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JOURNALS + DIGITAL PUBLISHING



Quarterly Update on Conflict and Diplomacy

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Source: *Journal of Palestine Studies*, Vol. 34, No. 3 (Spring 2005), pp. 122-149

Published by: [University of California Press](#) on behalf of the [Institute for Palestine Studies](#)

Stable URL: <http://www.jstor.org/stable/10.1525/jps.2005.34.3.122>

Accessed: 30/03/2015 11:25

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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 NOVEMBER 2004–15 FEBRUARY 2005

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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

The main events of the quarter revolved around the transition in Palestinian leadership following the death of Palestinian Authority (PA) head Yasir Arafat on 11/10/04, the positioning of individuals and factions in the run-up to the 1/9/05 PA presidential elections, and international efforts to strengthen Mahmud Abbas, PLO head and (after 1/9) newly elected PA president, in his efforts to consolidate authority, halt violence, and engage with Israeli PM Ariel Sharon concerning Sharon's Gaza disengagement plan.

As the quarter opened, violence in the West Bank and Gaza was low following the Israel Defense Forces' (IDF) pullback from Palestinian population centers for Arafat's funeral (see Chronology for details). Israeli troops, however, continued to surround Palestinian population centers and control Palestinian movement throughout the territories 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). In Gaza, the Erez crossing had been closed for nearly four months (only medical cases with special permission from Israel allowed to pass), and the Qarni and al-Sufa crossings had been closed since 3/04 (though some goods were allowed to pass). As of 11/16, at least 3,841 Palestinians (including 40 Israeli Arabs and 16 unidentified Arab cross-border infiltrators), 942 Israelis (292 IDF soldiers and security personnel, 191 settlers, 459 civilians), and 50 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada.

Adapting to the Post-Arafat Environment

The period from Arafat's funeral to the 1/9 PA presidential elections was one of diplomatic positioning by all parties in an effort to control the direction of the Palestinian-Israeli conflict. Abbas's three immediate concerns as PLO head and presumptive PA president were maintaining calm and preventing any major Israeli military operations in the territories; ensuring a democratic transition of power within 60 days of Arafat's death, in keeping with the Basic Law; and reviving bilateral peace talks in which Palestinians had a voice and role beyond reacting to Israel's unilateral actions. To this end, Abbas continued (e.g., 11/16–20, 11/23–24, 12/1–2, 12/6) regular consultations with the various Palestinian factions aimed at building national unity, preventing escalation of violence (ideally through declaration of a cease-fire), and getting all factions to endorse the legitimacy of (if not participate in) the 1/9 elections. The factions unanimously agreed with Abbas's general aims and held meetings of their own leaderships and among themselves (e.g., 11/17, 11/18) to intensify dialogue and improve coordination in the uncertain environment. By 11/29, senior West Bank Hamas leader Shaykh Hassan Yusuf stated that Hamas would halt all attacks on Israelis during the PA election campaign and would consider a broader cease-fire agreement if Israel agreed to reciprocate by releasing Palestinian prisoners, withdrawing from occupied land, and halting assassinations. The al-Aqsa Martyrs Brigade (AMB) also said (11/29) that it was considering a cease-fire.

Publicly, Abbas vowed (11/17) to crack down on armed groups operating in Palestinian areas in the run-up to the 1/05

elections and urged Israel to halt aggressive actions to help preserve order. Abbas also took steps to comply with Israeli and U.S. demands that he reform the security services and assert security control. In mid-11/04, heads of the various PA security services reportedly called in their men to demand their loyalty to Abbas in the 1/9 elections. PM Ahmad Qurai' also ordered (11/29) all members of the security services to return to their units (many having stopped reporting for duty at the outbreak of the intifada, with some joining the AMB and Palestinian Resistance Comms. [PRCs]). On 11/27, the PA disbanded a 70-member security unit that had been created more than a year earlier to crack down on militant groups and arrest high-profile criminals, but which had been accused of intimidation, coercion, and smuggling. On 11/30, the PA national security council announced plans to form a "central security unit" of 750 members from the various PA security units to be responsible for "confronting lawbreakers until rebuilding and restructuring of the security services are complete." Britain's MI5 intelligence agency and police assured (11/20) that the new state-of-the-art civil policing headquarters they were setting up for the PA in Gaza (see Quarterly Update in *JPS* 132) would be fully operational soon. At Sharon's suggestion (11/18), Abbas also ordered (11/29) the PA-controlled media to halt broadcast of any material that could be interpreted as "anti-Israeli incitement"; Israel on 12/15 praised the drop in coverage of injured Palestinians, Israeli attacks, and patriotic songs and the increased talk of "reconciliation" and social issues. Meanwhile, former Gaza security chief Muhammad Dahlan and Gaza public security head Musa Arafat, whose supporters had clashed violently numerous times in previous months (see Quarterly Update in *JPS* 133), held reconciliation talks on 11/19.

At the same time, the international community, led by the United States, sought to capitalize on the "opportunity" presented by Arafat's death to promote a "moderate" Palestinian leadership that would halt violence and support Israel's implementation of Israeli PM Ariel Sharon's disengagement plan as the first step to reviving the road map. To this end, in the wake of Arafat's funeral and in light of the positive steps Abbas was taking, the U.S., Russia, and Britain sent high-level delegations to Israel and the PA areas to discuss ways to accelerate the peace-making process and revitalize the Palestinian economy. During his 11/21-22 visit, U.S. Secy.

of State Colin Powell pressed the sides to do everything possible to ensure that Palestinian presidential elections would be held on 1/9, with the maximum number of Palestinians participating, including Palestinians in East Jerusalem. Israel and the PA agreed to coordinate steps to facilitate elections, with Israeli PM Ariel Sharon pledging to do all he could to withdraw troops from population centers and ease restrictions on Palestinian movement during voting. PM Qurai' meanwhile sought guarantees that the U.S. would hold Israel to Pres. George W. Bush's vision of a Palestinian state by the end of 2005, as outlined in the road map, but Powell said that the date for creation of a state would depend on "progress and events." Qurai' also stressed the importance of Israel releasing Palestinian prisoners, especially jailed Fatah West Bank *tanzim* leader Marwan Barghouti, so that they might participate in elections, but Powell said that he could not take a position on the matter until he could "hear what others have to say." Immediately after, Russian FM Sergey Lavrov arrived (11/23) in Israel and Ramallah to press the same agenda. Lavrov also suggested that Israel dismantle unauthorized settlement outposts and free Palestinian political prisoners as a gesture to the new Palestinian leadership, but Sharon refused, saying there was no need for gestures before a new "stable government" was elected. The following day (11/24), British FM Jack Straw met Israeli FM Silvan Shalom to urge Israel to facilitate elections and the PA's Abbas and Qurai' to urge the PA to reform security services and halt violence. At the same time, the Quartet met (11/21-22) for consultations on the Palestinian situation on the sidelines of a high-level international conference on Iraq at Sharm al-Shaykh. The meeting, attended by Powell, Lavrov, European Union (EU) foreign policy chief Javier Solana, and UN Secy.-Gen. Kofi Annan, ended with an agreement to finance PA elections and to press Israel to release VAT taxes owed the PA to help ease the PA's deficit. Soon after the international visits, Abbas and Sharon expressed (11/28) willingness to meet to discuss Israel's disengagement from Gaza. On 11/29, Shalom met with PA FM Nabil Shaath on the sidelines of a Euro-Med meeting in the Hague to discuss new ways to advance the peace process.

The U.S. and EU also increased behind the scenes pressure on the Arab states to make gestures to Israel, support Abbas, and otherwise take steps to facilitate the peace process and build positive momentum. Pressure on

Israel to be accommodating and make its own reciprocal efforts also increased. As a result, Israel said (12/7) it was considering an understanding under which it would "respond positively" to a unilateral truce by the Palestinians.

On 12/1-2, Egyptian FM Ahmad Abu al-Ghayt and security adviser Omar Sulayman had held talks in Jerusalem with Shalom and Israeli DM Mofaz in which they agreed to position 750 Egyptian troops along the Gaza border ahead of disengagement to help ensure calm after Israeli withdrawal. Israel said that the deployment would not require amendment of the 1979 Camp David Accord, which forbids the presence of Egyptian troops adjacent to Gaza, but that the sides would exchange letters of understanding. Details on the placement of the soldiers and the weapons they would carry were still under discussion. (By the end of the quarter, letters of understanding had been drafted but not signed. The sides had agreed that the Egyptian forces could carry side arms and drive armored personnel carriers but could not have antitank weapons or intelligence-gathering equipment. Egypt also said that it would not deploy the troops until at least 4/05, whereas Israel initially wanted them deployed in 1/05.)

On 12/5, Egypt and Israel carried out a prisoner exchange, with Egypt freeing spy for Israel Azzam Azzam (convicted in 1997 to 15 years) in exchange for Israel's release of 6 Egyptian students arrested on 8/25/04 after infiltrating Israel allegedly to kidnap IDF soldiers. Egypt urged Israel to follow up with a significant Palestinian prisoner release, while Israel pressed Egypt to consider returning its ambassador to Israel (withdrawn in 11/00 to protest Israeli violence at the outbreak of the al-Aqsa intifada).

The prisoner exchange followed other gestures: In late 11/04 and early 12/04, Egyptian government TV sent a senior correspondent to Jerusalem to interview the deputy dir. of the Israeli FMin's Arabic media department and for the first time interviewed Israeli embassy spokesman Israel Tikochinsky at length regarding how Israel aims to facilitate Palestinian elections; Israel viewed both steps as "unprecedented" gestures. When Abbas, Qurai', and interim PA head Rawhi Fattuh went to Cairo (11/28) to confer with Egyptian pres. Husni Mubarak and Arab League secy.-gen. 'Amr Musa regarding ongoing developments, Mubarak stressed privately (11/28) and later publicly (12/2, 12/3) that Sharon was the Palestinians' best

chance for peace. Mubarak also reportedly urged (ca. 12/8) Kuwait to open negotiations with Israel for diplomatic ties and pressed Syria to take more steps to convince Israel that it was serious about resuming peace talks (see below).

Meanwhile, Britain secured (12/6) U.S. agreement to hold an international conference at the FM level on the Middle East in London in early 2005 aimed at shoring up the new Palestinian government after 1/9 elections. Although PM Tony Blair had originally wanted a full-scale peace conference similar to the 1991 Madrid Conference (see Quarterly Update in *JPS* 134), the U.S. and Israel had demanded that the conference focus only on "practical issues," such as rebuilding the PA security services and providing economic support for Gaza after disengagement. Moreover, the U.S. would not allow Britain to announce the conference officially until after the 1/9 elections, threatening to rescind its backing if anyone other than Abbas were elected.

The EU had been stressing the need to begin focusing on final status issues immediately to lay the groundwork for successful negotiations down the road, but Powell, in a visit to the Hague on 12/10, said "we can't rush it" or "leap ahead" until "the bonds of trust" needed for negotiations had been created. He also cautioned senior EU officials that substantive progress toward Israeli-Palestinian peace could not be made until the Palestinians elected and installed a "functioning" government and until Israel disengaged from Gaza later in 2005. Israel supported the limited conference agenda but said it would not attend any international forum where Sharon could be "trapped" into a discussion of a Palestinian state or final status issues. Israel also demanded that Britain make clear that any meeting held would not be part of the road map, which calls for an international conferences at the start of stage 2 of road map implementation and another at the start of stage 3 (see Special Doc. C in *JPS* 128); a link with the road map, in Israel's view, would imply that the PA could skip stage 1 of implementation, which Israel interprets as requiring a halt to all PA violence, including incitement (see Special Doc. D in *JPS* 128). Israel's lobbying on this point continued throughout the quarter. When Blair came to the region on 12/22 to discuss the conference with Sharon and Abbas, he set the tentative date for the meeting as 3/05.

Sharon, in the meantime, focused on strengthening his political position to press

for disengagement by reinforcing his position in Likud and by breaking his secular-centrist coalition with Shinui to create a religious-centrist coalition that would offer broader backing for disengagement. On 11/21, candidates backed by Sharon and supportive of his plan won two of three open seats on the Likud Central Committee, defeating candidates opposed to disengagement. Soon after, when the Knesset rejected (69–43, with 8 abstentions) the proposed FY 2005 budget, Sharon fired (12/1) his 5 left-of-center Shinui cabinet ministers, breaking his Likud-Shinui coalition and leaving himself in control of only 40 of the Knesset's 120 seats. Suspicions that Sharon had manufactured a crisis with the Shinui by backing United Torah Judaism's (UTJ) inclusion of money for religious schools in the budget (an issue critical to Shinui but relatively minor to Likud) were supported when Sharon immediately announced (12/2) plans to open coalition talks with the Labor party. Likud approved (62%–38%) the talks on 12/9, and negotiations began soon after. Negotiations to bring UTJ into the coalition opened soon after. At the annual Herzliya policy conference on 12/16, Sharon said that he was optimistic that 2005 would bring changes (including disengagement from Gaza and a change of Palestinian leadership) that would markedly improve Israel's security.

During this period, Jewish settlers had their own contradictory responses to the pending disengagement. Some settlements negotiated their removal with the government, while some (sometimes the same ones) welcomed new families and new construction, reinforcing their presence. Two small Gaza settlements, Aley Sinai and Nisanit, asked (ca. 12/8) to be relocated as a whole community into Israel, with a third small settlement, Pe'at Sadeh, asking to be moved as a whole into the West Bank. At the same time, however, 11 new families moved into Nisanit, Aley Sinai and Dugit planned new neighborhoods and community buildings, and one of the West Bank settlement slated for removal (Sanur) doubled in size to 20 families since disengagement was announced. Gush Katif in Gaza also reportedly took in new families in early 12/04. (The Israeli Interior Min. would later report, on 1/9, that the Gaza settler population had increased 9% in 2004.) In late 12/05, 4,000 West Bank Jewish settler youths (called the "hilltop youth") visited Gaza to "familiarize themselves with the terrain" so they could prevent the IDF from evacuating the 7,500

Gaza settlers. Gaza settler organizer Arik Yitzkhaki said (12/25) that the settler youths "are planning to seal off roads and cut the electricity and telephone lines of Israeli security forces."

IDF Operations Resume

While diplomatic efforts advanced, Israeli-Palestinian violence ended its brief lull and by 11/25 it approached the levels prior to Arafat's death two weeks earlier (see Chronology for details). The IDF quickly reimposed restrictions on Palestinian movement in the West Bank lifted during the 11/12–16 mourning period for Arafat, resumed arrest raids, and fired on residential areas to intimidate the population. The IDF assassinated an AMB member in Beitunia on 11/21 and an Islamic Jihad member near Jenin on 12/3, and it attempted to assassinate a wanted Hamas member in Rafah on 11/18; 2 Hamas members killed in Hebron on 11/25 were possible assassinations. The IDF also made a major one-day raid into al-Bureij refugee camp (r.c.) on 11/17, bulldozing 200 dunams (d.; 4 d. = 1 acre) of citrus and olive groves; and resumed (11/25) large-scale house demolitions and bulldozing operations in southern Gaza. Palestinians resumed (11/22) mortar and rocket fire on Jewish settlements and IDF posts in Gaza and on Sederot inside Israel, causing no damage or injuries. A Palestinian sniper wounded (11/24) an IDF soldier manning a post outside Dayr al-Balah. One IDF soldier was killed in Rafah on 11/29 when a smugglers' tunnel being investigated collapsed. On 12/7, Hamas lured an IDF patrol to a site outside Gaza's Qarni crossing and detonated a bomb by remote control, killing 1 IDF soldier and wounding 4. The IDF retaliated by firing on nearby Palestinian areas, clashing with local gunmen, killing 2 Hamas members and 2 Islamic Jihad members and wounding 10 bystanders. As of 12/7, the death toll had reached 3,866 Palestinians and 940 Israelis.

By 12/11, IDF actions in the territories, particularly assassinations, had reached a level that seriously undermined Abbas's efforts to restrain Palestinian militant groups. In retaliation for the attempted assassinations on 12/9 of a wanted PRC member in Gaza and a wanted AMB member in Bayt Lahia, Hamas and the Fatah Hawks staged (12/11) a joint operation, detonating a massive bomb underneath an IDF checkpoint on the Gaza-Egypt border, killing 5 IDF soldiers and wounding at least 10. The joint attack, which marked the first by Fatah's

military wing since the start of the al-Aqsa intifada, sent a message to Abbas, as well as to Israel, that Palestinian quiet could not be maintained as long as the IDF continued to act without restraint.

The IDF responded (12/12) to the operation by sealing the Rafah crossing, firing on residential areas of Rafah, conducting air strikes on five targets in Gaza City (destroying at least 1 metal workshop and 1 Palestinian home), and shelling residential areas of Khan Yunis, killing 1 Palestinian and wounding 7. On 12/13, the Israeli DMin. approved a "series of pinpointed, intensive actions" in Rafah in response to the 12/11 attack to "send a message that the IDF and the citizens of Israel will not be a punching bag in Abbas's political war." Though no apparent actions were taken in Rafah, the IDF bulldozed (12/13) 11 Palestinian homes in Khan Yunis, assassinated (12/14) an AMB member in Ramallah, and sent (12/14) troops, reinforced by helicopters, into Gaza City, shelling residential areas and bulldozing 40 d. of land. In response to the Khan Yunis house demolitions, Palestinians fired more than a dozen mortars at Jewish settlements in Gaza on 12/14, hitting a greenhouse in Neve Dekalim, killing 1 Thai worker and injuring 2. On 12/15, Islamic Jihad and the Fatah Hawks staged a joint attack on an IDF post at Gaza's Kissufim crossing, wounding 4 IDF soldiers and 1 Israeli civilian. More Palestinian mortar fire on 12/16 injured 11 IDF soldiers at an IDF post outside Atzmona settlement in southern Gaza.

In response, the IDF launched **Operation Orange Iron** overnight on 12/16-17, sending tanks and bulldozers into Khan Yunis, shelling and firing missiles from helicopters at residential areas and clashing with local Palestinians, leaving a total of 9 Palestinians dead (5 armed, 4 civilians) and at least 30 Palestinians (mostly civilians) and 1 IDF soldier wounded, also leveling 39 Palestinian homes allegedly used as cover for mortar fire. Hundreds of Palestinians fled the fighting, many taking refuge in a nearby hospital and stadium. Operations continued through midday on 12/18, leaving a total of 11 Palestinians dead and around 53 wounded. Hamas responded by firing a total of 8 Qassam rockets at Sederot and the Negev, causing only light damage in one case.

When Palestinian mortar and anti-tank fire at Gaza settlements continued on 12/20 and 12/21, causing damage in one instance, the IDF sent troops back into Khan Yunis

overnight on 12/21-22, shelling residential areas and clashing with Palestinians, killing 5 (4 resistance members, 1 civilian), wounding 11, and demolishing 9 Palestinian homes and a wall surrounding a hospital and elementary school before withdrawing late on 12/23. The IDF pledged to return to Khan Yunis as necessary to halt Palestinian fire, calling the open-ended maneuvers **Operation Violet Iron**. Palestinian mortar fire on southern Gaza settlements continued steadily over the next week, causing damage in only one case, prompting the IDF to return to Khan Yunis on 12/26 to raid and search homes and bulldoze 3 dunams of land, withdrawing the same day. Meanwhile, the IDF also assassinated 3 AMB members in Tulkarm r.c. on 12/24, 1 AMB member in Jenin on 12/25, and 1 AMB member in Nablus on 12/27.

The IDF resumed **Operation Violet Iron** on 12/28 in response to continuing rocket and mortar fire, clashing with Palestinian resistance members, shelling residential areas, occupying and bulldozing homes, and attempting to assassinate 2 Hamas members. When troops pulled out on 1/2, 11 Palestinians (8 armed men, including a local Hamas leader; 3 civilians) had been killed and at least 36 wounded, 14 houses had been completely demolished and 21 severely damaged.

Meanwhile, the IDF launched a major one-day incursion into northern Gaza on 1/2, dubbed **Operation Autumn Wind**, surrounding Bayt Hanun, Bayt Lahiya, and Jabaliya r.c. in response to Palestinian rocket fire (7 rockets over the previous 3 days) and mortar fire that wounded 1 Israeli civilian in the Erez industrial zone and lightly wounded 1 Israeli in Sederot. Troops exchanged fire with armed Palestinians, wounding a Palestinian cameraman covering the clashes in Bayt Hanun.

Palestinian rocket and mortar fire continued through 1/7, wounding 12 IDF soldiers at the IDF's Nahal Oz base inside Israel, a Jewish settler in Gaza, and an Israeli civilian in Sederot. An AMB gunman fatally shot an IDF soldier and wounded 3 near Nablus on 1/7. In addition, 2 AMB members were killed (1/5) attempting to infiltrate an IDF post outside Bayt Hanun; an unidentified Palestinian was shot dead after opening fire (1/5) at IDF soldiers at the Erez crossing, causing no injuries; and a Hamas member infiltrated (1/6) Ganei Tal settlement near Khan Yunis was shot dead after firing at settlement guards, causing no injuries. During the same period, the IDF shelled (1/4) Palestinians harvesting

strawberry fields outside Bayt Lahiya, killing 7 Palestinian children and wounding 2 adults and 5 children. In one month (12/8–1/7), 83 Palestinians and 9 Israelis had been killed, bringing the death toll to 3,949 Palestinians and 949 Israelis.

On the eve of Palestinian elections, the escalated violence increased tensions but did not derail diplomatic efforts. Under pressure from the U.S., Israel reportedly dropped (1/7) demands that PA leaders dismantle “terrorist organizations” immediately after the 1/9 elections, accepting the U.S. argument that Abbas would need some time to establish his legitimacy as Arafat’s successor and to reconstitute the security forces before he could act. PA Negotiations Affairs M Saeb Erakat and Sharon adviser Dov Weisglass held a series of meetings starting 12/19 to coordinate on the upcoming Palestinian elections; follow-up meetings were held on 12/23 and 12/27. Israel freed (12/17) 159 Palestinian security prisoners with minimal time left on their sentences, declaring the release a gesture to Egypt, not to the PA. In a nod to the PA, Israel allowed Abbas to travel to Bethlehem to attend Christmas celebrations (Israel had banned Arafat from going to Bethlehem for Christmas from 12/01 to 12/03). Egyptian intelligence chief Sulayman visited Ramallah and Israel on 12/21 for further talks on Gaza disengagement. As violence escalated, Egypt urged (12/18) Palestinians to halt the militarization of the intifada.

Meanwhile, Sharon continued his political moves to implement his disengagement plan. Likud reached agreements with Labor (12/30) and UTJ (1/5) to form a coalition government that would give Sharon control of 66 of the Knesset’s 120 seats. The Israeli DMin. issued (ca. 1/7) a tender for digging a “security trench” along the Philadelphi Route on the Gaza-Egypt border, “with the goal of preventing tunnels from being dug beneath it.” The tender called for a trench 4 km long, more than 10 meters deep, and up to “a few dozen” meters wide. The sand removed would be used to build earthen barriers on either side of the trench. In connection with the project, the IDF also submitted three plans to the Israeli attorney general, seeking approval for the demolition of 200 to 3,000 Palestinian homes—depending on the plan. According to the request, Palestinians would receive “fair monetary compensation” for their homes. No ruling was issued by the end of the quarter. Of note: the Israel DMin. also announced (12/3) the transfer

of \$6.8 m. to Gaza’s Gush Katif settlement to fortify the houses’ rooftops to protect against Palestinian mortars and rockets.

Palestinian Elections

On 1/8, the day before the Palestinian elections, the IDF moved forces out of Palestinian population centers, suspended incursions into Palestinian areas, eased some restrictions on Palestinian movement for 72 hours, removed 14 roadblocks in the West Bank, and allowed Palestinian officials to bring ballot boxes into 8 villages under curfew. The vast majority of checkpoints and roadblocks across the West Bank and Gaza, however, remained. PA election officials compensated by adding extra polling stations so that Palestinians would not have to cross IDF barriers. Elections were held as planned on 1/9, with Abbas declared the clear winner, as anticipated, on 1/10 (see details below). At the same time, the Knesset approved and swore in (1/10) Sharon’s new Likud-Labor-UTJ coalition government by a vote of 58–56, with 6 abstentions (13 Likud members either voted against or abstained).

Abbas immediately stated (1/10) that the PA was ready to resume talks with Israel based on the road map and that he would begin talks with Hamas to see if it was ready to adhere to a cease-fire and pursue peace talks. Israel said that it would try to schedule an Abbas-Sharon meeting within days to focus on resuming security coordination but reiterated that any resumption of political negotiations would require that the PA first demonstrate progress on “fighting terrorism.” Bush welcomed (1/10) Abbas’s election and declared that the PA must fight “terrorism,” combat corruption, build reformed and democratic institutions, and revive the Palestinian economy. He also called on Israel to follow through with disengagement plans and on Arab states to take “concrete steps” to deny assistance to militant groups attacking Israelis. Sharon phoned Abbas to congratulate him on 1/11. Abbas was sworn in on 1/15 and reappointed Qurai’ as PM, asking him to form a new government.

The honeymoon for Abbas was short-lived, however. The violence that had dropped off sharply during the IDF’s 72-hour redeployments beginning on 1/8 quickly picked up on 1/11–12, with exchanges that left 7 Palestinians, 1 Jewish settler, and 1 Israeli civilian dead. On 1/13, the AMB, Hamas, and the PRCs staged a joint attack on Qarni crossing, with one member from each group detonating a truck bomb, opening

fire with automatic weapons, and tossing grenades, while others at a distance fired mortars and automatic weapons, killing 4 Israeli civilian workers and 2 Israeli Palestinian truck drivers waiting to cross, and wounding 10 people (4 Israelis, others not identified); the three Palestinians staging the forward strike were killed. The IDF immediately cracked down across Gaza, conducting air strikes on Dayr al-Balah (the suspected home of the attackers), making a major raid into Bureij r.c., and firing on targets in southern Gaza and Bayt Lahiya in the north. The next morning (1/14), the IDF sealed the Gaza Strip and suspended all contacts with the PA, saying that it was not moving quickly enough to stop Palestinian violence and that Israel would not reopen contacts until the PA carried out a complete investigation into the Qarni attack, arrested the perpetrators, and took "real steps to stop terrorism." The PA criticized Israel's actions, noting that the attack had occurred less than 24 hours earlier and that Abbas had not even been sworn in.

Before dawn the next day (1/15), Israel launched **Operation Eastern Step** in Gaza City, billed by the IDF as pinpoint operations against Palestinians launching mortars and rockets from the area. During the operation, the IDF shelled residential areas, raided and occupied buildings as observation posts, bulldozed Palestinian land, and sparked clashes with Palestinians that left 5 Palestinians dead (2 resistance members, 3 civilians) and 10 wounded. Hamas responded by increasing mortar fire. Sharon authorized the IDF to escalate operations on 1/16, licensing soldiers to act "without restrictions" to halt "terrorism," and stating that Abbas was "not lifting a finger" to stop attacks on Israelis. The IDF withdrew from Gaza City later that afternoon after bulldozing 80 d. of land and wounding another 3 Palestinians, but continued operations on the outskirts of the city.

On 1/17, Abbas convened emergency sessions of the PA national security council and his outgoing cabinet, and ordered the PA security forces to investigate the 1/13 Qarni incident and to make "maximum efforts" to stop Palestinian attacks, including setting up security zones and roadblocks in Gaza to prevent rocket and mortar fire. He also informed Israel that he would need about one month to reorganize the security forces and persuade militants to agree to a cease-fire. Israel halted **Operation Eastern Step** that afternoon, calling Abbas's moves "a small but positive sign," but responded

that negotiating a cease-fire "will not suffice," that militant groups would have to be disarmed and that Israel expected progress within days. Meanwhile, the PLO Executive Committee called (1/16) on Palestinian factions to halt all military actions that "harm national interests" and give Israel excuses to launch attacks.

Abbas then went (1/18-19) to Gaza for consultations with faction leaders (including Hamas and Islamic Jihad) and security heads, urging all groups to halt attacks and study his cease-fire proposals and warning that anyone "engaged in terror" would be punished. Separately, the PA security forces announced (1/18) that any weapons not belonging to the PA would be confiscated. On 1/19, Abbas ordered the PA security forces to deploy along the Gaza borders within two days to prevent rocket fire into Israel. (A PA official speaking on condition of anonymity expressed concern that the security force may not have enough manpower to take adequate action.) The factions agreed (1/19) to continue talks on a cease-fire and the AMB pledged (1/18) to suspend attacks inside Israel immediately; Palestinian mortar and rocket fire ceased on 1/19. Around this time, Abbas also fired 50 of 55 political and security advisers who had served Arafat.

In light of Abbas's efforts, Sharon convened (1/19) his security cabinet, which approved the resumption of security contacts with the PA. The security cabinet also approved plans for a "large-scale invasion" of northern Gaza (including "a lengthy air-ground operation carried out by bulldozers, tanks, and infantry troops"), but agreed to give the PA "a few days" to stop Palestinian attacks before acting. Israeli and PA security officials immediately met (1/19) to discuss Abbas's plan to deploy security forces along the Gaza border, finalizing the details on 1/20. The IDF also reopened (1/20) the Rafah crossing (closed since 12/12) as a reward to Abbas for taking steps on security. Some 1,000 PA officers began setting up roadblocks, conducting patrols, and halting and searching Palestinian vehicles along the northern Gaza border on 12/21. By 1/20 overall Israel-Palestinian violence had begun to decline, prompting the White House to announce on 1/21 that it would take advantage of the lull to send Asst. Secy. of State William Burns to the region to assess the chances for peace-making.

Over the next several days, the AMB, the Democratic Front for the Liberation of Palestine (DFLP), and the Popular Front for

the Liberation of Palestine (PFLP) declared (1/22) that they were ready to halt violence if the IDF halted military operations. Israel said (1/22) that it was considering the idea, with Sharon advisers Zalman Shoval and Maj. Gen. Giora Eiland stating that "if there will be quiet on the Palestinian side, then there will be quiet on our side." After further discussions with Abbas, the Palestinian militant groups announced (1/23, 1/24) that they would halt attacks on Israelis for one month while talks with the PA were underway regarding a long-term cease-fire and a power-sharing arrangement within the PA prior to the 7/05 legislative council elections. They also stated that if Israel agreed to stop targeting militants, they would declare a formal truce. Until then, the factions stressed, "this is not a cease-fire. This is a Palestinian tactic to avoid giving the enemy any pretext to escalate the situation during the dialogue, which would foil it. If there is any Israeli escalation, there will be a Palestinian response." The IDF agreed (1/25) to halt assassinations as long as Palestinian militant groups remained quiet and there were no "ticking bombs," and reiterated Israel's pledge to meet "quiet with quiet."

At the same time, Israel and the PA held (1/25, 1/26) further security talks and agreed to reinforce the PA security presence along the north Gaza border and to extend the deployment to the central and southern Gaza borders, using another 2,000 PA officers. Deployments began on 1/26. In addition, Israeli FM Shalom and PA FM Shaath, along with their trade ministers, met (1/24) on the sidelines of the World Economic Forum conference in Davos, Switzerland, to discuss ways of improving Palestinian economic conditions in Gaza. Asst. Secy. Burns also set out for the region, stopping in Frankfurt on 1/24 to consult with Quartet reps., and in Egypt (1/26-26) to confer with Mubarak. By 1/26, the death toll had reached 3,990 Palestinians and 958 Israelis.

A Vague Proposal from Israel

On 1/26, Sharon adviser Weisglass, PA Negotiation Affairs M Erakat, and Abbas security adviser Muhammad Dahlan held the first Israeli-Palestinian political talks since Israel suspended contacts on 1/13 and agreed to begin planning for a high-profile meeting between Abbas and Sharon. Weisglass stated that Israel was considering a package of incentives for Sharon to offer Abbas, including the transfer to PA security control of Bethlehem, Jericho, Qalqilya, Ramallah, and

Tulkarm (provided the PA security services demonstrated they could maintain calm in Gaza), the release of 900 Palestinian prisoners, permission to rebuild and operate the Gaza airport and sea port, and permission for Palestinians to resume deep-sea fishing off the Gaza coast. As an immediate confidence-building gesture, Weisglass announced that Israel had removed two PA security officials (Tawfiq Tirawi, commander of the PA general intelligence services in the West Bank, and Rashid Abu Shubak, head of preventive security in Gaza) from its most-wanted list. In Washington, Israeli FM Shalom briefed (1/26) newly designated Secy. of State Condoleezza Rice on developments.

The 1/26 meeting jumpstarted peace efforts. Over the next two weeks, Israel, the PA, the U.S., and Egypt held near daily consultations aimed at formulating a package under which Abbas would secure a full-fledged Palestinian cease-fire and resume full security coordination with Israel in exchange for Israel's return to the PA of security control in major population centers, the easing of restrictions on Palestinian movement, the release of prisoners, and international assistance in rebuilding the Palestinian economy (especially in Gaza). The U.S. sought to add a U.S.-run mechanism for verifying implementation that could arbitrate any security disputes that arose (mentioned by Burns in his meeting with Sharon and Abbas on 1/27, and by Rice in her meeting with Weisglass in Washington on 1/31). The PA unsuccessfully sought to tie the agreement more closely to the road map by demanding that Israel be required to halt settlement expansion, remove unauthorized settlement outposts, and set a timetable for resuming final status negotiations as part of the deal.

Throughout this period, PA-Israeli security efforts continued. When the PA completed its deployment of security forces along the Gaza border, the IDF announced (1/28) that in light of the ongoing PA cooperation, it had issued orders to halt all "offensive operations" in Gaza, to scale back operations in the West Bank, and to remove an unspecified number of roadblocks in the West Bank to ease Palestinian movement, saying that it would only conduct assassinations if there were immediate threat of an attack and only with the "explicit authorization" of IDF Chief of Staff Moshe Ya'alon. The IDF also released (1/28) senior AMB member and former Nablus police commander Jihad Masimi from prison and granted amnesty (1/30) to wanted West Bank Palestinians so

that Abbas could integrate them into the security forces. The PA requested (ca. 1/28) that Israel provide its security force on the Gaza border with bullets for their M-16s so they could pose a more effective deterrent, but Israel refused, recommending that the forces take ammunition "from those who have plenty of it—the terror groups." Abbas, meanwhile, renewed (1/27) the ban on civilians carrying unlicensed weapons in public. The PA national security council announced (1/27) that it would retire 1,076 members of the security forces as part of its reform and merger of the forces into three bodies. PA forces in Rafah also found and sealed (2/2, 2/6) two smugglers' tunnels.

The PA submitted (1/27) to Israel a proposal for a mutual cease-fire, which Israel agreed to consider; follow-up talks between Mofaz and Dahlan were held on 1/29 without result. Behind the scenes PA talks with the factions regarding a cease-fire continued. On 2/2, Egyptian intelligence chief Sulayman received Damascus-based Hamas political leader Khalid Mishal in Cairo to discuss a cease-fire; Mishal said that it would depend on the outcome of the Abbas-Sharon summit and on Israel's willingness to offer concessions. Senior West Bank Hamas official Shaykh Hassan Yusuf clarified (2/2) that Hamas would be willing to open a dialogue with Israel as part of a cease-fire accord in exchange for Israel's formal recognition of Hamas as a "legitimate resistance force." Without ironclad Israeli guarantees, he said, Hamas would not put its name to a formal cease-fire, and without Hamas, the other resistance groups would not follow. The most that Abbas and the Egyptians could secure before the meeting with Sharon was a one-month cease-fire plus a pledge to consider extending it depending on the level of Israeli "quiet."

On 2/2, Egypt announced that it would host the Sharon-Abbas meeting in Sharm al-Shaykh on 2/8 and that Mubarak and King Abdallah of Jordan would also participate to lend Arab support to the peace process; to encourage the regional actors to deal directly with each other, the U.S. opted not to participate formally, though would consult on preparations. The following day (2/3), the Israeli cabinet approved a package of incentives for Sharon to bring to Abbas that was less than the one spelled out by Weisglass on 1/26, disappointing the Palestinians. The gradual withdrawal from the five cities named on 1/26 was retained, along with the release of 900 prisoners, removal

of select West Bank road blocks, and permission for the Palestinians to begin work on the Gaza sea port. Added was a pledge to reopen Gaza crossings, but gone was any word of the Gaza airport or deep-sea fishing. More troublesome for Abbas, the prisoner release would include only low-ranking Fatah members detained for criminal offences and with little time left on their sentences rather than senior political prisoners representing all factions. Moreover the release would not be immediate but in two stages over three months. No mention was made of settlements, outposts, or final status. Israeli and PA officials held daily talks in the run-up to the summit in effort to narrow their differences.

On 2/3, Rice left for a tour of Europe, Israel, and the West Bank; on her agenda was preparations for the Sharm al-Shaykh summit and London conference. In Europe (2/4-5), Rice reportedly pressed the idea of using Britain's London conference in 3/05 to persuade Arab countries to increase aid to the PA, including providing monthly "stipends" to the poor and "retirement benefits" to decommissioned PA security officials to undermine the appeal of Hamas. In her talks with Sharon (2/6) and Abbas (2/7), she stressed the need for both sides to make difficult compromises, urged Israel and the PA to expand their security dialogue to include coordination on Israel's disengagement from Gaza, and warned Israel that it must not take steps that would undermine Abbas or prejudice the final status of Jerusalem. She also stated that Arab states must provide funds to support the Palestinians; reiterated the U.S. support for a two-state solution and creation of a viable Palestinian state; announced that the U.S. would make an immediate transfer to the PA of \$40 m. of previously allocated funds (unspent U.S. aid already allocated to the Palestinians is estimated to total \$400 m.) for emergency job creation and infrastructure programs so that Palestinians could immediately feel a positive change on the ground; and announced the appointment of U.S. Army Lt. Gen. William Ward as U.S. special coordinator for security related matters to act as a channel not only between Israel and the PA, but among Egypt, Jordan, and other contributors to PA security reform. Sharon told Rice that the debate in the Israeli cabinet between those who advocated "meeting quiet with quiet" and those who believed a cease-fire would only give Palestinian militants time to rearm had been so stiff that he had expended all of his political

capital and would be unable to make any further concessions, such as removing outposts or freezing settlement construction in Jerusalem. As a result, Rice refused to discuss Abbas's concerns regarding Israeli settlements or the separation wall.

Meanwhile, Egypt and Jordan took steps to help the PA assert security control over areas to be evacuated by Israel under the disengagement plan. An Egyptian security delegation began (2/6) a 10-day visit to the West Bank and Gaza to hold talks with the leaders of various factions and the PA regarding a cease-fire; to assess what further rehabilitation, training, and assistance the PA security forces needed in advance of Israeli disengagement; and to determine how many more PA police should be sent to Egypt for training. (The first contingent of 42 policemen had arrived in Egypt for six weeks of training on 2/3; see Quarterly Update in *JPS* 134.) Separately, Jordan announced (2/7) that it would bring 26 West Bank security officers to Jordan for a course in civil defense measures (e.g., fire and disaster training), with a second course for Gaza officers to be held later; the PA would pay for the classes using donor aid from Japan. Jordan had earlier announced (2/3) that its special forces had trained around 1,000 former members of the Palestine Liberation Army's Badr Brigade (made up of Palestinian refugees in Jordan) to assume security duties for the PA in the northern West Bank after Israel's withdrawal from four settlements there; Abbas had already said that he would welcome the forces, and Jordan was ready to send them if Israel was willing. No decision on this was reached by the end of the quarter.

While violence had diminished following the factions' unofficial agreement during the last week of 1/05 to hold their fire for one month, it had by no means ended. On 1/26 the IDF, despite its pledge on 1/25 to halt assassinations, assassinated a Hamas member in Qalqilya, apparently without provocation. IDF shelling and firing on residential areas, arrest raids and house searches, and bulldozing and confiscation of Palestinian land also continued at a moderate level, while restrictions on Palestinian movement remained tight (see Chronology for details). Sporadic mortar fire was reported (1/26, 1/28, 2/7) in Gaza, and Palestinians responded to the 1/31 fatal shooting of a Palestinian girl in Rafah, apparently by the IDF, with a barrage of rocket and mortar fire on Jewish settlements in Gaza, without causing damage or injuries. Overall, in the 12 days prior to

the Sharm al-Shaykh summit—during which Israel praised PA security efforts in Gaza—15 Palestinians had been killed by the IDF, while 6 IDF soldiers had been lightly injured in 2 hit-and-run attacks by the AMB and the DFLP on 2/3; PA security forces arrested 3 DFLP suspects on 2/5. On 2/7, the eve of the summit, the death toll had reached 4,006 Palestinians and 958 Israelis.

Sharm al-Shaykh Summit

The Sharm al-Shaykh summit on 2/8 was highly scripted. Abbas and Sharon met for just over one hour, and then each met separately with Mubarak and King Abdallah. Afterward, Abbas and Sharon each read separate but mutually dependent pledges: Abbas announced that "Palestinians will stop all acts of violence against all Israelis everywhere," while Sharon vowed to "cease all military activity against all Palestinians anywhere" to the extent that the Palestinians halted violence (with spokesman Raanan Gissin later clarifying that Israel would consider arms smuggling, digging tunnels in Rafah, and construction of rockets as legitimate causes for Israeli retaliation). Neither side mentioned the word "cease-fire." Sharon also announced his package of gestures, which he said would be implemented only if quiet was maintained. These included agreement in principle to turn over security control for the five West Bank cities within three weeks, release 900 prisoners in stages, ease restrictions on Palestinian movement, halt assassinations, and not target Palestinian militants who turned in their weapons to the PA and agreed not to leave their hometowns. The sides also announced formation of a standing security committee, through which Israel would coordinate with the PA if it wanted to arrest Palestinians, and five subcommittees to finalize outstanding details that the sides had failed to reach before the summit with regard to the prisoner release, economic issues, immunity for wanted Palestinians, and withdrawal from the cities. Final status issues and settlements remained off the table. Sharon also invited Abbas to hold a follow-up meeting at his ranch in southern Israel within a week; if that meeting were successful, the two would hold a second follow-up meeting in Ramallah. Mubarak and Abdallah announced that they would return their ambassadors to Tel Aviv and accepted invitations from Sharon to visit Israel. Hamas and Islamic Jihad issued cautious statements that they would not officially sign onto the cease-fire without international assurances

that Israel would hold up its side of the bargain, but that they would not abrogate it either. The PA's Shaath warned that "from now on, any violation of the truce will be a violation of the national commitment and will have to be dealt with as such." After returning home, Abbas stated (2/13) that the "war with the Israelis is effectively over."

A number of "good-will gestures" were announced by Israel in the days following the summit, but by the end of the quarter little had materialized. Israel said (2/9) that it would readmit 1,000s of Palestinian workers to Israel, allow 500 Palestinians to work in the Erez industrial zone, and allow Gazan families to visit relatives jailed in Israeli prisons. Israel also agreed (12/12) to allow 56 Palestinian deportees (39 deported from Bethlehem to end the Church of the Nativity stand-off during Operation Defensive Shield in 4/02 and 5/02, others deported from the West Bank to Gaza for alleged support for Palestinian attacks) to return to the West Bank "soon" and agreed (2/13) to return the bodies of 15 Gazans killed in 2004 while trying to stage attacks. Israel did return the bodies on 2/14, but by the close of the quarter it had issued only 200 new permits to enter Israel, and no provisions had been made for the return of deportees. The first 500 Palestinian prisoners were approved by the Israeli cabinet on 2/13, but their release, scheduled for 2/14, was postponed pending hearings on numerous legal appeals protesting the move. Israel and the PA held talks (2/13) on the transfer of the first Palestinian city, Jericho, but the 2/15 official handover (with little actual effect, since the IDF rarely enters the town) did not occur: The deal fell apart when the PA demanded that the IDF stop encircling the town, remove the IDF checkpoints currently in place on all access roads leading into the city, and pull back from al-Awja village on Jericho's northern outskirts; Israel refused. The follow-up meeting between Abbas and Sharon, which was to have been held by 2/15, was not scheduled. Sharon did, however, instruct (2/15) his government to begin coordinating with the PA with regard to his disengagement plan.

Moreover, despite Abbas's 2/13 assessment that the conflict was at an end, significant violence continued. On 2/9, a Hamas member in Gaza died in a mysterious explosion that the PA claimed to be set off by a bomb he was handling; Israel, however, did not deny responsibility, and Hamas insisted it was an assassination. The next day (2/10),

Hamas, Islamic Jihad, and the PRCs fired 25 mortars and 18 rockets at Gaza settlements in retaliation, causing minor damage to one house but no injuries. With the unofficial truce threatened, Abbas dismissed (2/10) 10 PA security officials for failing to prevent the Palestinian fire. Israel warned (2/10) that "time is running out" for Abbas to get the security situation under control. Abbas quickly went (2/11-12) to Gaza to consult with Hamas and Islamic Jihad leaders, who reaffirmed (2/12, 2/13) their intention to preserve calm. Dahlan briefed (2/11) Israeli DM Mofaz on the PA's "counterterrorism" plans. Meanwhile, the IDF continued its raids, land confiscations, house demolitions, and occasional shootings, and announced (ca. 2/15) plans to build a new Jewish settlement, Giva'ot, in the West Bank as an extension to Gush Etzion to absorb Jewish settlers evacuated from Gaza. Palestinians reported no significant easing of the IDF's extensive road closures, roadblocks, flying checkpoints, or encirclements of communities. On 2/15, the IDF fatally shot 2 armed AMB members hiding in a house outside Nablus near Brakha settlement, alleging they were plotting an attack. The AMB considered the shooting to be assassinations that violated the unofficial cease-fire, raising further concerns about the durability of the Sharm al-Shaykh commitments.

Intifada Data and Trends

During the quarter at least 172 Palestinians and 16 Israelis were killed (down from 356 Palestinians and 34 Israelis during the preceding quarter), bringing the toll at 2/15 to at least 4,012 Palestinians (including 42 Israeli Arabs and 16 unidentified Arab cross-border infiltrators), 958 Israelis (299 IDF soldiers and security personnel, 192 settlers, 467 civilians), and 54 foreign nationals (including 2 British suicide bombers).

This quarter, Israel carried out 9 killings (down significantly from 42 last quarter) that were clearly or almost definitely assassinations, in the process killing 2 bystanders and wounding 5. Those assassinated this quarter were: the AMB's Muhammad Liftawi (11/21), Kamil Ghannam (12/14), Jamal 'Azim (12/24), Utad Kanuh (12/24), Kamil Sabarini (12/24), Tahir Abu Kamil (Thair Husayn; 12/25), and Wa'il Riyahi (12/27); Hamas's Mahir Abu Sunayna (1/26); and Islamic Jihad's Mahmud Kamil (Mahmud Hammad; 12/3). Failed assassination attempts were carried out on 11/18, 12/9, and 12/28, which left at least 6 bystanders

injured. Another 3 incidents (11/25, 2/9, 2/15) in which 5 resistance members were killed may have been assassinations; one bystander was also wounded. A possible assassination attempt on an unidentified target was reported on 1/1.

During the quarter, there were 8 Palestinian suicide attacks (up from 6 last quarter), which killed 8 and injured about 23 (compared to 25 killed and about 54 injured last quarter). All of the attacks occurred in the occupied territories; 6 targeted the IDF or Israeli police, 2 targeted settlers. Of these, 1 was a bombing (1/18), while the other 7 (2 on 1/5, 1/6, 1/11, 1/12, 1/13, 2/3) could be called "suicide" insofar as they were certain to result in the deaths of those who staged them. Of the 8 attacks, 2 were Hamas operations, 1 was AMB, 1 was DFLP, 1 was Islamic Jihad, 2 were unattributed, and 1 was a joint operation by the AMB, Hamas, and the PRCs. Palestinian rocket and mortar fire was unprecedentedly high this quarter, with damage reported in 9 incidents and casualties in 10 incidents, including 4 fatalities (12/14, 1/11, 1/15, 1/18) and 38 injuries—one of the highest quarterly casualty rates to date. Of note: reporting of rocket and mortar attacks seemed to improve significantly this quarter, particularly with regard to which groups fired missiles (see Chronology for details), so the higher figures may simply be the result of more consistent efforts on the part of the media.

IDF demolition of Palestinian houses declined significantly this quarter. Most demolitions were still in Gaza, with 87 in southern Gaza, 1 in Gaza City, and none in northern Gaza. In the West Bank, areas of Bilin village near Ramallah were demolished for construction of the separation wall. In addition, 7 homes were demolished in the Bethlehem area, 5 in East Jerusalem, 5 in Hebron, 3 in Jenin, 3 in Ramallah, and 2 in Nablus.

IDF bulldozing was lower than last quarter but remained high. In Gaza, where most of the bulldozing was concentrated, 322 d. were leveled in central Gaza, 217 d. in southern Gaza, and 202 d. in northern Gaza. Comprehensive reporting of bulldozing for the separation wall in the West Bank was not available, though 800 d. were reported leveled in Yatta and 155 d. in the Hebron area. On 1/20, the IDF reported that it had uncovered 23 smugglers' tunnels since the start of 2004.

The IDF raided a high number of Palestinian charities with links to Islamist groups (11/27, 12/1, 12/7, 12/13, 2 on 12/15, 6 on

1/6, 1/13), prisoners support groups (11/22, 12/7, 1/6), and cultural centers (2 on 11/22, 11/29, 12/4).

Jewish settler violence remained high this quarter (see Chronology for details). Settlers attacked Palestinians working their fields (11/17, 12/12, 1/23) or traveling roads near settlements (2/12, 2/14), and stoned and vandalized (11/18, 12/11, 1/24) Palestinian homes and property. Settlers also fenced off (2/4, 2/5), uprooted trees from (12/9, 1/30), or otherwise vandalized (12/5) Palestinian land. Hit-and-run attacks by Jewish settlers injured 2 (1/22, 2/4). In one case, settlers attempted (12/7) to kidnap a Palestinian boy, but the IDF intervened. In another, settlers attacked (12/28) a TV crew filming Palestinian children on their way to school in Hebron. Settlers also fired (2/13) percussion grenades into Khan Yunis. On 12/25, 70 Jewish settlers from Kefar Darom seized 5 Dayr al-Balah homes and expelled the Palestinian families. A Jewish settler driving near Hebron stopped his car and opened fire (2/15) on two 14-year-old boys who had thrown stones at his car, killing 1 and wounding 1. On 12/22, 5 teenage settler girls were arrested in Jerusalem for stoning and robbing a Palestinian family. In addition, 4 American Yeshiva students threw (11/23) Molotov cocktails at Palestinians in East Jerusalem, but the bombs failed to explode and no one was injured.

Separation Wall

Construction on Israel's separation wall in the West Bank continued, with monitors reporting that most construction this quarter was concentrated around Jerusalem and near Hebron. Though reporting of bulldozing for the wall is sparse, at least 955 d. around Hebron were leveled. Bulldozing was also reported west of Bethlehem and southwest of Nablus. In addition, the IDF issued military orders confiscating for construction of the wall at least 1,126 d. (1/6, 1/9, 1/13, 2/10) northwest of Jerusalem; 50 d. (12/10) northeast of Jerusalem; 25 d. (2/3) east of Jerusalem; 600 d. (12/15) near Hebron; 301 d. (2/13) near Jenin, plus areas on either side of the wall near Jenin (11/25) to create a buffer zone; 150 d. north of Ariel for the wall around the Jewish settlement; 50 d. in Nuba (12/17) and large areas in Far'un (12/17) south and west of Tulkarm; and large area of Jayyus (12/17) northeast of Qalqilya (12/17). Another 2,362 d. of land in al-Jib north of Jerusalem was "slated for confiscation" by the IDF on 1/30.

On 1/21, the Israeli daily *Ha'Aretz* broke the news that Israel had begun officially seizing 1,000s of dunams of Palestinian land in Jerusalem that had been cut off from Bethlehem and Bayt Jala by the separation wall, citing the long-dormant 1950 Absentee Property Law. The government reportedly approved the measure secretly on 6/22/04 but did not announce it, acknowledging it only after the *Ha'Aretz* report. The policy move reportedly was initiated and passed by Israel's Jerusalem Affairs M Natan Sharansky and cabinet M Zevulun Orlev over the objections of two Justice Min. officials and without the attorney general's knowledge. Four other members of the Jerusalem Affairs Committee were not present at the meeting at which the decision was approved. On 2/1, Israeli attorney general Menachem Mazuz ruled that the policy of seizing the land under the 1950 law was indefensible, contrary to "Israel's nine obligations according to the rules of customary international law," and could raise new legal questions regarding Israel's intention to build the wall.

The PA Central Bureau of Statistics reported (ca. 12/9) that the IDF had forced 2,173 Palestinian families (11,461 individuals) to leave their properties for construction of the separation wall. Of these, the largest number—1,150 families (5,920 individuals)—were from Jerusalem. As of 12/05, some 21,958 Palestinians in 19 communities were trapped between the wall and the Green Line (of the 19 communities, 14 were cut off from primary schools and 17 from secondary schools); another 41,774 individuals had been isolated in communities to the east of the wall. Some 14,949 Palestinians live in villages that have been bisected by the wall.

INTRA-PALESTINIAN DYNAMICS

Elections

Palestinians held presidential election and the first two rounds of municipal elections this quarter. Legislative elections were set for 7/05. The last presidential and legislative elections were held in 1/96. The last municipal elections had been held in 1976; elected officials who were deported, had died, or had left their posts before the establishment of the PA had been replaced by Israeli appointees. Upon PA rule, the municipal positions vacated were filled by Fatah appointees.

Presidential Elections

The 12-day period for registering candidates for the 1/9 presidential elections opened on 11/20. The first candidate to submit an application was Abbas, who was officially nominated by the Fatah Central Comm. (13-0, with 2 abstentions on 11/22) and Fatah Revolutionary Council (100 of 129 members voting in favor on 11/25). Meanwhile, the DFLP, Palestinian Democratic Union (FIDA), Palestinian People's Party (PPP), PFLP, and Popular Struggle Front (PSF) had agreed (11/18) to field a joint candidate for president; they nominated former senior PLO negotiator Haydar 'Abd al-Shafi, who declined and recommended Palestinian physician and human rights advocate Mustafa Barghouti (a distant relative of Fatah's Marwan Barghouti), who accepted. Hamas and Islamic Jihad announced (12/1) that they would not participate in elections, believing that Fatah had unfairly monopolized the elections process (e.g., control of election bodies; gerrymandering; refusing to hold all municipal, legislative, and presidential elections at once), but pledged to urge their members to vote.

When the candidate registration period closed on 12/1, 10 Palestinians had met the filing requirements of collecting 5,000 signatures and paying a filing fee of \$3,000: Abbas (Fatah), Marwan Barghouti (ind.), and Mustafa Barghouti (officially ind., but running unofficially as a joint candidate of the DFLP, FIDA, PPP, PFLP, and PSF) were considered the front runners; the other seven candidates were 'Abd al-Halim Ashqar (ind.), Hussein Baraka (ind.), Taysir Khalid (DFLP), Hassan Khurayshi (Democratic Parliament Coalition Bloc), 'Abd al-Sattar Qasim (ind.), Bassam Salhi (PPP), and 'Abd al-Karim Shubir (ind.). Marwan Barghouti, Khurayshi, and Qasim withdrew over the next two weeks.

One of the major controversies of the election period was the candidacy of the popular jailed West Bank Fatah *tanzim* leader Marwan Barghouti. Early in 11/04 (see Quarterly Update in *JPS* 134), Barghouti had declared that he would run for president unless he was defeated in Fatah primaries. Many Fatah members have favored such a process on the grounds that the Fatah Central Comm. and the Fatah Revolutionary Council (FRC) are not representative of the movement's membership because internal elections, repeatedly delayed by Arafat, have not been held for nearly two decades. Nonetheless, despite Abbas's nomination by Fatah without any primaries being held,

Barghouti, heeding the advice of Fatah reformers who believed that a divisive contest at this time would harm the party, stated (11/26) that he would not run for president and endorsed Abbas. In return, Abbas forced a measure through the FRC on 11/27 approving the convening of Fatah's 6th general conference, where internal elections would be held, on 8/4/05 (Arafat's birthday). The AMB endorsed Abbas's candidacy on 11/27. Then, in a surprise move on 12/1, the final day of registration, Barghouti filed to run as an independent, creating a mini-crisis within Fatah and sparking strong criticism even from his strongest supporters within Fatah and the AMB. Some PA officials speculated that Barghouti had decided to run after realizing that Abbas would not make talks with Israel conditional upon his release. Others suggested that he resented what he perceived as insufficient appreciation from Abbas and the Fatah leadership of his initial decision to bow out of the race and thought that they should at least have held a press conference pledging to make prisoners' rights and democratization within Fatah a priority. On 12/8, a week into the campaign, Barghouti transmitted to Abbas a list of demands to be made in negotiations with Israel, saying he would withdraw from the race if Abbas adopted all of them. The demands included seeking East Jerusalem as the capital of a future Palestinian state, a just solution to the refugee problem, a halt to Israeli arrests and killings of Palestinian militants, Israeli withdrawal from the West Bank before elections (with a pledge not to return afterward), and a halt to construction of the separation wall. Abbas apparently did not respond. Under pressure from Fatah allies, Barghouti nonetheless withdrew from the race on 12/12 and once again endorsed Abbas.

Another major controversy involved the amendment of the PA elections law. The Palestinian Council (PC) opened (11/24) debate on an amended elections law and quickly passed (12/1) three readings of the draft and sent it to the PC legal committee for review. The DFLLP, FIDA, PFLP, PPP, and PSF immediately denounced the amended text because it allowed the combining of the lists of newly registered voters with the PA's civil registry records to create a new list of eligible voters for the 1/9 elections. The civil registry, which had not been updated in years, included some 660,000 names that did not appear on the updated voter rolls, and many of the 660,000 were believed to have

died, moved, or emigrated; their inclusion, according to opponents, would raise serious possibilities for voter fraud. The PA Central Elections Commission (CEC) said (ca. 12/4) that it would keep the two lists separate and set up 70 special polling places where Palestinians could vote if they were not on the updated voter roll but were on the civil registry. The amended text also reinstated the quota for women in municipal elections, which Hamas had opposed (see Quarterly Update in *JPS* 134) but which other factions welcomed.

In another irregularity, the CEC reopened voter registration on 11/24 for one week to accommodate those who had not registered during the registration period (9/4-10/23) set up in advance of municipal elections (see Quarterly Update in *JPS* 134), but who had been motivated by the impending presidential elections. As a result of this second registration, which closed on 12/1, observers with the U.S. National Democratic Institute (NDI) estimated that 71% of eligible voters had registered, up from 67%.

On 12/25, the official opening of the two-week campaign period (though candidates regularly campaigned earlier), Abbas gave his first formal campaign address in which he vowed to press Israel to release Palestinian prisoners and said Jerusalem must be the capital of a future Palestinian state, that Israel must withdraw to the 1967 borders, that settlements must be removed, and that the refugee issue must be justly resolved and the right of return implemented. He also called for a Palestinian cease-fire and the use of only nonviolent resistance, but said he would not move against Hamas or Islamic Jihad but would seek to include them in the political process.

After a robust campaign period, PA presidential elections were held as planned on 1/9. Because of myriad Israeli checkpoints, Palestinians in the West Bank and Gaza voted at 3,300 polling places (compared to 400 polling places in Delaware, slightly smaller than the West Bank and Gaza combined, for the 11/04 U.S. presidential elections). Of the 1.8 m. Palestinians eligible to vote, 71% registered, with roughly 62% of those actually voting, putting overall voter turnout at about 43%. Turnout was so low by mid-afternoon (estimated at 22%, reaching roughly 35% by evening) that the CEC extended poll hours for two hours, allowing Palestinians to vote at any polling place they could reach; the final two hours saw a surge of voting (reportedly by "soldiers and police, in and out of

uniform," according to Palestinian media reports, as cited in MERIP 1/20). An estimated 70,000–100,000 of the 775,146 Palestinians who voted went to polls using the civil registry.

As for East Jerusalem, the 185,000 Palestinians eligible to vote there were required to submit their votes at five post offices, technically mailing in their vote to comply with Israeli demands. The difficult logistics of voting at such small venues undoubtedly greatly contributed to the low turnout: only 5,367 East Jerusalemites actually cast ballots. It should be noted, however, that Israel had taken many steps to prevent campaigning in Jerusalem, including banning (12/28) marches, gatherings, and posters in East Jerusalem public places during the campaign period and elections. Israeli police raided (12/30) Abbas's campaign headquarters in Jerusalem, photographed the offices and employees, and tore down (12/30) campaign posters hung round the city. The IDF denied candidates Salhi (12/9, 12/10) and Barghouthi (12/27) permits to enter the city to campaign and detained Barghouthi several times, preventing him from entering Jerusalem (1/7) to attend campaign rallies. Even Abbas called off (1/7) plans to campaign in Jerusalem after Israel said that he would have to be guarded by Israeli security forces.

At all events, when the elections results were announced on 1/10, Abbas was the clear winner with 62% of the vote. Barghouthi was second with 19.8%, followed by Khalid with 3.5%, Ashqar with 2.7%, Salhi with 2.7%, Baraka with 1.3%, Shubir with 0.8%, and 7% of ballots left blank or invalid.

Some 800 international observers from 58 countries and international organizations and some 19,000 Palestinian observers from the territories (including Hamas members) monitored the elections. All observers were certified by the CEC and were overseen by the UN. The use of two voting lists, the questionable accuracy of the civil registry list, the use of different voting places for those using the civil registry and the voter rolls, the last-minute addition of polling places because of IDF roadblocks, the extended voting hours, the decision to allow Palestinians to vote wherever they could in the final few hours, the restrictions in Jerusalem, and reports of isolated incidents of voter intimidation by Fatah activists all raised serious concerns about voter fraud and certainly made these elections seem less controlled and com-

prehensive that those in 1996 (see Peace Monitor in *JPS* 99). Nonetheless, most international and domestic observers praised the elections as a major accomplishment, saying there was genuine competition among candidates, that the PA administered the elections fairly, and that Israel generally (with the exception of Jerusalem) stayed out of the way. The EU did, however, criticize the widespread "involvement of Palestinian Authority institutions, personnel, and materials on behalf of Mahmud Abbas," noting that "the PA is not supposed to be involved at all in such a manner." On 1/15, 46 CEC officials resigned, citing irregularities in the 1/9 vote.

Municipal Elections

The first round of municipal elections was held on 12/23 in 26 West Bank municipalities known to be Fatah strongholds, selected by the PA to go first: Abu Dis, Araba-Jenin (as one district), Azariyya, 'Azun, Bala, Bayt Anan, Bayt Furik, Beita, Bidiyya, Dahariyya, Dir Dibwan, Duha, Jericho, Kafr Dik, Halhul, Kafr Haris, Kafr Labad, Nawayma, Owja, Qarawat Bani Zayd (east and west separately), Shayukh, Silwad, Tubas, Ubidiyya, Yabad. The official campaigning period opened on 12/10 and closed on 12/22. Some 150,000 eligible voters chose among 886 candidates (including 139 women) for 306 seats on the local municipal councils, of which 16% were reserved for women. In contrast to the presidential elections, in which it did not participate, Hamas fielded candidates. All factions agreed that ballots would not list factional affiliations of candidates because "elections are supposed to be about local services, not national issues," though some lists had identifiable factional ties (Change and Reform list candidates were predominantly Hamas; Martyrs list candidates, Fatah). Moreover, most local residents polled knew the factional association of the candidates in their district. Turnout reportedly was high, with 81% of registered voters participating. On 12/26, the Higher Commission for local Elections issued the final returns, showing that Hamas took 9 municipalities, Fatah 16, and a joint Hamas-Fatah slate 1. Hamas took 84 seats to Fatah's 181; 52 seats went to women (32 winning outright, the rest earning places under the women's quota). The results were surprisingly good for Hamas, given that the voting areas were considered loyal to Fatah; however, analysts stressed that voters were voting not according to party affiliation but to family, tribe, and clan affiliation.

The second round of municipal elections was held on 1/27 in 10 Gaza towns: Bani Suhayla, Bayt Hanun, Dayr al-Balah, Khuza', al-Maghazi r.c., al-Masdar, al-Nasser, al-Shuka, al-Zahra, Zawadiyya. Voter turnout was 80–85%, with voters selecting among 414 candidates running for 118 seats. Hamas won control of 7 of the municipalities and 77 of the seats, Fatah took 3 municipalities and 26 seats, and 14 independents and 1 PFLP candidate took the remainder of the seats; 20 of the 118 elected were women. Fatah officials specifically picked Bayt Hanun as one of the first Gaza towns to vote on the assumption that residents would punish Hamas for drawing Israeli incursions with its rocket fire, but Hamas took 11 of 13 seats there. As in the first round, candidates did not run under their factional affiliations, and most voters said they cast ballots on the basis of their family ties.

At the close of the quarter, the date and locations for the third round of municipal elections had not been set.

Of note: Hamas complained that in advance of the 12/23 municipal elections, the IDF conducted arrest raids (e.g., 12/10) to detain Hamas candidates to manipulate the outcome of the elections.

Legislative Elections

On 11/16 the Fatah Central Comm. recommended that legislative council elections be held in 6/05. The PA adopted this as its plan on 11/21, but later (1/8) set the target date as mid-7/05. Hamas protested (11/21), arguing that the municipal, legislative, and presidential elections should all be held on 1/9.

On 12/14, the PC reopened debate on the draft elections law regarding whether to hold legislative elections under the 1996 election law rules or to adopt a new “mixed” election system under which the number of PC seats would be increased from 88 to 124, 50% of which would be allocated for “constituencies,” with the other 50% allocated to “tickets,” meaning that only half of the PC members would be directly elected while the others would win their seats through party slates. There was also discussion of changing the article of the 1996 law that requires the PA president and PC to be elected at the same time, which would mean that presidential elections would have to be held again when PC elections are held in 7/05. The issue had not been resolved by the end of the quarter.

PA Government Affairs

After Abbas was sworn in on 1/15, he renamed Qurai' as PM and charged him with forming a new government. When Qurai' had not submitted a new slate to the PC for approval within a month of the 1/9 elections, the PC ordered (2/9) Abbas to require Qurai' to act within 10 days. No action was taken as of 2/15.

The PC formed (12/22) a special committee (comprising reps. of the PC interior, security, and local government committees) to investigate the phenomenon of armed militias in Gaza and recommend ways to restore security, calm, and the rule of law in Gaza.

The PC passed (12/22) the third readings of draft laws on public health, prisoners, social security, and pensions for members of the security forces. The PC also ratified (2/2) an amended judicial authority law that clarifies the jurisdiction of the Justice Min. versus the Supreme Juridical Council (an exclusively judicial body that oversees the courts) to ensure separation of the executive and judicial branches of government. A reading of the draft civil service law was postponed (12/22) pending legal review. Debate was held (12/22) on a draft law on the powers of the security organs.

PA court workers and public prosecutors held (11/30–12/6) a strike to protest the PC budget committee's decision to reduce the salaries and bonuses of judges and other workers as a cost-cutting measure.

Abbas approved (2/15) salary increases for security service members with a rank of captain and below. Captains received a 20% increase and others a 10% increase effective with the 2/05 paychecks.

Abbas transferred (1/26) the files of 51 Palestinian prisoners facing death sentences to the Mufti of Jerusalem, Ikrima Sabri, for review. If Sabri approves the judgments, the sentences could be carried out within a month. Sabri had not announced a decision by the end of the quarter.

In a move apparently targeting PA corruption, the PA security forces bulldozed (1/24) waterfront structures housing unlicensed shops along the beach in Gaza City. The shops sprang up after the Oslo agreement and were rumored to be “protected by prominent personalities with influence inside the PA.”

The PA's Negotiations Support Unit (NSU)—the team of highly competent lawyers and others set up in 1998 to provide the PA with technical assistance in preparing for the final status talks, and which since the

outbreak of the al-Aqsa intifada has been primarily focused on PR efforts—was in the news this quarter. Immediately after the 1/9 elections, Diana Buttu and Michael Tarazi, who had become highly visible and effective Palestinian spokespersons, especially in the U.S., were ordered by the PLO to stop talking to the press and making public appearances. The NSU has been funded by donor funds through the London-based Adam Smith Institute, and NSU officials speculate that donors came under pressure (possibly from the U.S.) to shut down the group.

National Unity and Power Struggles

In the uncertain environment following Arafat's death, intra-Palestinian rivalries calmed considerably. National unity talks, however, also stalled, with most discussion revolving around securing a cease-fire and maintaining calm.

Soon after Arafat's death, Abbas held talks (12/6) in Damascus with the external leaderships of Hamas, Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command to press them to support or take part in the 1/9 presidential elections and to keep a lid on violence in the run up to elections in order to bolster national unity.

In an effort to move forward national unity talks, Hamas reportedly distributed (1/21) a "covenant of honor" to the other factions meant to formulate "a general national policy" supported by all Palestinian factions. The document reportedly outlines a joint Palestinian leadership program, which unequivocally recognizes Israel's 1967 borders for the first time and calls on all parties to state a "commitment to ending the occupation and establishment of an independent, fully sovereign Palestinian state, whose capital is Jerusalem." The document reaffirms the "legitimacy of the armed struggle," but calls for improved relations with the West "on the basis of moral and political principles that will preserve the rights of our people and guarantee an end to the aggression."

Following the second round of municipal elections, the FRC convened (2/5-6) to discuss Hamas's strong showing in the West Bank and Gaza and how Fatah could build stronger grass-roots support. Debate highlighted problems created by the conflation (both intentional and otherwise on Fatah's part) of Fatah and the PA and the perceived tendency to blame Fatah for PA failures. During the session, all 28 members of Fatah's Higher Central Committee in Gaza resigned to open the way for the internal reform ex-

pected to grow out of Fatah's long-awaited 6th general conference scheduled for 8/05 (see above).

There were still some incidents of intra-Palestinian violence, once again concentrated in Gaza:

- Unknown gunmen fired (1/13) shots at the Gaza City offices of the Islamic Salvation Party's *al-Risala* newspaper. Editors believed that the paper was targeted for its critical reporting of the 1/9 elections.
- Fatah and Hamas members clashed (1/29) in al-Maghazi, leaving 23 Palestinians wounded. The National and Islamic Higher Committee for the Follow-up of the Intifada set up a commission of inquiry to investigate the incident and calm the situation.
- Palestinian gunmen aligned with a senior Fatah official (no name given) broke into (2/10) a PA prison in central Gaza and fatally shot three Palestinians in retaliation for the slaying of the official's brother.
- Unidentified gunmen fired on the Gaza City home of FRC member Sakhr Bseiso on 2/14 and 2/15, causing damage but no injuries. Bseiso is head of the Fatah committee charged with investigating corruption.

PALESTINIAN OPINION

The following data are excerpted from an exit poll conducted by the Birzeit University Development Studies Program (DSP) during the 9 January 2005 presidential elections. Results are based on a survey of 1,150 men and women from the West Bank and Gaza. The poll was taken from DSP's Web site at www.birzeit.edu/dsp.

1. Which one of the following variables was most important in selecting your candidate?

	West		
	Bank	Gaza	Total
a. His political affiliation	15.0%	17.0%	15.8%
b. His integrity	11.6%	11.4%	11.5%
c. His diplomatic skills	10.2%	11.4%	10.7%
d. His ability to solve social problems	9.2%	9.5%	9.4%
e. His ability to improve economic conditions	8.7%	10.3%	9.4%

	West		
	Bank	Gaza	Total
f. His record in the struggle	10.2%	6.6%	8.7%
g. His commitment to national rights	9.2%	5.8%	7.8%
h. His ability to achieve democracy	6.5%	9.3%	7.6%
i. His ability to confront Israel	6.8%	5.0%	6.1%
j. His election program	5.0%	4.5%	4.8%
k. As a protest against the status quo	4.4%	4.8%	4.6%
l. Did not select anyone, as I feel no one is qualified	2.2%	2.7%	2.4%
m. His religious reputation	0.9%	1.6%	1.6%

2. In your opinion, which of these issues is most important?

	West		
	Bank	Gaza	Total
a. Withdrawal of Israel from Palestinian cities	29.1%	28.3%	28.7%
b. Improving the economic situation	26.6%	25.4%	25.9%
c. Resumption of talks with Israel	15.4%	15.0%	14.8%
d. Improving the internal security situation	8.6%	10.4%	9.4%
e. Improving PA performance	8.4%	8.4%	8.4%
f. Reducing suffering related to roadblocks	7.9%	6.9%	7.4%
g. Reinforcing democratic practices	6.2%	4.3%	5.3%

FRONTLINE STATES

JORDAN

Jordan continued to keep a low profile with regard to the Israeli-Palestinian question this quarter, participating only marginally to facilitate the Sharm al-Shaykh summit and Sharon's disengagement plan (see above). Jordan's major action this quarter was to announce (2/8) the return of its ambassador to Israel. Jordan's cabinet approved the decision on 2/15 and scheduled the ambassador's return for 2/20.

Israel and Jordan signed (12/23) a new free trade agreement to allow the two

countries to jointly export tax-exempt goods to the EU. Under the accord, Jordan must abolish many customs duties on Israeli products by 2010. At the signing, Israel also announced (12/23) that it would invite and fund the training of 100 Jordanian students in high-tech fields in Israel; King Abdallah welcomed the offer.

Israeli and Jordanian scientists began (1/17) the first joint biological field survey along both sides of the Israel-Jordan border in the Dead Sea region. The two-day study, marking the first phase of a long-term project, was cosponsored by Cornell, Harvard, and Stanford Universities (see Quarterly Update in *JPS* 132).

Jordan reportedly was holding (12/16) two Israelis on suspicion of smuggling arms to Sudanese rebels. The two men may have been known arms dealers Amos Golan and Shimon Naor. The Israeli FMin. denied that any Israelis had been arrested, but Sudanese officials confirmed the report.

LEBANON

The quarter ended with the dramatic 2/14 assassination in Beirut of powerful Lebanese former PM Rafiq Hariri, an event immediately recognized to have enormous and as yet impossible to foresee repercussions for the country and perhaps the region. The massive car bombing, which also killed at least 7 bodyguards and 9 passersby and wounded more than 100, was claimed in a videotape aired the same day by the previously unknown "Victory and Jihad in Greater Syria"; the reason given was Hariri's financial dealings with the Saudi royal family (suggesting the bombers might have an al-Qa'ida connection). Though Lebanese security raided the Beirut home of a Palestinian thought to appear on the tape, the bomb's massive size and the logistics needed to stage the attack led observers immediately to attribute the assassination to foreign intelligence agencies, primarily Syria and Israel. Hariri had resigned as PM in 10/04 to protest the extension at Syria's behest of the presidential term (contrary to the constitution) of the pro-Syrian Emile Lahoud, and since that time had vocally called for Syria's withdrawal of troops from Lebanon. However, he had also been involved in brokering an accommodation between the Lebanese opposition and Syria in the run up to Lebanon's 5/05 elections.

The quarter was marked by sustained Israeli efforts to blame Hizballah for funding and orchestrating Palestinian attacks

against Israel, holding Syria and, to a lesser degree, Iran (both targets of U.S. campaigns) guilty by extension because of their support for Hizballah. Most of the statements and reports—none of which provided evidence—were made by unidentified Israeli officials in leaks to the media, though FM Shalom stressed Hizballah's "destabilizing role" in the West Bank and Gaza to the 11/29 Euro-Med meeting in the Hague. An unnamed senior Israeli DMin. official suggested to the Israeli daily *Ma'ariv* (12/8) that Hizballah was actively seeking to purchase radioactive material to create a "dirty bomb" and linked this to defense establishment speculation that Palestinian groups might try to stage biological or chemical attacks on Israel. In a press conference with visiting Czech diplomats, Israeli FM Shalom directly accused (12/2) Hizballah of transferring funds to the families of Palestinian suicide bombers. In his annual assessment to the Knesset, Shin Bet head Avi Dichter claimed (1/4) that Hizballah operates dozens of "terrorist squads" in the occupied territories, has carried out 68 attacks in which 24 Israelis have died, and was transferring "substantial funds to [Palestinian] terrorist organizations." On 1/11, an anonymous Israeli "senior defense establishment source" stated that in 2004 Hizballah was responsible for 20% of Palestinian attacks on Israeli targets in the West Bank and Gaza, had funneled \$9 m. to Palestinian "terror groups," effectively controlled the Fatah *tanzim*, directed 51 "terror cells" in the West Bank and Gaza, was actively recruiting Israeli Palestinians to participate in attacks, and sought to destabilize Abbas's leadership.

Such accusations were echoed in the U.S., where an unnamed congressional official told the *Washington Times* (2/13) that during a private, off-the-record briefing with Sens. Joseph Biden (D-DE) and John Sununu (D-NH) before the 1/9 elections, Abbas had "acknowledged that Hizballah might threaten his life." The article also cited an unnamed Palestinian official as saying that email and other correspondence had been intercepted showing that Hizballah had made bank transfers to fund Palestinian "terrorists" and had brought Palestinian students studying at Middle Eastern universities to Lebanon for "terrorist training." The *Washington Times* article further cited unattributed reports that Hizballah was offering \$100,000 to any Palestinian willing to carry out a suicide attack against Israel. On 12/17, the U.S. also designated Hizballah's

al-Manar TV a terrorist organization. A week earlier, France had blocked broadcasts of al-Manar's satellite channel after accusations that its programs were anti-Semitic and incited hatred. Lebanon called (12/17) the moves unacceptable censorship.

Low-level violence along the Israeli-Lebanese border continued this quarter, with routine Israeli violations of Lebanese airspace. IDF soldiers in the disputed Shaba' Farms area fired (1/7) automatic weapons at a civilian van driving inside Lebanon, causing damage but no injuries. On 1/9, Hizballah detonated a roadside bomb near an IDF jeep in Shaba' Farms, killing 1 IDF soldier and wounding 3. Israel responded by shelling areas of southern Lebanon, killing a French soldier with the UN Interim Force in Lebanon (UNIFIL) and wounding a Swedish UNIFIL soldier and Lebanese civilian driver. Hizballah said that its attack was unrelated to the Palestinian elections and was simply part of its ongoing struggle to liberate occupied Lebanese territory. Some observers (*Mideast Mirror*, *al-Safir* 1/11) thought that Hizballah was testing its margin of maneuver under UN Res. 1559. Hizballah also blew up (1/17) an IDF bulldozer in Shaba' Farms, causing no injuries. In retaliation, Israeli warplanes bombed suspected Hizballah sites along the southern Lebanon border, wounding 2 Lebanese women. The Israeli security cabinet consequently (1/19) "authorized in principle . . . pinpoint offensives in Lebanon" if Hizballah attacks on Shaba' Farms continued, but no action followed. After the Sharm al-Shaykh summit, Abbas sent (2/9) an envoy to Lebanon to urge Hizballah to refrain from attacks on the IDF that could jeopardize the Palestinian cease-fire, and no further incidents were reported through the end of the quarter. On 2/10, the AP quoted an anonymous PA official as saying that Hizballah was responsible for Palestinian mortar and rocket fire in Gaza that day, stating, "We know that Hizballah's pushing some parties among the Palestinians to destroy the agreement that was declared at Sharm al-Shaykh."

SYRIA

This quarter Syria made a number of overtures to Israel concerning a resumption of peace talks, but these were ultimately rebuffed by Israel and discouraged by the U.S. Although there were some messages directly signaling the desire to reopen negotiations (e.g., Syrian ambassador to Washington Imad Mustafa informally to the Israeli consul general at a function in Washington in

mid-11/05; Syrian information minister's public statements on 12/21 and 2/5), the message was more often conveyed via third parties.

The U.S. initially appeared to favor a resumption of the talks. Powell and U.S. Asst. Secy. of State Burns met with Syrian FM Faruq al-Shara' on the sidelines of an international conference on Iraq in Sharm al-Shaykh on 11/23 to discuss the importance of PA elections on 1/9, cooperation on Iraq, and relaunching all tracks of Arab-Israeli negotiations. The next day, after meeting with President Bashar al-Asad, UN special envoy Terje Larsen publicly announced (11/24) that Syria was prepared to resume negotiations with Israel "without preconditions." Asad reiterated the same position in talks with Mubarak in Sharm al-Shaykh on 11/30. During meetings in Jerusalem on 12/1, Egyptian FM Abu al-Ghayt urged Israel to respond positively, but DM Mofaz responded that Syria's remarks were incompatible with its actions and that Syria must first take action against Hizballah, end support of Damascus-based Palestinian groups, and withdraw from Lebanon. In a press conference following the meeting, Shalom admitted that secret "preliminary contacts" were held 18 months previously with relatives of and persons close to Asad but did not achieve any results and were halted when news of the contacts was leaked (see Quarterly Update in *JPS* 128). Mubarak again conveyed (2/8) to Sharon and to Turkish FM Abdullah Gul (1/3) the Syrian wish for peace talks. Although Israel did not respond to the moves, some senior Israeli officials were reportedly (*Ma'ariv* 11/28) interested in the idea of engaging with Asad, saying "Even if he is not serious about peace and only wishes to improve his international image, it may be possible to begin a process of talks, which would serve as a cleanser for both sides and enable the prime minister to act freely in the Palestinian arena."

By mid-12/04, however, the Bush administration dropped whatever interest it may have had in improving relations with Syria and began quietly and unofficially telling Israel that now would be a "bad time" to resume talks with Damascus. The State Dept. was concerned that Sharon could use a resumption of talks with Syria to delay progress on the Palestinian track, and the Pentagon and National Security Council felt that it would be embarrassing if Israel were to "legitimize" the Syrian regime by resuming negotiations while the U.S. was threatening action against Syria unless it took

further steps to quell support for the Iraq insurgency. Reinforcing the rumors, *Yedi'ot Abaronot* correspondent Orly Azulay reported on 12/19 that during a White House reception (no date given), Bush had told her that "Now Asad needs to wait: first peace between Israel and Palestine, then we'll see what to do with Syria."

U.S. Dep. Secy. of State Richard Armitage held (1/3) talks in Syria regarding Iraq, Lebanon, and the Palestinians. Syria said (1/3) that the meetings were positive and friendlier than previously, but other reports indicated that Armitage presented Syria with nine demands: start repealing Syria's 40-year-old emergency laws, free all political prisoners, abolish media censorship, initiate democratic reform, speed economic development, reduce relations with Iran, announce publicly that Shaba' Farms is Syrian territory (to "cut the ground from under" Hizballah's claim that the land is Lebanon's and must be liberated from Israel), hand over to the U.S. 55 top Iraqi officials and military officers allegedly hiding in Syria (Armitage provided a list with addresses, phone numbers, and cell phone numbers for each name), and ensure that none of the Kornet AT-14 antitank rockets that Damascus recently purchased from Eastern Europe end up in Iraq (Armitage provided a list to show that the U.S. has the serial numbers of each rocket for tracking purposes). During Rice's meeting with Sharon on 2/6, the two reportedly shared concerns regarding Syria and Iraq, with Rice vowing that the U.S. would exert greater pressure on Syria.

Meanwhile, Israel stepped up its rhetoric against Syria, notably launching a media campaign highlighting the threat from Hizballah and Syria's ultimate responsibility for Hizballah's actions (see above). Tensions were raised when a bomb exploded in Damascus on 12/13 under the car of Hamas member Misbah Abu Huwayla, injuring him and two bystanders; Hamas accused Israel of attempting to assassinate Huwayla (Israel neither confirmed nor denied responsibility). In addition, Mossad director Meir Dagan told (1/24) the Knesset Foreign Affairs and Defense Committee that there were indications that Syria was developing a nuclear program.

It was against the background of this media blitz that former Lebanese PM Hariri was assassinated in Beirut. While the U.S. stated that it was "not pointing fingers" and an anonymous State Dept. official said (2/14) that "there's no evidence to link [the assassination] to Syria," it was clear that the

U.S. was blaming Syria, and the same official noted that pressure on Syria is "going to spike in the wake of this event." On 2/15, the U.S. recalled its ambassador in Damascus, expressing its "profound outrage" over Hariri's assassination and its general displeasure at Syria's failure to cooperate with the U.S. and at the "continued presence and operational activity of international terrorist groups and the Iranian regime on and through Syrian territory." Despite Syria's repeated overtures to Israel, Washington also said (2/15) that it was "frustrated that Syria has not joined the Arab-Israeli peace process." Within a day of Hariri's death, Washington was actively debating imposing additional sanctions under the Syria Accountability Act, invoking the Patriot Act to bar financial transactions between American and Syrian businesses and subsidiaries, and/or using a presidential executive order to freeze Syrian assets in the U.S.

With regard to the Hariri assassination, it is worth noting that the Lebanese daily *al-Hayat* on 2/13, the day before the murder, reported that UN envoy Larsen had met with Asad and warned him against "any bloodletting in Lebanon" and specifically stated that assassinating Hariri or Druze opposition leader Walid Junblatt would "constitute a point of no return in relations between Syria and the international community."

Of additional note with regard to Syrian-U.S. relations, *Ma'ariv* (11/23) reported that Syrian amb. Mustafa, at the mid-11/04 private function attended by the Israeli consul general in Washington (see above), had related that two weeks before the U.S. launched war on Iraq, he (Mustafa) had been called to the Pentagon and warned that "the main cost of the war was moving the U.S. army to Iraq. Once the forces were there, the cost of invading Syria would be practically negligible, and so he should draw his own conclusions." Sources at the U.S. Naval War College reported (1/24) that a U.S. strike on Syria was narrowly averted in 12/04 and that the plans were put on hold because of objections from the army.

In other events this quarter: At the Herzliya policy conference on 12/16, former Mossad officials Uzi Arad and Shmuel Bar and academic Gideon Bigler proposed a plan for Israeli withdrawal from almost all of the Golan Heights (up to the Golan ridge-line overlooking Lake Tiberias), with the land retained to be compensated by Jordan giving Syria land on the Jordanian-Syrian border and Israel compensating Jordan with a

strip of desert land on the Israeli side of the Jordanian-Israeli border. The three-way plan, though clearly not official, is important by virtue of its presentation at the high-powered Herzliya conference.

Israeli pres. Moshe Katsav stated (12/9) that in the past few months he had sent several messages to Asad requesting return to Israel of the remains of Egyptian-born spy Eli Cohen, who was executed in Syria in 1965. Katsav said that he was seeking the return for humanitarian reasons and was not asking for a good-will gesture by Syria. Syria reportedly had not responded.

On 12/22, Israeli DM Mofaz approved the sale of 10,000-15,000 tons of apples to Syria by Druze farmers in the Golan. Quiet talks on the deal reportedly began in late 10/04, but the sale was held up because Israel would not allow a delegation of Golan Druze farmers to go to Syria to negotiate the final price and means of payment. The delegation was finally permitted to travel on 1/16, and the deal was finalized on 2/7. Damascus stressed (2/7) that the arrangement did not constitute a commercial tie with Israel.

Prominent Syrian MP Muhammad Habash, who is president of the Center of Islamic Studies in Damascus, was denied (12/13) entry into the U.S. at Dulles Airport when he arrived to attend a conference on interfaith dialogue. Immigration officials said that his passport had not been properly stamped when he left the U.S. on a previous visit, canceled his visa, and put him on the next plane back to Syria.

Syria also redeployed (12/18) a small contingent of troops from three security and intelligence offices in Beirut and northern Lebanon, moving them to Syria.

REGIONAL AFFAIRS

RELATIONS WITH ISRAEL

Egypt, Israel, and the U.S. finalized (12/14) an agreement establishing seven Qualified Industrial Zones (QIZs) in Alexandria, Cairo, and Port Said. Products made in QIZs using a minimum of 35% of raw materials from Egypt and Israel may be imported to the U.S. duty-free, with Egypt and Israel each contributing at least a third of the minimum (11.7%). QIZs were first established in Jordan in 1996 with the aim of building Jordanian-Israeli ties and creating jobs in Jordan in the wake of the 1994 peace treaty. A QIZ agreement was later reached with Turkey to improve Turkish-Israeli ties.

An Egyptian QIZ has been discussed for nearly two years but was delayed because of disagreements on the percentage inputs from each side. Egypt and Israel reportedly felt that now was the proper time politically to finalize the deal.

The IDF reported (1/13) that unauthorized Egyptian passenger aircraft had been increasingly violating Israeli airspace near Elat and that air defenses in the south had been reinforced in response. Egypt denied that any passenger planes had strayed across the border.

Israel's Manufacturers Association reported (2/7) that in 2004, exports to Iraq rose ten-fold to \$5 m., exports to Gulf states rose by 110% to \$1.9 m., exports to Jordan rose by 55% to \$134 m., exports to Egypt rose by 11% to \$29.2 m., and exports to the PA areas rose by 9% to \$1.6 b.

INTER-ARAB HIGHLIGHTS

Even before the 1/9 presidential elections, Abbas, as PLO head, made significant efforts to improve Palestinian relations with Arab states that had been strained over disagreements in the past with Arafat. On 11/21, Fatah chairman Faruq al-Qaddumi traveled to Syria for consultations regarding strengthening bilateral relations and creating an Arab front "to face the forthcoming [post-Arafat] stage." As a result of the visit, Syria invited the PA leadership to visit Damascus. Abbas, Qurai', and Fattuh together subsequently traveled to Jordan on 11/29 and 12/8-9, Syria on 12/6, Lebanon on 12/8, Kuwait on 12/12, Saudi Arabia on 12/13-14, and the UAE on 12/19, with the aim of rebuilding and reinforcing bilateral relations, seeking to unify Arab support for the Palestinians, and laying the ground for obtaining economic and political backing from the Arab states in "the coming period," suggesting that the PA would request specific commitments after the 1/9 elections.

In Syria, Abbas and Asad agreed to resume high-level contacts, suspended by Syria in 1993 following the signing of the Oslo Accord. (The last official Palestinian delegation to Syria was in 1996.) Abbas reportedly promised Asad that the Palestinians would coordinate with Syria on future peace talks with Israel but stopped short of linking Israeli-Palestinian talks to Israeli-Syrian negotiations. PA Justice M Nahid al-Rayyis made a follow-up visit to Damascus on 12/17 for talks with the Syrian justice and social affairs ministers on the Palestinian-Syrian Fraternal Association, newly established by the PA

Interior Min. after Abbas's visit. The sides discussed setting up a Syrian counterpart to the Palestinian organization (tentatively called the Syrian Brotherhood Association), bilateral relations and future challenges, and methods of cooperation.

The Abbas-Qurai' trip to Lebanon marked the first visit by the Palestinian leadership to Lebanon since Arafat withdrew to Tunis in 1982. The Palestinian delegation met with Pres. Emile Lahoud, PM Omar Karami, and Speaker Nabih Birri in Beirut; then went to Shatila r.c., Sidon, and Rashidiyya r.c. (Fatah strongholds), where they were greeted by 1,000s of refugees and pledged to uphold the right of return. Following the visit, Karami stated (12/14) that Lebanon was seriously considering a request by Abbas to allow a Palestinian embassy in Beirut.

In Kuwait, Abbas apologized on behalf of the PLO for Palestinian "support" of Saddam Hussein during the 1990-91 Iraq conflict. Kuwait previously had demanded an apology from Arafat as a condition for a senior PLO visit to the emirate; though Kuwait dropped the demand for Abbas, he made the apology anyway. Abbas requested that Kuwait consider allowing the marketing in Kuwait of Palestinian olive oil, providing financial aid and contributions in kind to the Palestinians, reopening the doors to Palestinian laborers, especially from Lebanon (the large Palestinian community in Kuwait having been expelled in 1991 at the end of the Gulf War in retaliation for the PLO's position), and reopening the Palestinian embassy in Kuwait. Kuwaiti PM Shaykh Sabah al-Ahmad al-Jabir al-Sabah agreed to consider the requests and pledged continued support for the Palestinian cause. In mid-1/05, a delegation from the PA Agriculture Min. arrived in Kuwait to discuss the marketing of Palestinian olive oil, and a delegation of Kuwaiti NGO reps. was reportedly preparing a trip to the territories with the aim of purchasing consumer goods to donate to needy Palestinian families (thereby providing a double economic benefit).

In Saudi Arabia, Abbas reaffirmed already strong ties with the kingdom, which has been one of the top donors to the PA. Abbas also preemptively rejected any plans to resettle refugees in Arab countries and reiterated that Palestinian violence during the intifada "has been damaging and should end." Before the visit, Saudi Arabia announced (12/12) that beginning in 1/05, it would build 600 houses in Gaza City, Jenin, Khan Yunis, Nablus, Rafah, and Tulkarm for Palestinians

whose homes had been demolished by the IDF. The project was estimated to cost \$6.5 m., paid by the Saudi Fund for Development. Another project to build 950 houses in Rafah was already underway, with financing from Crown Prince Abdallah. On 2/14, the Saudi Relief Committee for the Palestinian People signed an agreement with UNRWA to provide some \$1 m. for the renovation of 645 damaged houses in Gaza and 1,700 in the West Bank.

In a closed-door meeting with intellectuals and journalists, Egyptian pres. Mubarak stated (1/17) that he had turned down an offer from unnamed "foreign powers" of \$70 m. toward his campaign in the upcoming Egyptian general elections if Egypt would agree to resettle Palestinian refugees in the al-Ghurdaqqa desert on the Red Sea.

INTERNATIONAL

UNITED STATES

Soon after the 11/04 elections, the Bush administration made it known that Iraq and the Israeli-Palestinian conflict would remain a priority in Bush's second term. En route to the region on 11/21, Powell stated that the Bush administration was all the more "determined to move forward now that this opportunity [Arafat's death] has presented itself."

On 12/20, Bush held a news conference setting out the goals of his second term. Regarding the Israeli-Palestinian conflict, he said, "It became apparent to me that peace would never happen so long as the interlocutor in the peace process was not really dedicated to peace or dedicated to a state. . . . There will never be peace until a true democratic state emerges in the Palestinian territory. And I am hopeful right now, because the Palestinians will . . . have elections, which is the beginning of the process toward the development of a state. It is not the sign that democracy has arrived. It is the beginning of a process."

In his state of the union address (2/2), Bush vowed that "America will stand with the allies of freedom to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world" and stated that "the beginnings of reform and democracy in the Palestinian territories are now showing the power of freedom to break old patterns of violence and failure." He said that creation of a viable Palestinian state and end to the Israel-

Palestinian conflict was within view, and pledged to seek \$350 m. from Congress to "promote democracy" (i.e., political, economic, security reforms) in the Palestinian territories (aides say that up to \$80 m. of that amount could go to Israel to pay for high-tech security crossings into Israel; of the \$350 m., \$200 m. would come from a special supplemental budget request, \$150 m. from the FY 2006 budget which begins in 10/5). He also said that U.S. troops must remain in Iraq as long as the situation there and in the immediate region remains unstable; vowed to "confront regimes that continue to harbor terrorists and pursue weapons of mass destruction," citing Iran and Syria; and hinted that if Iranians and Syrians rose up to challenge their governments, the U.S. would support them. He also vowed to hold Syria to the requirements of the Syria Accountability Act and urged Egypt and Saudi Arabia to reform their autocratic regimes.

Immediately after the elections through the end of 11/04, senior White House officials quietly held talks with Congress, diplomats, think tank analysts, and Jewish groups to express Bush's intention to press the next PA president to "make key structural changes to insure the rule of law, effective counterterrorism, and transparency" before reviving peace talks. For example, while Rice was still national security adviser, she met with leaders of the Jewish community on 11/29 and promised that the U.S. would not send a new Middle East envoy or endorse a peace conference (as suggested by Blair) until after the 1/9 elections. Several days before, National Security Council Middle East adviser Elliott Abrams met with European ambassadors at the White House (the second such meeting since the 11/2 elections) to reiterate the U.S. position that any final status agreement would have to acknowledge Israel's claim to "the territory on the West Bank that hosts the majority of settlements"; he also pressed the EU states to play a more active role in the peace process. Administration officials reportedly reassured American Jewish groups that "Bush's new proactive posture in the Middle East will not diminish his closeness to Israel"; weeks before Rice's 11/29 meeting, Abrams had outlined the same themes in a conference call with the same Jewish groups. At the same time, the State Dept. reportedly was working on a series of specific reforms it would demand the PA implement after the 1/9 elections and planned to discuss specific reforms at the upcoming donors' conference in Oslo.

Bush also reportedly ordered Abrams, Rice, and other staffers to read Israeli MK Natan Sharansky's new book *The Case for Democracy: The Power of Freedom to Overcome Tyranny and Terror*, which argues that only free societies guarantee regional and global security.

Before Powell visited Israel and the PA areas on 11/21–22, the White House informed key congressional leaders that the administration planned that Powell would announce a renewal of direct U.S. aid to the PA (\$20 m.–\$70 m. to cover the cost of elections) as a gesture of support to the emerging moderate Palestinian leadership. House majority leader Tom DeLay (R-TX), however, quickly mobilized conservative Christian evangelical and Jewish groups and informally warned the White House that Congress was prepared to fight the reinstatement of direct aid and would not give its endorsement unless the U.S. secured additional PA guarantees for accountability and oversight of the money, particularly guarantees that the funds would not go to corrupt PA officials or “extremist groups.” Though the White House does not need congressional approval to give the PA direct aid, it backed down, preferring to work it out with Congress, with the aim of making an announcement at the 12/04 donors’ Ad Hoc Liaison Committee (AHLC) meeting in Oslo.

In Rabat on 12/11, Powell took part in a one-day conference on democracy in the Middle East, the Forum for the Future, also attended by reps. of 20 Arab and Muslim countries and members of the G-8. The 3.5-hr. meeting was highly scripted, with the few opening remarks, mostly by Western leaders, to be broadcast to the media, but Moroccan officials “accidentally” failed to turn off the audio feed to the press room, allowing the press to hear strong criticisms by Arab FMs and other senior Arab officials, who “emphatically reject[ed]” Powell’s assertion that advancing democracy would help end terrorism and stressed that the U.S.’s unquestioning support for Israel and the ongoing war in Iraq fed extremists’ anger and made it difficult to undertake reforms. Even before the meeting, the EU expressed (12/10) pessimism that any progress could be made on democratization until the Israeli-Palestinian conflict is solved, but Powell said (12/10), “We can’t keep pointing to the Middle East peace process as the reason we don’t undertake reform efforts.” Due to strong Arab objections to Bush’s democratization goals, most of the issues on the

conference agenda were economic and social, not political; only 2 political briefings on projects already underway were scheduled: an NGO project and a democracy dialogue among Turkey, Yemen, and Italy. Hopes to organize a \$100-m. microfinance fund for small- and mid-sized businesses did not materialize.

The Senate passed (2/1) by unanimous consent S. Res. 27 welcoming the 1/9 PA elections, recognizing that Abbas had been elected president of the Palestinian people in free and fair elections, and urging the PA to make progress quickly toward halting violence, dismantling “terrorist organizations,” and reforming the PA; the House version of the same measure, H. Res. 56, passed by 415–1 on 2/2, with Rep. Ron Paul (R-TX) voting against. H.R. 418, the REAL ID Act, as introduced (1/26) to the House by Rep. James Sensenbrenner (R-WI), included language stating that “An alien who is an officer, official, representative, or spokesman of the Palestine Liberation Organization is considered, for purposes of this Act, to be engaged in a terrorist activity.” Though the measure passed (2/10), reference to the PLO had been dropped.

After the World Bank rejected Israel’s request for financing the installation of new, high-tech crossing points and upgrading others along the separation wall (see below), Israel requested (ca. 1/11) that the U.S. contribute \$180 m. toward the \$450 m. project.

There were several incidents of U.S.-Israeli tensions relating to security matters during the quarter. The Israeli DMin. and Pentagon denied (12/15) rumors that the U.S. had accused Israeli DMin. dir. gen. Amos Yaron of industrial espionage and demanded his resignation. However, Israel did acknowledge that the U.S. had privately complained about “overly insistent information-gathering by Israelis at military equipment exhibitions” (while denying that classified material had been involved) and that Israeli officials had been questioned by the FBI. As a result, Israel had convened all its defense envoys in New York earlier in 12/04 to issue new guidelines. U.S. concerns were also aired about Israel upgrading a Chinese weapons system it claimed to have “repaired”; the U.S. felt that Israel had lied about the project and possibly had illegally transferred U.S. technology to China. As of 12/22, the U.S. was demanding that Israel not return to China the system sent for “repair.”

In a similar vein, the FBI searched (12/1) American Israel Public Affairs Committee (AIPAC) offices, confiscated computer hard drives and files, and served four employees (Exec. Dir. Howard Kohr, Managing Dir. Richard Fishman, Communications Dir. Renee Rothstein, Research Dir. Raphael Danziger) with subpoenas to appear before a grand jury as part of its continuing investigation into whether AIPAC officials had received classified documents from Pentagon analyst Larry Franklin and then passed them to Israel (see Quarterly Update in *JPS* 134). Following media reports, U.S. Rep. Robert Wexler (D-FL) sent (12/2) a letter to Bush urging him to investigate leaks and other "ethical lapses" regarding the FBI investigation of AIPAC, separately suggesting that the FBI was creating a "moral dilemma" for AIPAC officials by trying "to entrap them to tell Israelis about information that could save innocent lives." Wexler had sent a similar letter to Bush on 9/29/04, when the story of the AIPAC investigation first broke, alleging that the FBI agent heading the case, Assistant Director for Counterintelligence David Szady, was an anti-Semite on a personal crusade against Jews and demanding that he be fired. As of the end of the quarter, no charges against AIPAC or Franklin had been filed.

The FBI also raided and searched (12/8) the offices of prominent public relations firm Qorvis Communications, whose sole client is the Kingdom of Saudi Arabia. The FBI said that the government was conducting a "compliance inquiry" under the 1938 Foreign Relations Registration Act, under which the government keeps track of the lobbying activities of foreign governments and their representatives.

In mid-11/04, a U.S. federal court in Illinois ruled in favor of the family of an American teenager killed in a 1996 Hamas attack in the West Bank, finding 3 Texas-based charity groups—the Holy Land Foundation, the Islamic Association for Palestine, and the American Muslim Society—guilty of funding terrorism and thus liable for the teenager's death. The suit claimed the charities gave money to some charity groups and mosques in the West Bank and Gaza knowing that it would go to Hamas to fund terrorist attacks. The prosecutors successfully argued that the U.S. government's closure of the organizations following the 9/11 attacks "left no reasonable doubt that the Muslim-American charities had funded Hamas and knew about the group's involvement in terrorism." Hear-

ings on damages began on 12/1; the family is seeking \$200 m.

A U.S.-based organization called Victims of Violence in Israel filed (12/22) a lawsuit in federal court against the Amman-based Arab Bank, the largest bank in the Arab world, seeking billions of dollars in damages for the "mass extermination campaign" facilitated by the bank which allegedly transferred funds to armed organizations in the occupied territories that were used to stage suicide bombings. U.S. regulators soon after opened a federal probe to determine if the bank could be charged with money laundering. The Arab Bank announced (2/8) plans to close its New York branch as a result. On 2/26, the U.S. Office of the Comptroller of the Currency ordered the bank to transform its New York branch into a "federal banking agency," which is not authorized to conduct wire transfers, and to stop accepting new accounts.

Also of note: The U.S. authorities in Iraq allowed some 130,000 Israelis who had emigrated from Iraq (and who have either an Iraqi birth certificate, wedding certificate, university diploma, or land registry ownership certificate) and the children of Iraqi-born fathers to vote in the 1/28-30 Iraqi elections by casting absentee ballots at a polling station in Amman. Israel viewed (1/13) the voting opportunity as a chance to improve ties with Iraq. Some 1 m. Iraqis in 14 countries were allowed to participate, including some 240,000 Iraqis in the U.S. There was no word on how many Israeli or U.S. Iraqis voted.

RUSSIA

Russia's regional involvement this quarter was limited. Abbas visited Russia (1/30-2/1) to discuss the upcoming Sharm al-Shaykh summit with Russian pres. Vladimir Putin and FM Lavrov. Putin vowed to continue assistance to the Palestinians and to support peace efforts that would lead to creation of an independent Palestinian state. PA national security adviser Rajub traveled (12/1) to Moscow to brief Russian security council secy. Igor Ivanov on recent developments.

EUROPEAN UNION

EU-Israeli relations continued to be strained. In a briefing to Israeli ambassadors to Europe back in Israel for consultations, Sharon stated (12/28) that EU states would not be able to take part in the peace process as long as they continued to follow an "unbalanced policy toward Israel."

Israel and the EU signed (12/13) an agreement to expand political, economic, legal, infrastructural, educational, and environmental cooperation. Specific programs mentioned included joint efforts to fight organized crime and drug trafficking and to provide greater mobility for students and academic faculty.

Two British pro-Palestinian aid groups, Friends of al-Aqsa and Palestinian Solidarity Campaign, reported (1/3) that their bank accounts had been closed by the Royal Bank of Scotland (RBS) and Alliance and Leicester Bank without explanation, even though they are not on British Home Office watch lists. The banks said that they were not obliged to discuss reasons. Under threat of major protests outside its branches, RBS unfroze the accounts on 1/7.

UNITED NATIONS

Israel generally praised what it viewed as improving relations with the UN this quarter. For example, Israel hailed (1/20) plans by the UN General Assembly (UNGA) to hold a special session to mark the 60th anniversary of the liberation of the Nazi death camps, calling the decision "a change in the attitude in the United Nations toward Israel." The event, held 1/24, had been proposed by Israel, cosponsored by 30 nations (including Australia, Canada, Russia, the U.S., and many in Europe), and supported by 138 member nations. On 11/22, a UN committee for the first time passed (177-0) a resolution explicitly condemning anti-Semitism; the annual resolution on religious intolerance for 2004 added a clause "including cases motivated by Islamophobia, anti-Semitism, and Christianophobia." The text was approved (186-0) by the UNGA on 12/20. Israel was also pleased that this year's resolution on Israeli practices affecting Palestinian human rights included a clause expressing "grave concern at the use of suicide bombing attacks against Israeli civilians, resulting in extensive loss of life and injury," though it still opposed the resolution in general. The measure passed on 12/10 by 149-7, with 22 abstentions (Australia, Israel, the Marshall Islands, Micronesia, Nauru, Palau, the U.S. voting against). Israel said (11/29) that the statement was included at the EU's insistence.

In addition to the resolution on Israeli practices affecting human rights, the UNGA reaffirmed (12/10) another eight annual resolutions on the Palestinian issue: a resolution endorsing the recommendations of the Spe-

cial Comm. to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories (84-9, with 80 abstentions; Australia, Canada, Granada, Israel, the Marshall Islands, Micronesia, Nauru, Palau, the U.S. voting against); a resolution endorsing the applicability of the Fourth Geneva Convention to the occupied territories (160-7, with 11 abstentions; Granada, Israel, the Marshall Islands, Mauritania, Micronesia, Palau, the U.S. voting against); a resolution on the Israeli settlements in the occupied territories, including East Jerusalem and the Golan (155-8, with 15 abstentions; Australia, Granada, Israel, the Marshall Islands, Micronesia, Nauru, Palau, the U.S. voting against); a resolution on the occupied Golan Heights (160-2, with 9 abstentions; Israel, Palau voting against, the U.S. abstaining); a resolution on displaced persons from the 1967 war (162-6, with 9 abstentions; Granada, Israel, the Marshall Islands, Micronesia, Palau, the U.S. voting against); a resolution on Palestinian refugees' property (161-6, with 9 abstentions; Granada, Israel, the Marshall Islands, Micronesia, Palau, the U.S. voting against); and 2 resolutions supporting the UNRWA (one passing 167-1 with 11 abstentions, with Israel voting against and the U.S. abstaining; the other passing 163-6, with 7 abstentions, with Granada, Israel, the Marshall Islands, Micronesia, Palau, and the U.S. voting against).

In keeping with a 7/04 UN res., UN Secy-Gen. Annan took (1/11) preliminary steps to create a register for damage claims stemming from Israel's construction of the separation wall for possible use in future claims and legal actions.

Israel continued to harass UNRWA this quarter. Israel's Jerusalem municipality presented (11/16) UNRWA with a stop-work order, demanding that it halt "illegal construction" inside its field office in the Ma'alot Dafna settlement in annexed East Jerusalem. UNRWA argued that its diplomatic status exempts it from the requirement to obtain a building permit, which is almost impossible for anyone except Israeli Jews. UNRWA ignored the order, while the Israeli FMin. formally demanded (early 12/04) compliance. The issue apparently was not resolved by the end of the quarter.

With UNRWA head Peter Hansen's nine-year term coming to an end, the U.S. successfully lobbied to block (1/20) his reappointment. The World Jewish Congress and AIPAC had strongly lobbied the U.S. to block

the reappointment, and in late 2004, U.S. Rep. Tom Lantos (D-CA) met with Annan to say that the Bush administration wanted Hansen out. In 12/04, Annan reportedly told Hansen, "I don't have the political capital with the Americans to keep you." Hansen, considered by Israel and the U.S. to be soft on "terrorism" and (in the words of Israeli ambassador to the UN Dan Gillerman) an "Israel hater," will step down on 3/31/05.

Meanwhile, donors pledged \$90 m. toward the UNRWA's \$339 m. budget for 2005. Major donations included \$30 m. from Sweden, \$16.4 m. from Norway, \$16 m. from the Netherlands, \$11 m. from Denmark, \$6.5 m. from France, \$2.1 m. from Luxembourg, \$1.5 m. from Kuwait, \$1 m. from each of Austria and Belgium. Pledges of under \$1 m. were received from China, India, Malaysia, South Korea, Spain, Thailand, the UAE, and the Vatican. The 2005 budget is allocated to education (66%), health care (22%), and relief and social services (12%).

The U.S. put plans on hold (1/21) to force the replacement of the UN's International Atomic Energy Agency Dir. Gen. Mohamed El Baradei after all 15 countries approached by the U.S.—including Australia, Britain, and Canada—refused to support the move. The U.S. believes that El Baradei took a soft line on Iraqi WMD proliferation and is being similarly weak on Iran. The other countries approached by the U.S. were Belgium, France, Germany, Hungary, Italy, Japan, Mexico, the Netherlands, Poland, Pakistan, South Africa, and South Korea.

As of 12/23, the U.S. was reportedly blocking the UN Development Program (UNDP) from releasing its 2004 Arab Human Development Report, threatening to withhold its \$100 m. contribution to the UNDP budget if it was released. The U.S. objected to sections of the report noting the detrimental effects on Arab development of Israel's occupation of Palestinian territory and the U.S.'s occupation of Iraq. In 2004, the U.S. yanked \$12 m. slated for the UNDP in punishment for its 2003 report, which the U.S. had not seen before publication. As of the end of the quarter, the report had not been made public.

Also of note: Terje Larsen left (1/3) his post as UN special coordinator for the Middle East peace process to begin a new job as UN special envoy for the implementation of UN Res. 1559, calling for withdrawal of foreign forces (i.e., Syrian troops) from Lebanon. A new special coordinator for the peace process was not announced.

TURKEY

Turkish FM Abdallah Gul toured (1/3-5) Israel and the PA areas with the particular aim of rebuilding bilateral ties with Israel after Turkish PM Recep Tayyip Erdogan had accused it of engaging in "state terrorism" against the Palestinians (see Quarterly Update in *JPS* 133). Gul was accompanied by 100 businessmen, journalists, advisers, and parliamentarians.

The Turkish national assembly ratified a 7/04 interim free trade agreement with the PA, aimed at facilitating development of the Palestinian economy and improving standards of living, as well as at enhancing bilateral trade. The agreement will go into force upon ratification by the PC. Turkey also signed (12/21) an aid agreement with the PA, giving the PA \$900,000 for small- and medium-sized development projects.

IRAN

As noted above, Iran was a target this quarter of a limited Israeli media campaign that blamed Tehran for supporting attacks on Israel and for generally destabilizing the region by its support of Hizballah (see above). Sharon reportedly gave Powell secret information about Iran's nuclear program during Powell's visit to Israel on 11/22, and shared concerns about Iran with Rice during her 2/6 visit.

Iran announced (12/19) that it had arrested 8 Iranian citizens for alleged participation in a spy ring collecting information for Israel; there was no information concerning their religious affiliation.

DONORS

The main donor event this quarter was a long-delayed AHLC meeting held in Oslo on 12/8. The purpose of the meeting, originally planned for 9/04 and then for 11/04, was to discuss aid to rebuild Gaza after Israeli disengagement. The PA had protested (see Quarterly Update in *JPS* 134) that the agenda "may have the effect of reinforcing Israel's unilateral acts and further harm prospects for a viable solution to the conflict by focusing on short-term needs in the Gaza Strip without sufficient attention to the West Bank." In light of Arafat's death, the focus of the meeting was changed to provide "a showcase for the new Palestinian leaders and an opening for Israel and other parties to demonstrate support." Donors debated the idea of offering the Palestinians a

four-year, \$6 b.-\$8 b. aid package (nearly double the current aid levels of around \$1 b./year) if the 1/9/05 elections were held "successfully," if the new PA government "cracked down" on militant groups, and if Israel lifted roadblocks and checkpoints to facilitate Palestinian movement. Donors hoped the aid would boost the popularity and capability of "moderate Palestinian leaders." The PA said that \$1.5 b./year for three years would be the "absolute minimum" necessary to keep the PA functioning and requested \$400 m. to fund the reconstruction of its security apparatus. At the meeting, the EU allocated \$330 m. in aid, the U.S. \$100 m., Saudi Arabia \$90 m., Norway \$75 m., Japan \$60 m., the European Commission Humanitarian Aid Office \$55 m., the Islamic Development Bank \$55 m., the World Bank \$50 m., and Canada \$33 m. (projects unspecified in media reports). In addition, the U.S. allocated \$20 m. and Norway \$5 m. for recurrent expenses, and the EU allocated \$13 m., the U.S. \$5 m., and Japan \$1.5 m. for PA elections. The U.S. transferred (12/28) the \$20 m. for elections directly to the PA, marking the first direct payment since 8/03, as a reward for the Palestinians "careful management of a difficult leadership transition and their commitment to the electoral process."

Regular monthly Local Aid Coordination Committee meetings were held in Gaza on 11/24 and 12/16. Following a recent restructuring of sector working groups (SWGs), three of four existing SWGs—health, education, and municipal service delivery—were holding regular meetings, while the agriculture SWG had yet to convene. The PA Ministry of Planning also proposed (ca. 12/16) establishing five more SWGs to coordinate job creation, private sector development, water and sanitation, technical and vocational educational training, and food security.

The PA reportedly asked (11/30) donors to turn down an Israeli request for some \$200 m. to fund the upgrading of secondary roads and paving of new roads in the West Bank (some 500 km of roads in total) for Palestinian use, as well as the construction of 16 tunnels and bridges to create "transportation contiguity" between the islands of PA control in the West Bank and to take the place of primary roads that the IDF bars Palestinians from using. Donor reps., including the U.S. consul general in Jerusalem, officially stated that they would not fund any program opposed by the PA. Israel had similarly raised the issue of donor funding for the upgrade of IDF checkpoints along the separation wall when World Bank president James Wolfensohn visited Israel on 12/21, but Wolfensohn did not comment publicly. Qurai' stressed (12/21) to Wolfensohn that Israel should halt construction of the separation wall altogether.

World Bank West Bank and Gaza dir. Nigel Roberts stated (12/1) that Israel wanted to transform the Gaza Strip into a separate customs zone from the West Bank after disengagement, removing it from the restrictions of the Paris Protocol agreement. The change could affect Israel's collection and transfer to the PA VAT taxes on goods entering Gaza, which currently comprise two-thirds of all PA income. No details of Israel's proposed new customs union were released.

The Israeli FMin. reportedly was drafting (ca. 12/20) a diplomatic initiative aimed at finding a permanent solution to the Palestinian refugee issue in the West Bank, Gaza, and neighboring Arab states. The proposal apparently asks donor countries either to divert aid they would normally give for PA recurrent expenses to providing permanent housing for refugees where they currently reside or to absorb refugees themselves.