockets, causing no injuries, and fired another Qassam at Sederot, this time killing 2 Israeli children and wounding 5. The IDF dramatically esca-

lated its assaults in response, demolishing 22 Palestinian homes, killing another 27 Palestinians (12 of them civilians), and wounding 131 on 9/30, marking the highest 1-day Palestinian toll in Gaza since Operation Defensive Shield in 2002. Fighting back, Palestinians fatally shot 2 IDF soldiers and 1 Jewish settler and wounded 6 IDF soldiers during the day.

That night (9/30), Sharon’s security cabinet met and approved Operation Days of Penitence, a prolonged ground offensive in northern Gaza aimed at “applying heavy pressure on the Palestinian civilian population in the Gaza Strip in an effort to compel residents to prevent the firing of Qassam rockets into Israel proper,” improving the defenses of settlements in the area, rooting out the “terrorist infrastructure,” and seizing control of a 6-mile-deep buffer zone along the northern Gaza border with Israel. A senior Israeli official, speaking anonymously (10/1), was more explicit: the purpose of the operation was to create “a big threat to the civilian, noncombatant population, to tell them they are going to pay a price for cooperating with terrorist organizations and to create an environment where there starts to be pressure from within the Palestinians on terror organizations to stop it.”

Operation Days of Penitence officially began on 10/1, with the IDF sending 3 brigades (around 2,000 troops) with 100 tanks, armored personnel carriers (APCs), and armored bulldozers to cordon off and search villages and camps in the northern Gaza Strip, killing 8 Palestinians and wounding 17 the first day. Palestinian resistance groups built sand berms to block streets and laid booby-traps along roads, wounding 2 IDF soldiers in Jabaliya. On 10/2, the IDF sent in another 200 tanks and APCs to seize control of 3.5 mi² of coastal territory. In Jabaliya, troops used loudspeaker trucks to call on Palestinians to leave their homes and began large-scale bulldozing operations. (An estimated 4,000 Palestinians fled the camp.) Between 9/28 and 10/3, at least 60 Palestinians had been killed and 280 wounded (half of them noncombatants), 100s of dunams of land had been bulldozed, and 40 homes had been demolished in northern Gaza, and the IDF was routinely using air strikes against groups of armed Palestinians. Meanwhile, Qassam fire on Sederot increased instead of diminished, but caused no damage or injuries.

On 10/4, Egyptian FM Abu Ghayt sent a “strongly worded” message to Israeli FM Silvan Shalom, stating that the Israeli

operation was jeopardizing Egyptian peace efforts. The U.S., for its part, not only repeated (10/1) that Israel "has the right to defend itself," but warned (10/4) the UN Security Council (UNSC) and the Arab states that it would veto any resolution (res.) ordering Israel to halt operations; according to Powell (10/4), Days of Penitence was a "legitimate response" to Qassam rocket fire. The U.S. did, in fact, veto a UNSC res. on 10/5, calling it "lopsided and unbalanced" for failing to mention Palestinian rocket attacks. The res. won 11 yea votes, with Britain, Germany, and Romania abstaining. (As an aside, a 10/8 article in *Forward* quoted an anonymous Israeli diplomat as saying: "with American forces launching a similar offensive in Iraq . . . , the White House is in no position to criticize Jerusalem." Citing unnamed sources, the article went on to report that Israeli and U.S. political and military officials had recently discussed the situation in Gaza and concluded that "the best course is for Israel to conduct punishing military operations against terrorists and their infrastructure as it withdraws.")

Operation Days of Penitence continued at the same heavy pace for another week, further expanding in Bayt Lahiya on 10/12, though pressures to end the onslaught began to mount. As early as 10/11, senior IDF officers recommended that the campaign be drawn to a close, as it had achieved its aims and risked becoming a public relations liability. The International Committee of the Red Cross (ICRC) and the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) warned (10/12) that areas of north Gaza could witness starvation if Israel did not lift the siege and allow relief groups to bring in emergency food and water supplies to the estimated 15,000 Palestinians who had been under 24-hour curfew, without access to food, water, electricity, or essential supplies since 10/6; and to the 10,000s of others who were also experiencing severe shortages (access to outside sources of food and supplies severely curtailed since 9/28). As the operation continued, the EU and even the U.S. began pressing Israel to pull back (the State Dept. said on 10/14 that the campaign was beginning "to seem disproportionate"). The IDF began scaling down operations on 10/14, withdrawing to the outskirts of population centers in north Gaza by the close of 10/15, the beginning of Ramadan.

During the 17-day operation in northern Gaza (including the 3 days before it was officially launched), a total of 114 Palestinians,

2 IDF soldiers, and 1 Jewish settler were killed; 2 IDF soldiers and upward of 440 Palestinians were wounded (5 of whom later died). Half of all Palestinian casualties were noncombatants. More than 1,000 d. of land were leveled (mostly in Bayt Hanun and Bayt Lahiya); at least 87 homes were demolished (53 in Jabaliya, 4 outside Jabaliya, 24 in Bayt Lahiya, and 6 in Bayt Hanun), leaving 854 Palestinians homeless; another approximately 130 homes were severely damaged. In addition, as many as 36 industrial workshops and 19 public facilities (including 5 UNRWA schools, a PA school, at least 2 private kindergartens, as many as 8 mosques, and 1 clinic) were destroyed or heavily damaged, along with much of the civilian infrastructure in the area (roads, water and sewage networks, electricity). The UNRWA estimated (10/22) the damage at \$3 m. and noted that with the bulldozing during the operation more than 50% of Bayt Hanun's arable land had been destroyed since 9/00. The IDF reported (10/15) that soldiers had killed a number of AMB, Hamas, and Islamic Jihad military commanders and destroyed a number of factories and workshops where Qassams could conceivably be made, noting that Palestinians had fired a total of 14 Qassams from the area since 9/28, lightly injuring 3 Israelis in addition to the 9/29 casualties.

Meanwhile, elsewhere in the Gaza Strip, the IDF had stepped up bulldozing in Rafah, Khan Yunis, and Dayr al-Balah; assassinated 2 Hamas members in Gaza City on 10/3 and 2 Islamic Jihad members in Gaza City on 10/5; and attempted to assassinate 2 Hamas members on 10/3 and an Islamic Jihad member on 10/11. In the West Bank, the IDF resumed incursions into Jenin on 9/26 and assassinated an AMB member in Nablus on 9/28.

In a major incident in Rafah on 10/5, an IDF platoon commander shot and wounded a 13-year-old Palestinian girl on her way to school who had been identified as a non-threat by soldiers under his command. He then approached her, shot her in the head to "confirm the kill," and emptied his automatic rifle clip into her body, hitting her with at least 20 bullets. An initial IDF investigation ruled (10/15) that "the behavior of the company commander from an ethical point of view does not warrant his removal from his position" but that his failure in "his ability to command" was worthy of suspension. Only after soldiers in his platoon denounced his actions in the media did the IDF military

police arrest him on 10/25. By the close of 10/15, the death toll had reached 3,750 Palestinian and 936 Israelis.

Sharon Paves the Way for Disengagement

Egyptian mediation efforts, suspended during Operation Days of Penitence, were slow to revive in its aftermath. Most “diplomatic” action through the end of the quarter involved Sharon’s maneuvering to secure Knesset endorsement of his disengagement plan.

Sharon sent Finance M Netanyahu to Washington to convey (10/4) Israel’s expectation that the U.S. provide “hundreds of millions of dollars” toward evacuating troops and settlers from Gaza, and improving Palestinian living conditions there. Around 10/7, Sulayman, also in Washington, briefed U.S. officials on his mediation efforts (in addition to urging pressure on Israel to halt Days of Penitence). Sulayman said that Egypt was prepared to deploy border police, the size and arming of which was being negotiated with Israel, along the Gaza border by 1/1/05. He stressed that for disengagement to succeed there should be full Israeli withdrawal from Gaza (including from the Philadelphi Route), allow Gaza’s air and sea ports to reopen, and “give something” to Arafat. He also complained that Israel was not allowing PA security officers to come to Egypt for training. Israel stated (10/7) that it “sees no point to such training until the PA security services undergo administrative reforms.”

The Israeli daily *Ha’Aretz* published (excerpt 10/6) an interview with senior Sharon adviser Weisglass, the PM’s lead envoy to Washington who stepped down as chief of staff in 5/04, in which he stated that the road map was “dead,” that the aim of Sharon’s Gaza disengagement plan was to supply “the amount of formaldehyde that is necessary so there will not be a political process with the Palestinians,” and that the plan’s significance was “the freezing of the peace process” (see Doc. C). Sharon’s office quickly issued (10/6) a statement “clarifying” that Israel still supported the road map, though Sharon himself had said the opposite on 9/4 (see above). Publicly, the State Dept. declared (10/7) that the Bush administration was reassured that “Israel is committed to the road map and the president’s two-state vision. . . . Based on that statement and Israel’s declared policy, we have no cause to doubt it.” Privately, however, the White House reportedly complained to Sharon.

In his speech opening the Knesset’s winter session (10/11), Sharon announced that he would submit his disengagement plan for a parliamentary vote on 10/25 despite threats by the far Right to bring down his government. Knesset members, including some Likud MKs, rejected (53–44) Sharon’s speech in a symbolic, nonbinding vote. Sharon also rejected (10/17) the YESHA settlers’ council demand to submit disengagement to a national referendum. Knesset debate opened as expected on 10/25, with Jewish settlers staging a campaign to inundate MKs with phone calls, faxes, and e-mails encouraging them to vote against the plan. That evening, 1,000s of pro-disengagement demonstrators rallied outside the Knesset to push for its approval. While Sharon himself did not lobby hard for votes, he threatened to fire any cabinet member who opposed the plan. Jewish settlers in the West Bank and Gaza called a general strike, canceled school, and bussed 10,000s of students into Israel for a day of protests outside the Knesset during the second day of debate on 10/26. That evening, the Knesset approved (67–45, with 7 abstaining and 1 absent) the disengagement plan, with half of Likud MKs and most ultranationalist and religious MKs (Likud’s traditional allies) voting against. Sharon immediately fired Likud’s M without portfolio Uzi Landau and Dep. Internal Security M Michael Ratzon for their negative votes. Likud cabinet members Agriculture M Yisrael Katz, Education M Limor Livnat, Health M Danny Naveh, and Finance M Netanyahu (who voted in favor) threatened (10/26) to resign within 2 weeks if Sharon did not agree to hold a nationwide referendum on the plan, but backed down on 11/8. The National Religious Party withdrew (11/8) its remaining 4 MKs from the coalition government, leaving Sharon in control of 55 (40 Likud seats, 15 Shinui seats) of the Knesset’s 120 seats, meaning he would need significant support from the Labor and left-wing opposition to implement disengagement.

On 10/24, Sharon’s cabinet endorsed (13–6) a revised version of the compensation package for settlers who would evacuate under the disengagement approved by his security cabinet the previous month (see above). Compensation was raised to up to \$500,000/family (tax exempt), a clause was added allowing the jailing of settlers for up to 5 years if they resist evacuation, and a pledge was included that settlers’ homes would be destroyed and synagogues dissembled and moved elsewhere so as not to fall into

Palestinian hands. The compensation figure was expected to rise to \$750,000/family as Sharon negotiated in the coming months to get more MKs on board. On 11/3, the Knesset passed (64–44, with 9 abstentions and 3 absent) the first of 3 readings of the disengagement funding bill (covering settler compensation and troop redeployment), which anticipated the total costs of implementation to reach \$450 m.–\$650 m. The first reading of the FY 2005 budget was to be held the same day, but Sharon postponed it, believing it did not have enough votes to pass.

Meanwhile, an internal Israeli government assessment leaked (10/24) to the press concluded that since Israel would continue to control Gaza's borders, coastline, and airspace after disengagement, it would still be considered the occupying power and would therefore, by Israeli legal definition, be responsible for the territory under international law. As of 10/25, Shin Bet was reportedly preparing contingencies for the call-up of 10,000 IDF reservists and for the set-up of facilities for mass detentions in case there is serious Israeli civil unrest stemming from disengagement.

Europe Attempts an Initiative

With the U.S. clearly doing nothing to encourage Sharon to give any ground to the Palestinians and Egypt struggling to bring the seemingly inevitable disengagement plan into line with something acceptable to the Palestinians, the EU was quietly brainstorming about ways of aiding Egypt and truly revitalizing the peace process. The aim was to move as quickly as possible after the U.S. presidential elections on 11/2, when the U.S. administration would have few excuses for continued inaction.

At an EU meeting in Brussels on 11/1, EU foreign policy adviser Solana presented a 7-page paper (not publicly released) outlining a short- to medium-term action plan for reviving the peace process and ensuring the viability of a Palestinian state. The plan dealt with 4 areas: security (including the dispatch of EU security experts to Gaza after Israel's redeployment to help retrain the PA security forces), facilitating Palestinian elections, economic development (including rehabilitation and reconstruction of Gaza following disengagement), and continued implementation of reforms. The EU said that the plan was compatible with the road map and Bush's vision of a 2-state solution and therefore not indicative of any break with

the Quartet. If endorsed by the EU, Solana would present his plan to the U.S. administration right after elections. By mid-11/04, Britain had allocated \$480,000 for the refurbishment of the Jericho Police Training Center and expressed hopes to begin training around 500 recruits as early as 3/05.

With Bush's reelection (11/2) to a second term, the administration quickly sought to reign in the EU and reassert control of the process. Days after the elections, U.S. National Security Council (NSC) Middle East adviser Elliott Abrams and NSC Director for European and Eurasian Affairs Daniel Fried met (11/5) with EU officials to present the Bush administration's thinking on the next steps in the Middle East, including how to move forward after an Israeli disengagement from Gaza to implementation of the road map. Specifically, they urged against trying to "leapfrog a deliberative process" to discussing final status issues—an apparent reference to rumors that had been circulating since late October that the EU was considering hosting a conference on the peace process in Britain in early 2005 to jumpstart the process.

Bush himself used the occasion of British PM Tony Blair's visit to Washington (11/11–12) in the immediate wake of the elections to put a break on EU efforts. Although it was Blair who had pressed for the visit to hold consultations on the Middle East and who had urged Bush to make the peace process a priority, the White House portrayed the exchange as Bush calling on the EU to "assume a key role in helping the new Palestinian leadership build and support institutions and prepare for negotiations with Israel." Blair reportedly did raise the idea of an international conference in London in early 2005, but Bush dismissed the idea, stating that the Palestinians must first take steps to crack down on violence and that the longer the PA delayed action, the less likely the U.S. would be to take an active role. Instead, Bush declared at a press conference (11/12) a new goal of ensuring creation of a viable, independent Palestinian state by the time he leaves office in 2009; pledged to put the resources and prestige of his office behind the effort; reiterated his call for "a just and peaceful resolution of the Arab-Israeli conflict based on two democratic states—Israel and Palestine"; and stated that Israel's disengagement from Gaza must be connected to talks on creation of a Palestinian state in the West Bank as well (see Doc. D5). Administration officials noted (11/11) that Bush's

remarks on the Middle East were meant to “take advantage of the diplomatic opening created by Arafat’s death” (which had not yet occurred) and “show that Bush is trying.”

On the ground, the ongoing violence added urgency to the diplomatic efforts (see Chronology for details). The IDF continued major bulldozing in Bayt Hanun and Rafah; launched a massive raid on Khan Yunis (10/23–26), killing 19 Palestinians and wounding at least 85 and demolishing at least 29 houses; sealed and imposed a curfew on Jenin town and r.c., conducting frequent arrest raids and house searches (10/27–11/15); assassinated 2 Hamas members in Gaza City on 10/21, 1 Hamas member in Khan Yunis on 10/22, 2 Islamic Jihad members in Khan Yunis on 10/23, and 1 AMB member in Qalqilya on 10/28, and attempted to assassinate a PRC member in Jabaliya on 10/21. The Jenin AMB fatally shot (10/19) an IDF soldier outside nearby Mevo Dotan settlement. Hamas took responsibility for booby trapping a tunnel on the Gaza-Egypt border that collapsed (10/21), killing an IDF soldier. Palestinians detonated (10/24) a car bomb near an IDF patrol in Nablus, damaging the vehicle but causing no injuries. By 11/1, the death toll had reached at least 3,804 Palestinians and 938 Israelis.

Arafat’s Sudden Illness

As Israel worked to implement disengagement unilaterally and the EU strategized, the entire playing field shifted with Arafat’s disappearance from the scene.

Arafat, approaching the end of his third year confined to his Ramallah compound (the Muqata) by Israel and reportedly feeling the added stress of Operation Days of Penitence, began suffering severe flulike symptoms around 10/12. After a week of persisting symptoms, the PA called in (10/19) a team of Egyptian doctors who concluded that the 75-year-old Arafat was suffering from an intestinal virus and gallstones, neither of which was life threatening. (He had had a similar bout of gallstones in 2003.) When stomach pains worsened, a team of Tunisian specialists came (10/23) to Ramallah to perform an endoscopy, biopsy, and blood tests, turning up no signs of cancer and confirming the Egyptian diagnosis.

Nonetheless, Arafat’s condition led senior Palestinian officials quietly to begin meeting informally (10/26) to “think seriously about maintaining order and not allowing panic to take over . . . should anything happen to President Arafat.” The next day, Arafat collapsed

during a meeting and deteriorated rapidly during the day, apparently lapsing in and out of consciousness. In the first acknowledgement to the outside world of the gravity of Arafat’s condition, the PA summoned (10/27) to Ramallah his private physician from Amman, his wife Suha from Paris, and the Egyptian medical team. During a lucid period, Arafat summoned (10/27) PM Qurai’ and former PM Abbas (who as PLOEC secy. would automatically assume temporary control of the PLO should Arafat be incapacitated) for consultations. Arafat’s condition stabilized on 10/28 after he was put on an IV, but doctors, speculating that he could have a potentially fatal blood disorder, recommended that he be sent abroad for further tests. France offered (10/28) to host him at a premier military hospital outside Paris that specialized in blood diseases, and Israel pledged (10/28) it would allow him to return to the West Bank after treatment.

Before leaving Ramallah on 10/29, Arafat authorized Abbas, as secy. gen. of the PLOEC and dep. secy. of the Fatah Central Committee (FCC), to assume responsibility for day-to-day affairs of the PLO and Fatah in the territories. FCC member Abbas Zaki clarified (10/29) that according to party bylaws PLO Political Dept. head Faruq Qaddumi, as secy. of the FCC, automatically becomes Fatah chmn. in Arafat’s absence. Nonetheless, since Qaddumi (who had broken with Arafat in 1993 over the signing of the Oslo Accord) was based in Tunis, Abbas, as dep. secy., would assume his duties in the territories.

With Arafat in Paris, Abbas immediately convened the PLOEC (10/30) and the FCC (10/31) to demonstrate that the leadership was still functioning and to “call on all our people and factions to unite and work together in responsible fashion to protect our destiny and homeland.” Qurai’ similarly convened (11/1) the PC. Hamas outside leader Khalid Mishal quickly phoned Qurai’ (10/31) and Arafat in Paris (11/1) to give assurances that Hamas would take all necessary steps to reduce frictions and maintain order. The AMB issued (10/31) a leaflet warning the Palestinian leadership not to give up the armed struggle or compromise Palestinian rights now that Arafat had left the territories.

Arafat’s health took a turn for the worse on 11/3, with doctors admitting him to intensive care, still unable to determine the cause of his illness. On 11/4 he slipped into a “reversible coma.” At this stage, the

Israeli security cabinet, IDF senior cmdrs., FCC, and PLOEC separately convened (11/4) emergency meetings to discuss the situation. The PLOEC granted Qurai' authority to deal with urgent matters involving the PA security services and PA finances. Abbas was officially authorized by the FCC and PLOEC to take temporary charge of their daily affairs. Hamas leaders in the territories called (11/4) for the formation of a collective leadership, in which they would take part, to govern until elections could be held. The National and Islamic Higher Committee for the Follow-up of the Intifada (NIHC), the umbrella organization of all Palestinian factions in the territories, met (11/5) to discuss ways of preserving national unity and closing ranks. Qurai' led meetings with reps. of all Palestinian factions, PA security forces, and Fatah leaders in Gaza (11/6) and Ramallah (11/7) to seek pledges that they would work together, preserve calm, and not give Israel any excuses to stage another major military operation in the current environment. On 11/8, Abbas, Qurai', Fattuh, and Shaath made a 24-hour visit to Paris to see Arafat and meet with his doctors; only Qurai' was allowed into Arafat's room. Upon the delegation's return to Ramallah, the PLOEC, FCC, the PA national security council, and senior PC members met (11/10) to discuss the leadership transition.

After slipping deeper into a coma on 11/9, Arafat died at 9:30 P.M. EST on 11/10 (3:30 A.M. on 11/11 Paris time). Within hours, the PC, in keeping with the Basic Law, formally swore in Speaker Fattuh as interim head of the PA and declared that elections would be held within the next 60 days. Qurai' maintained the position of PM, responsible for daily PA operations. Qaddumi was elected head of Fatah by the 15-member FCC. Abbas was voted head of the PLO by the PLOEC (14-0, with 1 member, perhaps Abbas himself, not voting; 'Abd al-Rahim Malluh sending his vote from Israeli prison, where he was being held in administrative detention; and Qaddumi, Zakariyya al-Agha, and Mahmud Ismail phoning their votes from abroad). France sent Arafat's body to Egypt with full military honors. Throughout the day, Palestinians across the territories and in the camps of Lebanon rallied and demonstrated in Arafat's honor.

On 11/12, Egypt held a closed military memorial service for Arafat on a military base outside Cairo. The ceremony was attended by reps. of 61 countries including 14 heads of state (from Algeria, Brunei, Egypt,

Indonesia, Jordan, Lebanon, Malta, Somalia, South Africa, Sudan, Syria, Tunisia, Yemen, Zimbabwe, plus Crown Prince Abdallah of Saudi Arabia), 4 PMs (Bosnia Herzegovina, Mauritania, Sweden, Turkey), 4 vice presidents (Afghanistan, Albania, Iraq, Italy), 19 FMs (Belgium, Brazil, Britain, Croatia, Egypt, Finland, France, Germany, Ghana, Iran, Kuwait, Libya, Nigeria, Norway, Oman, Qatar, Slovakia, Slovenia, Turkey), Russian Duma speaker Boris Gрызlov and Dep. FM Aleksandr Saltanov, and U.S. Asst. Secy. of State William Burns as well as the heads of international organizations (including the Arab League). The Palestinian leadership (Abbas, Erakat, Qaddumi, Qurai') and Arafat's wife Suha and daughter Zahwa accepted condolences after the ceremony. The leadership and family, plus Egyptian envoy Sulayman, then escorted Arafat's body by helicopter to Ramallah, where 10,000s of grieving Palestinians (a number waving French flags in thanks to France for treating Arafat in his final days) overran the Muqata in an attempt to get near to their fallen leader. With rumors spreading that crowds might attempt to seize the casket and march it to East Jerusalem for burial outside al-Aqsa Mosque, Israel declared Operation New Leaf—The Day After to step up Israeli security while ensuring that "Palestinians' dignity is preserved" during the 3-day mourning period for Arafat: the IDF declared a state of emergency, announced the sealing of the occupied territories until 11/16, pulled back from all West Bank population centers, reinforced the troop presence surrounding Ramallah and leading to Jerusalem, facilitated West Bank Palestinians' access to Ramallah for the funeral, and allowed PA security officers to carry weapons for the 3-day mourning period in order to maintain crowd control. Crowds eventually made way for the casket to be offloaded and taken, in a chaotic yet dignified manner, to a viewing room in the Muqata to briefly lie in state, followed by burial nearby before sunset, in soil brought by Mufti of Jerusalem Shaykh Ikrima Sabri from the Haram al-Sharif. Meanwhile, massive symbolic funerals were held in Gaza, with (as in the West Bank) the full participation of all political groups, including Hamas.

The Post-Arafat Outlook

The immediate days after Arafat's death were likely indicative of how the peace process would play out in the near and medium term. Transition to the post-Arafat

environment was generally remarkably smooth, with little fundamental change in the players' policies or positions. There were, however, some disturbing signs of potentially big trouble ahead in the Palestinian sphere, most notably within Fatah.

With voter registration completed and municipal elections already scheduled, the PA was able quickly to set (11/14) the date for presidential elections for 1/9/05, announcing (11/14) that candidates for president could register between 11/21 and 12/1 and that the campaign period would be from ca. 12/25 to 1/7. Hamas and Islamic Jihad declared (11/14) that they would not participate unless full municipal and legislative elections were held simultaneously. Abbas met (11/15) in Gaza with the leaders of all factions, including Hamas and Islamic Jihad, to urge them all to take part in or at least endorse the elections. The heads of the AMB's 2 most radical factions, Jenin's Zakariyya Zubaydi and Nablus's Nasir Juma, said (11/14) that their groups would prefer Fatah's presidential candidate to be jailed West Bank Fatah head and *tanzim* leader Marwan Barghouti but that they would support Abbas (or any other Fatah member) as Palestinian leader as long as the nomination and election processes were fair. They would not, according to Zubaydi, support anyone (elected or not) who "goes back on our unalterable demands [for] a state on pre-1967 lines, its capital in Jerusalem, the right of return for refugees, and the release of prisoners."

Under heavy pressure from the U.S. to facilitate a democratic transformation, Sharon agreed (11/13) in principle to redeploy troops to the outskirts of population centers over the next 2 months so as to facilitate the elections process. He also authorized (11/14) PA security officers to continue carrying weapons in the immediate vicinity of Arafat's Ramallah compound. Shalom met (11/15) with Powell in Washington to discuss other steps that Israel could take to support emergence of a moderate Palestinian leadership. Shalom said that Israel would do all it could to make sure elections could be held in 1/05 but would not allow Palestinians to vote in East Jerusalem, suggesting they could vote by mail; the IDF would resume some security coordination with the PA security forces; and Israel might coordinate disengagement and open negotiations with the PA if the latter took serious steps to crack down on militant groups—an indication that Israel might not require a complete

halt to violence before dealing with the new leadership. The U.S. reportedly was considering other steps, including asking the UN to pass a res. supporting Israel's disengagement plan, holding a Quartet meeting in the coming weeks, taking steps to help boost the PA's security capabilities, resuming direct U.S. aid to the PA, and finding funds for monitors and technical assistance for Palestinian elections.

The smoothness of the transition was marred by a disturbing incident on 11/14, when Abbas went to Gaza to accept condolences for Arafat's death. Immediately after he and other senior PA officials—including former Gaza security chief Muhammad Dahlan—arrived, some 20 armed AMB members stormed the mourning tent, firing into the air and shouting, "Abbas and Dahlan are agents of the Americans! No to Abbas! No to Dahlan!"; 2 PA security officers were killed and 2 gunmen were detained in the melee, while outside, 3 cars in Dahlan's convoy were torched. The PA officially denied that the shooting was an attempt on Abbas's life, saying it was sparked by a local rivalry between supporters of senior Fatah member Ahmad Hillis and those of Dahlan, Dahlan having said that he intended to seek the Fatah nomination for president if and when primaries are held. Observers agreed that the attack was meant only as a strong warning and speculated (see *Washington Post* 11/15, *Gulf News* 11/16) that the AMB may have been reacting to false reports that Fatah had already named Abbas as its candidate for president, which would immediately sideline the jailed Barghouti, who had stated his intention to run even if he was defeated in Fatah primaries. As a consequence of the attack, the PA ordered (11/15) a crackdown on illegal weapons and banned anyone but members of the PA security forces from carrying arms in public. When Dahlan showed up (11/15) for a meeting with Abbas at the PLO offices in Gaza, PA security forces barred his armed bodyguards from entering the building.

Israeli-Palestinian violence neither miraculously ceased with Arafat's passing nor spun wildly out of control, disproving both the claim that he orchestrated everything and the prediction that without him, there would be chaos. Rather, it continued at about the same level: A PFLP suicide bomber from Nablus detonated (11/1) a device in Tel Aviv, killing 3 Israelis and wounding 31. Israel assassinated (11/1) 4 AMB members in Nablus in retaliation, and another 4 AMB members

near Jenin on 11/7. The IDF also continued major bulldozing in Dayr al-Balah, Rafah, and Shaykh Ajlin in Gaza and maintained the siege on Jenin (see above). Palestinians continued firing mortars at IDF posts and settlement in Gaza, lightly injuring 6 Israelis. A Palestinian sniper wounded 2 IDF soldier in Gaza on 11/3.

Intifada Data and Trends

During the quarter at least 357 Palestinians and 34 Israelis were killed (up from 208 Palestinians and 8 Israelis last quarter), bringing the toll at 11/15 to at least 3,842 Palestinians (including 40 Israeli Arabs and 16 unidentified Arab cross-border infiltrators), 942 Israelis (including 292 IDF soldiers and security personnel, 191 settlers, 459 civilians), and 50 foreign nationals (including 2 British suicide bombers).

This quarter, Israel carried out 42 killings (up from 26 last quarter) that were clearly or almost definitely assassinations, in the process killing 3 bystanders and wounding 35. Those assassinated this quarter were as follows: 15 **Hamas** members on 9/7, plus **Hamas's** Khalid Abu Silmiyya (9/19), Nabil al-Su'aidi (9/20), Rabah Zaqqut (9/20), Mahdi Mushtaha (10/3), Khalid al-Amriti (10/3), Adnan al-Gul (10/21), Imad Abbas (10/21), and Awad Yasir (10/22); the **AMB's** 'Amr A'idiyya (9/8), Mahmud Abu Khalifa (9/13), Amjad Abu al-Hayja (9/13), Yamin Abu al-Hayja (9/13), Fadi Zakarna (9/15), Majdi Khalifa (9/28), Ibrahim Issa (10/28), Majdi Mari (11/1), Jihad Abu Salah (11/1), Fadi al-Sarwan (11/1), Fadi Qaffisha (11/1), Amin Abu al-Kamil (11/7), Fadi Aghbariyya (11/7), Muhammad Masharq (11/7), and Muhammad Fahmi (11/7); and **Islamic Jihad's** Bashir al-Dabash (10/5), Ahmad al-Arayir (10/5), Omar Abu Mustafa (10/23), and Ziad Abu Mustafa (10/23). In addition, 4 AMB members, 2 Hamas members, 1 Islamic Jihad member, 1 PRC member, and 1 DFLP member were killed in failed attempts on other members of the resistance and could be counted among those assassinated. Failed assassination attempts were carried out on 8/18, 8/26, 8/30, 9/15, 9/27, 10/3, 10/11, and 10/21, which also left 4 civilians dead and 17 injured; 2 targets of the failed attempts, Majid Mari and Mahmud Abu Khalifa, were later assassinated. Another 4 incidents (8/26, 9/26, 10/5, 10/9) in which 2 AMB members, 2 Islamic Jihad members, and 1 Hamas member were killed may have been assassinations; these

incidents also left 1 bystander dead and 13 wounded.

During the quarter, there were 6 Palestinian suicide attacks (up from 5 last quarter), which killed 25 and injured about 54 (compared to 1 killed and about 8 injured last quarter). Of these, 4 were bombings (8/31, 9/14, 9/22, 11/1). The other 2 attacks (9/23, 10/6) could be called "suicide" insofar as they were certain to result in the deaths of those who staged them. Of the 6 attacks, 2 were Hamas operations, 1 was AMB, 1 was PFLP, 1 was unattributed, and 1 was a joint operation by the ARB, Islamic Jihad, and the PRC. Palestinian rocket and mortar fire increased significantly this quarter, with roughly 45 Qassam strikes and 50-60 mortar strikes, plus a handful of antitank rounds fired and roadside bombs detonated. Also of note: the AMB claimed (10/6) to have launched its 1st *Aba Bel* missile (fat, 20 inches long, launched by being tossed out of a net, kept aloft by some 40 children's balloons) at Sederot, which reported no damage.

Israeli security officials reported (9/13) that since the beginning of 2001, 23 Palestinians who hold Israeli ID cards through the family reunification program have been arrested for involvement in Palestinian attacks inside Israel, including 3 suicide bombings that left 16 Israelis dead. "Involvement" included driving attackers to their target, helping to case targets, and being recruited by militant groups (even if they did not stage an attack).

IDF demolition of Palestinian houses remained very high this quarter. Once again, most demolitions took place in Gaza, particularly in the border areas in the south (289 homes) and north (112 homes, especially in Jabaliya r.c. and Bayt Hanun), but there were also demolitions in central Gaza (26 homes, mostly in al-Mughraqa). The pace of demolitions remained the same in the West Bank this quarter: the IDF bulldozed or blew up 9 houses in Nablus, 7 in Hebron, 4 in Jenin, 3 in Qalqilya, and 1 each in Bethlehem and Salfit.

IDF bulldozing was down significantly from the unprecedented levels of last quarter but remained very high, especially in Gaza: upward of 1,200 d. were bulldozed along the northern Gaza border, 612 d. in southern Gaza (mostly in Khan Yunis), and 647 d. in central Gaza (mostly in the Juhur Yidiq area). At minimum, the IDF bulldozed 580 d. between East Jerusalem

and Hebron, 350 d. around Qalqilya, 250 d. in the Ramallah area, and large swaths in the Tulkarm area (including confiscating 308 d.) and the northern Jordan Valley for construction of the separation wall, to expand buffers around Jewish settlements, or for other "military purposes." The IDF also burned (9/2) 10 dunams of Palestinian olive groves nr. Hebron to create open land between Nahal Negohot settlement and settlements to the west. New York-based Human Rights Watch issued (10/18) a report concluding that the IDF's destruction of 100s of Palestinian homes in s. Gaza "was carried out in the absence of military necessity," constituted an excessive use of force, and violated international law, and that the IDF "has consistently exaggerated and mischaracterized the threat from . . . tunnels to justify the demolition of homes." UNRWA estimated (10/18) that 17,000 Rafah Palestinians (10% of the Rafah population) had been made homeless since the start of the al-Aqsa intifada and that the demolitions in Rafah represent about two-thirds of the 2,500 home demolitions in Gaza.

Once again this quarter, Israel failed to make special effort to preserve the safety of the ill, medical workers, and medical establishments. At least 4 Palestinians died (8/23, 8/29, 9/7, 10/28) because the IDF barred them from crossing checkpoints to access medical treatment or prevented medical workers from reaching them. Four mentally handicapped Palestinians were fatally shot (8/21, 9/19, 9/28, 10/8) and 1 was wounded (9/5) by straying into closed military zones or violating curfews. IDF shelling and gunfire seriously damaged hospitals (including severe damage to a maternity ward) on 9/4, 9/24, 10/9, and 10/10. The IDF raided, searched, and interrogated the staff of hospitals and clinics on 9/26 (arresting 2 employees and wounding 7 Palestinians, including 2 children, with gunfire), 9/27, and 11/2. IDF soldiers deliberately fired (8/3) on an ambulance at a checkpoint, wounding a doctor and a paramedic. As of 11/5, the Palestinian Red Crescent Society reported that since the start of the intifada, the IDF had restricted access to 1,565 ambulances; shot at 331 ambulances, damaging 134 (including 28 beyond repair); and arrested 81 on-duty medical workers, injured 203, and killed 12.

After much international criticism, Israel announced (9/10) that it had drawn up new regulations to go into effect soon for granting press cards to Palestinians employed by foreign and local Palestinian media

outlets. (Israel imposed a blanket ban on issuing press credentials to Palestinians in early 2001.) Credentials will be issued for 3-month periods following an application review by the Israel Government Press Office, military authorities in the West Bank or Gaza, the commerce and employment unit of the Trade Min., and Shin Bet. Meanwhile, the IDF continued to harass journalists: briefly detaining journalists covering an IDF raid on PA Information Min. offices and charities in Hebron on 8/31 and deliberately firing toward a group of reporters covering clashes in Jabaliya r.c. on 10/3.

The IDF also continued raids this quarter (e.g., 8/18, 8/31, 9/2, 9/3, 9/20, 11/9) on Islamic charities, schools, and daycare centers, and a library, confiscating computers, files, and 100s of books. A non-Islamic charity was also targeted on 8/17, and 1 charity was destroyed by shelling (9/29).

Jewish settlers staged an unusually high number of attacks on Palestinians this quarter (see chronology for details). Many incidents (8/18, 9/28, 9/29, 10/10, 10/11, 10/14, 10/15, 10/17, 10/21, 10/27, 10/28, 10/29, 11/1, 11/9) involved chasing off Palestinians harvesting their olive groves, barring Palestinians from reaching their groves, burning or cutting down olive trees, and stealing olives (either from groves or presses). Settlers in Hebron rampaged (e.g., 8/21, 8/28, 9/3, 9/20, 10/4, 10/24, 11/1, 11/6) through Palestinian sections of the town, vandalizing homes and cars, and harassing and occasionally beating Palestinians and even Christian Peacemaker Team volunteers escorting children to school (9/29, 10/9). Two beatings (8/28, 9/21) took place near Nablus. In 4 incidents this quarter settlers killed (8/31) or seriously injured (10/3, 10/20, 11/2) Palestinians in hit-and-run incidents. In 2 other cases, settlers fatally shot (9/27, 10/26) Palestinians. A group of settlers kidnapped (11/5) two Palestinian teenagers, took them to a settlement, and held them for several hours before releasing them. One settler attacked (10/10) the Armenian Orthodox deputy archbishop in East Jerusalem. Settlers also occupied Palestinian homes in Bethlehem (10/25) and Hebron (10/25), fenced off Palestinian land (3/18), and attempted to set up new unauthorized settlement outposts (e.g., 8/29, 8/30, 9/26). In many cases, IDF soldiers observed or escorted settlers during their crimes but did not intervene.

The hunger strike by some 8,000 Palestinian prisoners in Israeli jails (including

1,250 administrative detainees) that began on 8/15 slowly dissolved and was officially ended on 9/2, achieving only minor goals on family visits, distribution of cigarettes and newspapers, and provision of salt with meals. The prisoners had demanded increased family visits and access to lawyers; a halt to collective punishment, punitive searches, solitary confinement, and overcrowding; better access to healthcare, educational resources, and phones; and improved food service and recreation options. Organizers admitted (9/2) that the strike was poorly timed, gained little international coverage, and was not uniformly observed. On 9/7-8, Israel released 161 Palestinian prisoners, allegedly to relieve overcrowding.

Separation Wall

Construction on Israel's separation wall in the West Bank continued, with monitors reporting that most construction this quarter was concentrated between Ramallah, East Jerusalem, and southwestern Hebron, though significant work was also reported near Qalqilya and Tulkarm (for land areas bulldozed, see above). By 11/15, the IDF had completed a wall segment between Dahiyat al-Barid checkpoint north of Jerusalem and Qalandia checkpoint south of Ramallah. The Israeli DMin. reportedly was considering (ca. 9/28) increasing the height of the separation wall around Jerusalem by 3-11 meters as an added deterrent. The IDF issued (11/5) a military order barring Palestinian construction 300 m east and 100 m west of the 1948 truce line.

On 9/6, Israeli DM Shaul Mofaz announced that the DMin. had approved changes in the route of 35 km of wall south of Hebron, bringing it closer to the Green Line; Sharon still had to approve the new route, and there were no reports that he had done so by the end of the quarter. Sharon adviser Weisglass was in Washington 9/13-14 reportedly to present the White House with the new route for the separation wall, even before Sharon presented it to his cabinet. Details of the meeting were not released. The U.S. asked (before 8/22) Israel to present the route before an expected hearing on the fence in the UN, arguing that if Israel wanted the U.S. to take steps to keep the UNSC from discussing the wall, the U.S. needed to know in advance what it was being asked to defend.

IDF bulldozing in the northern Jordan Valley (e.g. 8/22) raised suspicions that Israel

is still planning construction of a secondary security wall through the Jordan Valley. For example, the IDF bulldozed (8/22) land in Bardala on the northeastern tip of the Jordan Valley for construction of security and tax offices; moved (11/5) a checkpoint from the Green Line southward toward Bardala, well inside the West Bank; and bulldozed (9/5) and fenced off large areas of agricultural land in Wadi al-Malih in the northern Jordan Valley. The IDF also dug (ca. 9/5) a 3-km trench 3-m deep and 4-m wide outside Nablus; Palestinians believe the trench will eventually encircle Azmut, Bayt Dajan, Bayt Furik, Dayr Hatab, and Salim villages (combined pop. 30,000).

INTRA-PALESTINIAN DYNAMICS

PA Reform

After the PC went on strike on 9/7 to protest Arafat's inaction on reform, Arafat ratified (9/25-26) 5 laws that had long been awaiting his signature. The laws concerning children, regulating auditing practices, the duties and rights of PC members, the entitlements of ministers and governors, and creation of a compensations fund for those harmed by Israeli aggression. Some Fatah PC members, led by Ahmad al-Dik (Salfit), met (9/28) with Arafat to warn him that these steps were not sufficient and that they would move to call a no-confidence vote when the PC resumed. By 9/30, 14 of the PC's 84 sitting members (4 seats are vacant) had signed a petition for a special session to hold such a vote, strongly criticizing Qurai' as well as Arafat. On 10/3, these PC members held a video conference to discuss their motion further.

On 10/6, the PC asked Qurai' to submit a report by 10/20 giving a comprehensive accounting of his government's reform efforts to date, saying they might call a vote of no confidence based on the report's conclusions. On 10/19, PC speaker Fattuh granted a request from Qurai' for a 2-week delay. In the meantime, however, Arafat's health had sharply deteriorated, causing the PC to postpone (10/31) the session indefinitely, saying the report would be forwarded pro forma to Arafat and presented before an expanded PC session at a later time.

Several temporary changes took place in the PA cabinet (Executive Authority) during the quarter. On 9/27, Negotiation Affairs M Erakat was asked to handle the information portfolio temporarily on behalf of Information M Nabil 'Amr (shot and critically

wounded by suspected Palestinian assailants on 7/20/04), and PA Labor M Ghassan Khatib was asked to assume the planning portfolio temporarily in light of the resignation of Planning M Nabil Qassis, who accepted the position as Birzeit University president on 9/7/04. Erakat and Khatib will hold the portfolios until a formal cabinet reshuffle is made, ideally after legislative and presidential elections.

Power Struggles and Discontent

Incidents of intra-Palestinian violence continued at a slightly lower level this quarter, mostly in Gaza and the hardest-hit West Bank areas, Jenin and Nablus. Attacks fell into a number of categories: attacks on allegedly corrupt individuals, local power struggles, vigilante justice, or demands for services and consideration that the PA, since the start of the intifada, has been increasingly unable to provide. All symbolized the failure of the PA to supply security, justice, and basic needs.

As was the case last quarter, a high number of acts were carried out by unidentified or previously unknown groups:

- Unidentified gunmen broke into the Fatah headquarters in Bureij r.c. and fatally shot senior Fatah figure Muhammad Issa; Fatah and Hamas members staged a rally protesting the assassination.
- Unidentified gunmen fired on PA General Intelligence Service dep. chief Tariq Abu Rajab as he drove along the coastal road in Gaza, seriously wounding him, killing 2 bodyguards and wounding 2 others; no group claimed responsibility.
- Unidentified assailants attempted (10/12) to assassinate the PA's Gaza public security head Musa Arafat, detonating a car bomb outside his Gaza City office; no one was injured.
- Unidentified gunmen fired (10/17) on the home of Tulkarm mayor Mahmud Jallad, causing light damage but no injuries.
- Armed Palestinians calling themselves the Fatah Fighters kidnapped (9/5) the PA's security dir. for the Rafah checkpoint Saad al-Sayfan, accusing him of corruption and neglect; there was no word on whether he was released.
- On 9/5, 15 armed Palestinians occupied the Khan Yunis governorate building for 2 hours, demanding that the PA

compensate Palestinians who recently lost their homes to IDF bulldozing in the area.

- Armed Palestinians ambushed (9/27) a carload of CNN reporters in Gaza City and kidnapped Jerusalem-based producer Riyadh Ali, leaving others unharmed. Ali was released unharmed on 9/28. He said the kidnappers claimed to be AMB members, but the AMB denied this and denounced the targeting of journalists.

The AMB did, however, continue to take violent actions against the PA this quarter. The AMB Jenin faction threatened (8/31) to kill PA FM Nabil Shaath, calling him a traitor for participating with Israeli FM Shalom in a conference in Italy the previous week, while the prisoners' hunger strike was being held. Some 100 members of the AMB Nablus faction set fire (9/13) to the home of PA police officer Hamas Hajat in revenge for his killing of an AMB member; nearly 100 PA policemen observed the arson (which destroyed the home but caused no injuries, Hajat and his family having gone into hiding) but did not intervene. Suspected AMB members ambushed (9/16) Brig. Gen. Muhammad Batrawi, the Arafat-appointed financial comptroller for the security forces in Gaza, and held him for 3 hours in Nusayrat r.c.; they released Batrawi without making any demands publicly. Jenin AMB members temporarily took over (10/19) the local PC and PA tax offices, demanding salary increases and pensions for the children of Palestinians killed during the intifada; they left after several hours.

The AMB also executed (9/20) 2 Palestinian collaborators in Tulkarm who it said were responsible for the deaths of 3 AMB members over the previous year. Hamas dumped (10/22) in Gaza City the bullet-ridden body of a collaborator it had kidnapped 2 months earlier for allegedly providing information to Israel used in the assassinations of Shaykh Ahmad Yasin and 'Abd al-'Aziz Rantisi. The PA reported (8/23) that it had arrested 6 suspected collaborators in Gaza. A PA court opened (9/5) the trial of 7 alleged collaborators, including Muhammad and Rami Abu Qaynas, who were accused of providing Israel with information used to assassinate Hamas leader 'Abd al-'Aziz Rantisi on 4/17/04.

At midday in Gaza City on 10/18, PA preventive security officers and PA military intelligence officers exchanged gunfire

and tossed grenades at each other, leaving 1 preventive security officer seriously injured and 3 others lightly injured. Later in the day, the same group exchanged fire again, leaving 2 people injured. Fatah and PA officials met later in the day to contain the crisis, the reasons for which were not reported.

Islamic Jihad members stopped (10/21) the car of PA military intelligence officer Hajj al-Sirhi in central Gaza and seized the car and 2 rifles. Sirhi had reportedly impounded the car from Islamic Jihad members several months earlier.

Tens, perhaps 100s, of Palestinians attended (10/27) a demonstration in Gaza City organized by the DFLP, Palestinian Democratic Union (FIDA), Palestinian People's Party, PFLP, and Popular Struggle Front to protest the increasing crime rate, kidnappings, and violence in Gaza and to demand security and legal reforms.

PA Elections

As mentioned above, on 8/25 the PA announced plans to hold municipal elections in 3 stages beginning in 12/04 (pending approval of amendments to the PA elections law and the law of municipal corporations) and lasting for as long as a year, depending on the degree of Israeli cooperation in facilitating Palestinian freedom of movement. The municipal elections process was to be overseen by two bodies: the Central Elections Commission (CEC), an independent body created by presidential decree in 10/02, in keeping with the 1995 Election Law, and mandated only to supervise presidential and legislative elections; and the Higher Commission for Local Elections (HCLE), a subsidiary of the PA Local Government Min. created by presidential decree in summer 2004. The CEC apparently agreed to handle all elections functions that would also be required for legislative and presidential elections (e.g., voter registration, voter education, and election monitoring), whereas the HCLE apparently was to handle all other aspects of municipal elections on the local level, including registering candidates and overseeing the campaign period.

With the exact division of labor between the CEC and HCLE somewhat murky, some Palestinians questioned the legitimacy of the HCLE, claiming that it was controlled by Fatah, especially at the local level, and arguing that it should be reformed or merged under the CEC to guarantee its neutrality. Lead-

ing this charge was Hamas, which wanted voting districts to be redrawn and local elections bodies to be elected or reformed based on specific criteria uniformly applied in a manner that would "render them representative of the Palestinians collectively." Hamas formally submitted this request to the PC on 10/4, also recommending that all quotas stipulated in the municipal elections draft law (especially guaranteeing that women would take at least 20% of seats) be eliminated. By the close of the quarter, some Hamas demands had been met: the PC voted (10/21) to cancel the quota of women; and the HCLE (originally a 4-member team with reps. from the PA Central Bureau of Statistics and the Ministries of Education, Interior, and Local Government) was expanded (ca. 10/26) by 13 members—1 from each Palestinian faction.

As noted above, voter registration opened across the occupied territories on 9/4 for 1 month. Voter turnout was slow, with many reports of IDF intimidation at registration sites in East Jerusalem (see Chronology). When only 51% of eligible voters had registered by 10/6 and in light of Operation Days of Penitence, the registration process (originally set to end on 10/7) was extended to 10/14, and on 10/8, the CEC announced that it had recruited 2,500 volunteers for a wide-scale voter education drive (distributing materials door-to-door, giving radio and TV spots). It also accredited 6,500 election observers (including 3 international organizations, including the National Democratic Institute; 82 Palestinian institutions; 3,000 local observers; 2,500 party agents). On 10/14, the CEC closed all but 16 voter registration offices in major towns, which it agreed to keep open until the date of the elections was fixed. On 10/23 the election start date was set for 12/24, and the remaining registration sites closed soon after. From 10/30 to 11/11, PA courts were open to hear voter registration complaints and appeals, but there were no reports that any were filed. Though final figures were not available, as of 10/14, more than 1 m. Palestinians (67% of those eligible) had registered, with registration higher in the West Bank (70%) than in Gaza (63%), though the lowest turnout was in East Jerusalem (only 26,570 Palestinians) because of Israeli harassment. The CEC noted that some 180,000 Palestinians holding PA ID cards and eligible to vote were currently abroad.

As for East Jerusalem, Israel officially took the position that Palestinian residents of the

city could not take part in voting since Oslo was dead. Under the 1993 Oslo agreement, Annex 1, "Palestinians of Jerusalem who live there will have the right to participate in the election process." The 9/28/95 Oslo II agreement further states in the preamble that "the Palestinian people in the West Bank, Jerusalem, and the Gaza Strip may democratically elect accountable representatives" in legislative and presidential elections but did not mention whether Jerusalem Palestinians have a right to elect municipal representatives. On the 11th anniversary of the signing of the Oslo agreement on 9/13, Israeli police shut 6 voter registration stations in East Jerusalem, calling the process illegal "within the borders of the State of Israel." Under pressure from Washington after Arafat's death, Sharon said (11/14) that he would not rule out the possibility of East Jerusalem Palestinians taking part in Palestinian elections, most likely by mail so that Israel could maintain the pretense that they are voting absentee.

Palestine Liberation Front (PLF) dissident leader 'Abd al-Fattah Ghanim announced (9/28) the formation of a new Palestinian political party, the Palestinian Democratic Convention (PDC), of which he is the head. Ghanim stated that the PDC considers itself part of the PLO, since many of its founding members were active in the PLO; is financed by the private resources of its members and a "humble budget" from Arafat; calls for the formation of a democratic binational state in all of historic Palestine and the reinvigoration of the PLO to unite Palestinians inside and outside the occupied territories; rejects the Oslo Accord but nonetheless would support the PA against the Israeli occupation while pressing "from the inside against corruption"; and believes the armed struggle should be directed against IDF soldiers and settlers in the occupied territories and not against civilians inside Israel, but ultimately prefers that the intifada be wholly nonviolent.

Finance

PA Finance M Salam al-Fayyad stated (10/2) that the PA was still suffering a serious budget deficit for 2004 due to reduced income resulting from the shrinking economy under the impact of the ongoing violence and to diminishing donor assistance (see below). Fayyad noted in particular that U.S. aid had run out in 9/04 and had not been renewed, making it increasingly difficult for the PA to make salary payments to

civil servants. On 10/30, Fayyad announced that the PA would not be able to pay government salaries for 11/04 and was unable to cover more than 45% of its outstanding payments overall. Gaza municipal workers went on strike (10/22) to protest the PA's inability to pay the remainder of their 10/04 salaries. Under pressure from the U.S., Israel transferred (11/9) \$40 m. in VAT taxes it had collected on the PA's behalf, allowing the PA to make some salary payments. The PA resorted to loans from Arab banks to cover part of the rest.

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Birzeit University Development Studies Program (DSP) between 3 and 6 December 2004. Results are based on a survey of 1,198 men and women from the West Bank and Gaza. The poll, 20th in a series, was taken from DSP's Web site at www.birzeit.edu/dsp.

1. January 9, 2004 was declared as the date for presidential elections to select the head of the Palestinian Authority. Do you support or oppose the holding of this election?

	West Bank	Gaza	Total
a. Support	85.1%	89.5%	86.8%
b. Oppose	11.2%	9.2%	10.5%
c. No opinion	3.7%	1.2%	2.8%

2. Do you believe that the upcoming presidential election will be fair?

	West Bank	Gaza	Total
a. Yes	50.8%	56.4%	52.9%
b. No	38.3%	36.2%	37.5%
c. No opinion	10.9%	7.5%	9.6%

3. Hamas and Islamic Jihad have declared their boycott of the upcoming presidential election. Do you support or oppose their position?

	West Bank	Gaza	Total
a. Support	28.7%	31.6%	29.8%
b. Oppose	60.5%	62.1%	61.2%
c. No opinion	10.7%	6.3%	9.1%

4. The following have nominated themselves for the presidential election.

If the election took place today, who would you vote for? (% of total sample)

	West		Total
	Bank	Gaza	
a. Marwan Barghouti (Fatah)	30.0%	34.3%	31.8%
b. Mahmud Abbas (Fatah)	25.8%	38.0%	30.4%
c. Mustafa Barghouti (ind.)	5.5%	3.2%	4.6%
d. 'Abd al-Sattar Qasim (ind.)			
e. Taysir Khalid (DFLP)			
f. Hassan Khurayshi (ind.)			
g. Hussein Baraka (ind.)	less than 1%		
h. 'Abd al-Halim Ashqar (ind.)			
i. 'Abd al-Karim Shubir (ind.)			
j. Bassam Salhi (PPP)			
k. Undecided	23.8%	18.0%	21.6%
l. Will not participate	12.2%	4.8%	9.4%

5. If the following blocs ran for local and legislative council elections and you had to select one of them, which one would you select?

	West		Total
	Bank	Gaza	
a. A Fatah bloc	46.7%	48.6%	47.7%
b. An Islamist bloc (Hamas and Islamic Jihad)	26.8%	36.4%	30.4%
c. A leftist bloc (DFLP, PFLP, FIDA, Nidal, Palestinian National Initiative, etc.)	3.1%	2.9%	3.0%
d. Others	3.3%	1.6%	2.7%
e. None of the existing blocs or parties	20.1%	10.5%	16.5%

FRONTLINE STATES

JORDAN

Jordan's close relations with the U.S. and growing ties to Israel put the government in an increasingly difficult position this quarter, both domestically and regionally.

The Jordanian government was increasingly viewed as a pawn used by Israel and the U.S. against the Palestinian and Iraqi peoples and the greater Arab nation.

On the 10th anniversary of the Jordan-Israel peace treaty (10/26), Marwan Muasher, former FM recently elevated to dep. PM, noted that Jordan in the past decade had signed more than 15 bilateral agreements with Israel relating to tourism, energy, trade, water, and the environment and that 50 joint ventures were currently underway in the qualified industrial zones (QIZs). These ventures exported an estimated \$1 b. in goods to the U.S. for FY 2004, up from \$13.9 m. in 1999 and \$420 m. in 2002.

On 9/13, Israel reported that exports to Jordan were up 70% for the first half of 2004 compared to the first half of 2003, far exceeding the 25-35% average growth in preceding years. The Israel-Jordan Chamber of Commerce attributed part of the increase to Israeli exports to Iraq delivered indirectly through Jordan. Israeli imports from Jordan were also up relative to 2003 (\$25.5 m. in the first half of 2004 compared to \$44.4 m. in all of 2003).

Domestic opposition prompted Jordan's Interior Min. to order overnight raids (9/8-9) resulting in the arrest of as many as 39 Muslim clerics, including 2 of the Muslim Brotherhood's political leadership (Ahmad Kafawin, Ahmad al-Zarqan), 5 former members of parliament, and a former cabinet minister. The charge was "abusing podiums" via speech or sermons critical of Jordan's growing alliance with the U.S. and continued diplomatic relations with Israel, which the government considers as incitement to violence against Western targets and anti-American feelings. After meeting with Islamist leaders, Jordanian PM Faisal al-Fayiz agreed (9/12) to release the clerics, to drop charges, and gradually to allow them to return to their mosque duties provided that they sign pledges to refrain from expressing criticism of the government in the mosques.

LEBANON

Under heavy pressure from Syria, the Lebanese cabinet approved (8/28) an amendment to the constitution allowing Lebanese pres. Emile Lahoud a 3-year extension when his first 6-year term expires in 11/04. On 9/3 the Lebanese parliament voted (96-29, with 3 absent) for the amendment. After the vote, Progressive Socialist Party (PSP) head Walid Junblatt, 3 PSP cabinet members (Culture M Ghazi Ardi, M for the Displaced Abdallah

Farhat, Trade M Marwan Hamada), and Environment M Faris Buwayz (a Maronite) resigned in protest. PM Rafiq Hariri resigned on 10/20 and was replaced (10/21) by pro-Syrian politician Omar Karami, who formed (10/26) a new cabinet consisting entirely of pro-Syrian politicians.

Several days after the amendment passed, France and the U.S. introduced a resolution to the UNSC demanding that "all remaining foreign forces" be removed from Lebanon and that foreign forces stop meddling in Lebanon's 11/04 elections, indirectly threatening the imposition of sanctions against Syria if it does not comply. UNSC res. 1559 was passed (9/2) by a vote of 9-0, with Algeria, Brazil, China, Russia, Pakistan, and the Philippines abstaining. Lebanon sent (9/2) a letter of protest to UN Secy.-Gen. Annan stating that the res. itself was the ultimate "attempt by some countries to interfere in Lebanon's internal affairs on the pretext of respecting the constitution."

Hizballah leader Hassan Nasrallah stated (8/22) that talks with Israel on the second stage of their prisoner swap (see Quarterly Updates in *JPS* 132, 133) were ongoing with German mediation, but that the sides wanted to keep details of the talks confidential. IDF Chief of Staff Moshe Ya'alon made similar statements on 9/19. The second phase was to have been completed in 4/04.

Low-level tensions on the Israel-Lebanon border persisted this quarter. Unidentified assailants (the IDF suspected Palestinians) fired (10/28) a Katyusha rocket into northern Israel, causing no damage or injuries. A suspected Hizballah group, the Ghalib Awali Martyrs (named after the Hizballah member assassinated in Beirut on 7/19/04, allegedly by Israel), fired (11/15) 2 Katyushas into northern Israel near the coast; 1 rocket landed in an open area, causing no damage, and the other fell into the sea; the IDF blamed Palestinian groups and vowed to retaliate at a time of its choosing. The IDF also arrested (9/20) 3 Lebanese (a father, 2 sons) attempting to cross into Israel from southern Lebanon. The UN Interim Force in Lebanon (UNIFIL) reported that Israel had significantly stepped up its violations of Lebanon's air and sea space around 9/24 and again around 11/5 for several days at a time, though Hizballah was not firing symbolic anti-aircraft fire at the high-flying warplanes as it normally does. Hizballah for the first time flew (11/7) a small reconnaissance drone into Israeli air space in response to repeated violations of Lebanese

air space. Israel, which viewed the incursions as "grave," confirmed (11/7) that the drone reached the northern city of Nahariya before returning to Lebanon. Unconfirmed reports (*al-Sharq al-Awsat* 11/10, 11/12) claimed that Hizballah received 8 drones from Iran.

Fatah-Islamist violence continued in the Palestinian refugee camps this quarter. On 8/29, gunmen thought to be tied to Ansar al-Islam stormed a Fatah office in 'Ayn al-Hilwa r.c. and allegedly fired on a demonstration staged in solidarity with hunger-striking Palestinian prisoners, killing 2 Fatah members and a young bystander, and wounding 5 Fatah members. Another exchange took place in 'Ayn al-Hilwa on 9/29-30 between Jund al-Sham and Fatah gunmen, leaving a senior Fatah member and a Jund al-Sham member dead and 2 persons wounded.

Also of note: The Boy and Girl Scouts Club of al-Badawi r.c. rejected (10/10) a grant from the U.S. embassy in Beirut, citing the club's "principled rejection of financial aid from terrorist and terrorist-sponsoring states."

SYRIA

Israel stepped up (e.g., 9/1, 9/3) its rhetoric against Syria after the 8/31 Hamas suicide bombing in Beersheba, claiming that in fact Hizballah was responsible for 75% of this year's "terror attacks" in Israel emanating from the West Bank and that Syria by its support of Hizballah and its hosting of Hamas leaders was therefore itself responsible. (Interestingly, Israel made the 75% claim again on 10/2, this time blaming Iran as Hizballah's financier.) Although Israeli intelligence sources (including the head of the IDF intelligence branch, Maj. Gen. Aharon Ze'evi-Farkash) stated (9/2, 9/3) that Israel had no proof of Syrian involvement in the attack, the Israeli amb. to Washington reportedly presented (9/3) senior Bush administration officials with evidence allegedly proving Hizballah/Syria responsibility for the bombing, apparently in support of the U.S. sponsorship of anti-Syrian UNSC res. 1559. With the passage of the resolution, Israel said that it would put off taking action against Syria as long as France and the U.S. kept up their pressure on Damascus.

Just 2 days after the passage of UN res. 1559, Martin Indyk (former U.S. amb. to Israel and asst. secy. of state for Near East affairs, and current head of Brookings' Saban Center for Middle East Policy) met (9/4) for 3 hours with Pres. Asad in Damascus. (Indyk

came to Syria at the invitation of colleague Ed Gabriel, former U.S. amb. to Morocco, now with the Washington-based Center for Strategic and International Studies.) Asad told Indyk that making peace with Israel is still Syria's goal, that Syria is ready to open direct negotiations with Israel at any time, and that the U.S. must play a role in negotiations. He emphasized that Syria would not accept any sort of interim agreement, though a full peace deal could be implemented in stages, provided that the overall implementation period be very short. Indyk reported (9/4) that Asad had not made any preconditions for the resumption of talks or linked resumption of talks to resolution of the Palestinian issue, but that Syria does demand a return to the 1967 lines. Asad also told Indyk that he was ready to step up patrols on Syria's border with Iraq. Afterward Indyk met with FM Faruq al-Shara' who stated that negotiations must resume from the point at which they left off. Nonetheless, Indyk said he believed Asad's omission to be a significant message to Israel. Asad also relayed (9/7) the same message through UN special envoy Terje Roed-Larsen, who encouraged Israel to take Syria's "outstretched hand." Sharon dismissed (9/7) the apparent offer, however, saying, "Syria is under U.S. pressure today because of its position on Iraq and because it allows terrorists to go through its territory on the way to Iraq, so it's clear to me that the Syrians, in order to make life easier for themselves, find it convenient to say there are contacts." Israel FM Shalom stated (9/7) that Israel would resume talks only after Syria stops hosting "terror organizations."

Soon after, U.S. Asst. Secy. of State Burns met (9/11) with Asad in Damascus to press him to withdraw forces from Lebanon and to discuss Iraq-Syria border security, the return of Iraqi national assets held in Syrian banks, and allegations of Syria laundering money for Hizballah and financing "terrorism." Burns said that the U.S. would quickly improve relations with Syria if it changed its policies, particularly on weapons of mass destruction (WMDs; Syria has chemical and biological programs) and "terrorism." On the sidelines, Syrian and U.S. security teams (including reps. of the U.S. army, Departments of Defense and State, National Security Council, and the CIA) held "positive" talks on ways of securing Syria's border with Iraq. Asad also stated that "Syria will not remain in Lebanon forever." Soon after, Syria redeployed (9/21-28) 3,000 of its estimated 18,000 troops out of Lebanon, and

Syrian amb. to Washington Imad Mustafa announced (9/21) that U.S. troops would soon take part in joint security operations along the Syria-Iraq border. Powell praised the troop movements in a meeting with Syrian FM Shara' on the sidelines of the UN General Assembly (UNGA) session in New York on 9/22. Syrian and U.S. treasury officials held (10/2) talks in Washington on ways Syria can prevent money laundering and block funding to "terrorist" groups. Syrian amb. Mustafa noted (10/5) that the spate of U.S.-Syrian meetings had eased bilateral tensions considerably. An anonymous senior Bush administration official agreed (10/5) that "the dialogue . . . is a more serious dialogue than we've had in quite a while," but that the true test would be "whether the Syrians will actually do some of the things they said they will do."

Despite this warming trend, UN Secy.-Gen. Annan, in keeping with UN res. 1559, issued (10/1) a 15-page report noting that Syria had not confirmed plans or set a timetable for withdrawing its remaining troops from Lebanon and criticizing Syria's role in extending Lahoud's term in office. The UNSC also issued (10/19) a policy statement, drafted by France and the U.S., that again called on Syria to withdraw its remaining troops from Lebanon and asking Annan to report every 6 months to keep up pressure on Damascus. Members of Congress also urged (ca. 10/19) Bush to freeze the assets of Lebanese and Syrian officials until the terms of UN res. 1559 are met.

Soon after the 8/31 Beersheba bombing, numerous reports circulated (citing, among others, former Palestine National Council speaker Khalid Fahum and anonymous Syrian officials) indicating that leaders of Palestinian groups in Syria had gone into hiding or left the country out of fear for their security (and possibly at Syria's request); all offices of rejectionist groups had been closed and their phones cut off. Syria, Hamas, and Islamic Jihad denied the reports, saying (9/9) that any movement out of Syria was nothing more than regular diplomatic travel.

On 9/26, Hamas spokesman Izzeddin Khalil was assassinated in Damascus, apparently by Israel (which did not comment officially, though anonymous Israeli security officials speaking with *Ha'Aretz* and *Yedi'ot Abaronot* 9/26 confirmed involvement). Days earlier the London-based Saudi daily *al-Hayat* had reported (9/24) that since the 8/31 Beersheba bombing, the intelligence service of an Arab state (many suspected

Jordan; see also al-Jazeera 9/27) had passed Israel information concerning the Hamas infrastructure in foreign countries, including the addressees and habits of Hamas leaders. On 10/11, Syrian officials reported that they had arrested in Damascus "4 Arab members of an Arab security service from a country neighboring Syria and who are collaborating with the Mossad" (1 woman, 3 men) on charges of plotting to assassinate Hamas leader Khalid Mishal. The alleged agents were caught outside Mishal's house in a vehicle with license plates from "a neighboring Arab country"; they allegedly were monitoring the house. The Syrian officials said they did not want to identify the Arab country, but that it is the same country that passed Israel information used to assassinate Hamas's Khalil on 9/26. Israel denied (10/11) that any of its agents had been arrested.

Israel's High Court ruled (8/30) that members of Israel's Druze religious community could make a pilgrimage to Syria for the first time since the creation of the Jewish state. Those wishing to go would have to be approved by the government in advance, would be allowed to stay in Syria for only 72 hours, and would be transported by the International Committee of the Red Cross (ICRC). In addition, Israel permitted 500 Israeli Palestinians from the occupied Golan to visit (9/6) relatives in Qunaytra, just across the border in Syria.

REGIONAL AFFAIRS

RELATIONS WITH ISRAEL

On 10/7, a large truck bomb exploded at the Hilton hotel in Taba, Egypt, and 2 smaller car bombs exploded at hotels further south along the Red Sea in Nuwayba and Ras al-Shaytan in attacks that appeared to target Israelis vacationing for the Sukkoth holidays. At least 34 people were killed (including at least 13 Israelis, 9 Egyptians, 2 Italians, 1 Russian), and some 150 were wounded. The assailants reportedly fled the vehicles before they exploded and escaped. Coming soon after a videotape had surfaced (10/1) in which senior al-Qa'ida member Ayman al-Zawahiri called for attacks on Israeli and U.S. interests to avenge the Palestinians, immediate suspicion was that these were al-Qa'ida attacks. Israel quickly stated (10/7) that it did not suspect Palestinian involvement. Egypt, however, then arrested (10/10) a bedouin who allegedly confessed to selling several men explosives that they claimed would

be used in the occupied territories, and on 10/25 announced the arrest of 5 Egyptians and their Palestinian ringleader, Iyad Sa'id Salih, saying the attacks were in fact in response to Israel violence in the occupied territories. Salih apparently had no connection to any Palestinian group or to al-Qa'ida and reportedly turned to radical Islam after being convicted of rape. Israel was initially critical of Egypt's handling of efforts to rescue Israelis and evacuate them to Israel, but quickly praised Egyptian efforts and even after the announcement of Salih's arrest said the bombings would have no effect on bilateral relations. Of note: The bombings occurred in an area of the Sinai that Egypt is required to keep as a demilitarized zone under the 1979 Egypt-Israel peace treaty; Egypt argued that had it been allowed to deploy military forces in the area, the bombings would have been far less likely to occur. Israel said that it would not reconsider the zone's status.

Israeli Palestinian MK Muhammad Baraka held (9/11) talks in Cairo with Egyptian FM Abu al-Ghayt on ways of unifying Palestinian ranks, helping the PA restore political and security control in the territories, and finding ways Israeli Palestinians could support the Palestinian cause within the Israeli political arena.

Iraqi officials and Israeli "figures" held talks (ca. 9/6) in Amman regarding establishing full diplomatic relations. There reportedly was a split within the interim Iraqi government as to whether to establish ties, with Iraqi interim FM Hoshayr Zebari (head of the Iraqi delegation to Amman) supporting it and Iraqi interim PM Iyad Allawi opposing. (Allawi has previously said that Iraq will not make any move to normalize relations with Israel before other Arab nations do so.) On 9/12, Iraqi interim DM Hazim al-Shalan denied that any consideration of ties with Israel was on the table. The Iraqi National Congress later fired (9/13) Mithal al-Alusi, an aid to party head Ahmad Chalabi, for attending an antiterrorism conference in Israel, where he said that many Iraqis would like to establish diplomatic relations with Israel.

INTER-ARAB HIGHLIGHTS

A 2-day Arab-Palestinian private sector forum was held (9/4-5) in Amman to discuss ways of improving investment in the Palestinian territories, trade between Palestinians and Arab states, and providing technical assistance to Palestinian businesses. Businessmen from Jordan, Lebanon, Saudi Arabia,

and Yemen took part in the meetings sponsored by the Palestinian Trade Organization (PalTrade), the UN Economic and Social Commission for Western Asia (ESCWA), and the International Development Bank (IDB).

Senior Arab and international officials opened (10/11) a 4-day UN-sponsored Arab Forum on Palestinian Development in Beirut to discuss opportunities for partnerships between Arab and Palestinian entities that would help the Palestinian people "to overcome the repercussions of the occupation as well as to address future challenges." Participants pledged \$23.5 m. in emergency assistance for Palestinians in northern Gaza. PA FM Shaath and Labor M Ghassan al-Khatib attended.

The Yemeni government deducted (10/6) 1 day of government workers' pay as a "donation" to the Palestinian families of victims of Israeli violence.

INTERNATIONAL

UNITED STATES

In the run-up to the 11/2 U.S. presidential elections, the U.S. did little beyond reiterating its existing policies on the Palestinians and the peace process. After the elections and Arafat's death, the administration spoke of new opportunities to move the peace process forward.

In his speech to the opening of the UNGA session in New York, Bush reiterated (9/21) his call on Israel to freeze all settlement construction and urged all nations to "withdraw all favor and support from any Palestinian ruler who fails his people and betrays their cause," implying Arafat. In an interview with al-Jazeera soon after, Powell called (9/29) for an end to the intifada, saying that "the intifada has spawned terrorism, and it has not achieved anything in these years, except the economy of the Palestinian communities has deteriorated, life in general has deteriorated, the Israelis have built fences to deal with this question, it has stopped us from being able to move forward with the many plans that we have put forward."

In his first news conference after winning reelection on 11/2, Bush reiterated (11/4) his commitment to Palestinian statehood, but said that he disagreed with PM Blair's 11/3 statement that it was "the single most pressing political challenge in our world today." Bush also phoned (11/9) Egyptian pres. Mubarak to assure him that a negotiated Israeli-Palestinian peace would be a

priority in his second term. Secy. of State Powell stated (11/9) that the U.S. was ready to "seize aggressively" the opportunity to launch a fresh peace effort once a post-Arafat Palestinian leadership has been named.

On the sidelines of the UNGA session, Powell and Moroccan FM Muhammad Benaissa hosted (9/24) the first Forum for the Future conference to discuss how G-8 countries could support democracy programs and reform projects being undertaken by Middle Eastern states. The forum, a product of the U.S. Broader Middle East and North Africa Initiative (BMENA; see Quarterly Update in *JPS* 133), brought together diplomats and reps. of business and civil society to focus on projects in education, job creation, and development. The G-8 countries and Afghanistan, Algeria, Bahrain, Iraq, Jordan, Turkey, and Yemen were represented. Egypt criticized (9/4) the forum, noting that certain Arab states (notably Syria and Libya) were not invited whereas non-Arab Afghanistan and Turkey were. The State Dept. argued (9/21) that the forum was a "self-selecting group" and the initiative was meant to support existing efforts by states to democratize.

After the elections, Powell resigned (11/15) as secy. of state, and Bush nominated (11/15) National Security Adviser Condoleezza Rice as his replacement. Powell reportedly had been willing to stay if the administration agreed to several conditions, including taking a harder line with Sharon and engaging diplomatically with Iran; he met with Bush on 11/12 to discuss his position, but ultimately "was not asked to stay."

Congress approved (before 10/22) \$220 m. for the Middle East Partnership Initiative (MEPI), of which \$129 m. had been obligated (i.e., earmarked for a specific program) thus far. Included in that sum was \$18. m. allocated (10/22) by the State Dept. for alternative dispute resolution, women's leadership, networking skills, and primary and secondary education in Algeria, Egypt, Jordan, Morocco, the Palestinian territories, and Tunisia.

Bush signed (10/16) the Global Anti-Semitism Review Act of 2004, which requires the State Dept. to set up an office to document and track attacks on Jews around the world and issue an annual report. The State Dept. stated (10/9) the legislation is unnecessary since anti-Semitism is covered in its annual reports on human rights and religious freedom.

The FBI and other government agencies confirmed (8/27) that the FBI for some

18 months had been investigating mid-level Pentagon employee Larry Franklin, who specializes in Iranian affairs, for allegedly passing classified information to Israel via 2 employees at the American Israeli Public Affairs Committee (AIPAC), Dir. of Foreign Policy Issues Steve Rosen and Dep. Dir. of Foreign Policy Issues Keith Weissman. The classified material reportedly included drafts of a presidential directive outlining U.S. policy toward Iran. According to some sources, Franklin is an informer in a wider FBI probe of AIPAC and discredited Iraqi politician Ahmad Chalabi, seeking to determine where Chalabi got the classified information that he passed on to Tehran (i.e., that the U.S. had broken Iranian communications codes), causing the U.S.'s final break with him in 6/04. Of note: Franklin worked at the Defense Intelligence Agency before moving to the Pentagon's policy branch 3 years ago, where he works under William Luti, who oversaw the 2 Pentagon departments set up by Defense Secy. Donald Rumsfeld, Undersecy. of Defense for Policy Planning Douglas Feith, and Dep. Defense Secy. Paul Wolfowitz. These were the 2 departments—the Office of Special Plans and the Policy Counterterrorism Evaluation Group—that have been accused of providing senior admin. officials with manipulated intelligence on Iraq that supported a call for war prior to the 3/03 invasion. Franklin also reportedly did his Air Force Reserve duty in Israel, temporarily based out of the U.S. embassy in Tel Aviv. AIPAC and Israel denied (8/27) any wrongdoing, with a former AIPAC official noting that it would not make sense for AIPAC to jeopardize itself by opening secret contacts with a mid-level government official when they could call senior admin. officials and get the information they seek. Others speculate that the close relationship between Israel and senior admin. officials, especially Feith, could have led Pentagon employees to be “sloppy about rules barring release of sensitive information.”

Also of note: The *Jerusalem Post* reported (8/18) that the U.S. was rotating small groups of U.S. troops out of Iraq to Israel, where they were being trained in urban combat by the IDF and then rotated back to Iraq. Neither the IDF nor the U.S. confirmed or denied the report.

The U.S. Justice Dept. unsealed (8/20) an indictment against Damascus-based Hamas political leader Musa Abu Marzuq and 2 others in U.S. custody, former Howard University prof. 'Abd al-Halim Asqar and suburban

Chicago resident Muhammad Salah, accusing them of staging a 15-year racketeering conspiracy that raised millions of dollars for Hamas “terrorist activity.” The two men were cited as “material supporters of a foreign terrorist organization, taking advantage of the freedoms of an open society to foster and finance acts of terror.” Atty. Gen. John Ashcroft described (8/20) their alleged illegal activities (most of which took place well before Pres. Bill Clinton declared Hamas's political wing a terror organization in 1995) as a “U.S.-based terrorist-recruiting and financing cell.” Abu Marzuq denied (8/20) the charges, saying they were election-year fodder.

Also on 8/20, Maryland police arrested Virginia resident Ismail Elbarasse, an alleged senior Hamas member, and his wife after they were spotted driving across the Chesapeake Bay Bridge while videotaping the structure. Police suspected they were plotting a terrorist attack for Hamas but did not charge them, instead holding Mr. Elbarasse as a material witness in connection with the Abu Marzuq money laundering announced earlier in the day. Elbarasse, who was scheduled to attend a detention hearing in that case on 8/27 in Baltimore, reportedly was cosigner on a bank account with Abu Marzuq.

Former pres. of the American Muslim Council Abdurahman Alamoudi was sentenced (10/15) to 23 years after pleading guilty on 7/30 to immigration fraud and illegal business dealings with Libya. (See Quarterly Update in *JPS* 133 for background on the case.)

RUSSIA

Russian FM Lavrov made (9/3-7) a long-planned Middle East tour for talks on Palestine and Iraq, stopping in Egypt, Lebanon, Israel, and Syria. In the wake of several dramatic attacks in Russia by suspected Chechen and Ingushetian militants in previous weeks (the downing of 2 passenger aircraft on 8/24, killing 90; a suicide bombing in Moscow on 8/31, killing 10; hostage taking at a Belsan school that ended in the death of at least 335, mostly children, on 9/3), Lavrov signed (9/6) a quickly drafted memorandum with Israel, pledging greater cooperation on terrorism, including exchanges of intelligence, mutual visits by antiterror teams, and joint development of models for dealing with various threats. Tel Aviv reportedly saw Russia's acceptance of Israel's help as “a vindication of its own tough policies against the Palestinians.”

Russian special envoy Aleksandr Kalugin also visited the region on 9/15–17 for talks with Israeli and PA officials on disengagement. Kalugin emphasized that disengagement should be linked to road map implementation and should not result in a strengthening of West Bank settlements. Soon after, Israeli security council chmn. Giora Eland traveled (9/27) to Moscow to brief his Russian counterpart Igor Ivanov on Israel's disengagement plans and how disengagement would be tied to the road map.

Qurai' was to travel to Moscow on 9/8 to meet with Lavrov, but the trip was postponed once following the Belsan attack and a second time (10/2) with the outbreak of Operation Days of Penitence. Qurai' ultimately sent FM Shaath for consultations (10/13–15) regarding disengagement.

EUROPEAN UNION

Aside from its new initiatives at the end of the quarter (see above), the EU largely restricted its involvement in the Israel-Palestinian issue to participation in Quartet meetings. EU special envoy Marc Otte toured the region in late-8/04 for consultations.

Italian PM Silvio Berlusconi assured (9/29) visiting Israeli dep. PM Ehud Olmert that Italy would support Israel's inclusion in the EU, defend Israel's construction of the separation fence in the UN, and work to include Hamas in the EU list of terrorist organizations.

Responding to reports (*Ha'Aretz* 10/17) that the EU feels a growing need to pressure Israel and was considering imposing sanctions or halting talks on bilateral issues, French FM Michel Barnier said (10/18) that France has no intention of lobbying for such steps, though it is deeply concerned about Israel's Middle East policies.

Israeli FM Shalom made a trip (10/12–13) to Poland aimed at strengthening bilateral relations in hopes that Poland could make the EU more pro-Israel.

UNITED NATIONS

Israel significantly stepped up pressure on the UNRWA this quarter. Citing security reasons, the IDF barred (9/1) UNRWA head Peter Hansen from leaving Gaza through the Erez crossing; while the IDF routinely bars access to Palestinian UNRWA employees and restricts travel of foreigners working for UNRWA, it had never before barred Hansen's travel. Israel then released (10/1) to the media aerial footage using infrared pho-

tography of what it claimed were Palestinian militants loading a Qassam rocket into a UN ambulance in northern Gaza and demanded Hansen's immediate resignation. Hansen denied (10/1) the charge, saying the object in the video was too narrow and light to be a Qassam and likely was a folded stretcher. On 10/3, 2 ambulance workers came forward stating they were the ones in the video and they were indeed loading a stretcher. Israel backed down (10/5), saying the object in the video "might have been a stretcher" and removed the video from the FMin. Web site. (It formally retracted the accusations on 10/12.) Hansen welcomed (10/5) the news, saying "I only hope that the correction will be disseminated as widely as the accusations against us." In an effort to balance the admission of possible error, the IDF at the same time announced (10/5) that it had recently arrested 13 UNRWA employees whom it planned to indict for "suspected links to terrorism." Indeed, in admitting the IDF's error with the video, IDF operations chief Yisrael Ziv stated (10/5), "I suggest we don't deal with the object but rather with the context" that UNRWA employees "are exploiting the organization's vehicles in order to support terror-related activities," pointing to the arrests of the 13. The UNRWA stated (10/6) that at least 25 of its employees were in Israeli detention: 24 have been under administrative detention for more than a year; and 1, held for more than 2 years, faces criminal charges. Of the 25, 24 are from the West Bank and 1 is from Gaza.

UNRWA employees began (10/11) an open-ended strike to protest eroding wages and insufficient health insurance. Some 4,000 workers were still striking at the end of the quarter. On a positive note, Saudi Arabia transferred (10/10) \$6 m. to UNRWA to fund projects through the end of the year.

UNRWA also turned over (9/8) 103 new shelters in Rafah to Palestinians made homeless by IDF demolitions there. UNRWA has already turned over 373 such structures and is working on 300 others. Nearly 1,800 more are needed.

The UN Conference on Trade and Development reported (9/29) that 72% of Palestinians were living below the poverty line of \$3.60/day and were dependent on donor aid for subsistence.

TURKEY

PC member Abbas Zaki (Fatah-Hebron) led (9/19) a PC delegation on a friendship visit to Ankara at the invitation of the

Turkish parliament. Turkish PM Recep Tayyip Erdogan reiterated Turkey's condemnation of Israeli attacks on Palestinians and promised to appoint a special envoy to oversee Turkish assistance to the Palestinians.

IRAN

In late 8/04, Israeli officials began stressing the threat of Iran's nuclear program in meetings with foreign dignitaries (e.g., during EU envoy Otte's visit ca. 8/29; Eiland's meeting with Ivanov on 9/27). *Newsweek* reported (9/27) that Israel and the U.S. had conducted war games on a strike against Iran's nuclear facilities, with U.S. air force officials concluding that "the war games were unsuccessful at preventing the conflict from escalating."

Israel announced (9/21) that it had reached an agreement with the U.S. to buy 500 1-ton joint direct attack munitions ("bunker busters"), noting that these could be used to strike Iran's Bandar al-Busheir nuclear facility or "possibly Syria." The deal, which also included the sale of 5,000 smart bombs, was not to go through until after the 11/2 U.S. presidential elections. (There was no word if it had been finalized by the end of the quarter). In response, Iran said (9/21) that it planned to test a process for enriching uranium soon despite UN orders not to do so, arguing that it was within its rights to pursue peaceful civilian uses of nuclear technology and that it had no plans to weaponize its nuclear program.

On 11/9, the IDF arrested Israeli Palestinian Muhammad Ghanem, of Baqa' al-Gharbiyya, on charges of spying for Iran. A gag order was imposed pending his formal indictment.

DONORS

A donors' Ad Hoc Liaison Committee (AHLC) meeting was to be held on 9/23 on the sidelines of the UNGA session in New York to discuss how Palestinians could prepare to take over houses, schools, hospitals, and other facilities in Jewish settlements after Israel's disengagement from Gaza. The PA protested (early 9/04) the agenda's focus on Gaza only and demanded donor assurances that disengagement would be the first step in implementing the road map. The meeting sparked a clash between Qurai' (who believed the PA should boycott the meeting to protest what he reportedly viewed as donor acquiescence in Israeli demands that the meeting discuss aid to Gaza only

in light of disengagement) and Arafat (who thought a low-level delegation should be sent in deference to donors to debate the issue), with Qurai' threatening (9/8) to resign over Arafat's attempts to overrule him on the matter. Qurai' ultimately did not resign, and donors agreed (9/11) to postpone the AHLC meeting pending further consultations on the agenda. They hoped to hold the meeting in 11/04, though it could be delayed further in light of Arafat's death.

In addition to regular monthly meetings on 9/15 and 10/19, the donor's Local Aid Coordination Committee (LACC) held (10/5) an emergency session during Operation Days of Penitence to discuss the deteriorating humanitarian conditions in Gaza and Israel's ongoing restrictions of access to donor reps. and aid workers. The LACC estimated that 60% of Gazans (838,000 Palestinians) required food aid, noting that UNRWA had been able to complete only 2 of 8 scheduled food distributions in 2004, and reported that donor reps. and aid workers had been denied access to Gaza for approximately 70 days in 2004. The LACC demanded a meeting with the IDF to discuss actions to alleviate the crisis and to improve access to Gaza. The donors' Task Force for Project Implementation (TFPI; comprising reps. of USAID, World Bank, the European Commission, and the UN Special Coordinator's Office) and the Norwegian chair of the LACC met (10/1) with IDF operations chief Ziv to discuss these concerns. The TFPI asked the IDF to take immediate steps to facilitate aid deliveries and movement, stating that it was "becoming increasingly difficult for donor and aid organizations to respond to the emergency situation in the Gaza Strip; that it was becoming increasingly costly to deliver aid—thereby reducing the cost efficiency of aid—and that all this was likely to impact on the international community's ability and willingness to continue to provide aid." Ziv said only that improved coordination was necessary and vowed to look into the matter. The TFPI thanked him but stressed the need for "something more concrete than expressions of general well intent," which IDF has offered previously. Ziv replied that the international community needed to change its mindset and should not expect a return to the stable routines and procedures of old.

The LACC reported that as of 11/9, only \$143 m. of the \$308 m. pledged to the donors' Public Financial Management Reform Fund (PFMRF) last quarter had been

contributed, of which \$118.5 m. had been disbursed to the PA Finance Min.'s Single Treasury Account to cover recurrent budget expenses. There were new pledges to the PFMRF this quarter, including \$10 m. pledged by Japan on 9/18. The EU pledged (9/11) \$250 m. to aid the Palestinians and

set aside an additional \$20 m. for renovating infrastructure in Gaza after disengagement. Of the \$250 m. pledged, \$90 m. would go to the World Food Program, \$60 m. to UNRWA, \$60 m. to the PFMRF to cover the PA budget deficit, and \$27 m. to Palestinian municipalities.



Palestinian militants at the 'Ayn al-Hilwa refugee camp in southern Lebanon follow the news of the U.S. presidential elections, 3 November 2004. (Mahmoud Zayat/AFP/Getty Images)