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JOURNALS + DIGITAL PUBLISHING



Peace Monitor: 16 November 1998-15 February 1999

Source: *Journal of Palestine Studies*, Vol. 28, No. 3 (Spring, 1999), pp. 112-127

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

Stable URL: <http://www.jstor.org/stable/2538322>

Accessed: 30-03-2015 17:00 UTC

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PEACE MONITOR

16 NOVEMBER 1998–15 FEBRUARY 1999

The Peace Monitor is a quarterly summary of bilateral, multilateral, regional, and international events affecting the peace process.

BILATERALS

PALESTINIAN-ISRAELI TRACK

Due to Israeli delays in ratifying the 10/23 Wye River Memorandum (see Peace Monitor in *JPS* 110), the quarter opened with implementation of the agreement already a week behind schedule. While the Palestinian Authority (PA) had kept to, if not exceeded, the accord's 12-week timetable and some progress was noted on the joint committee level, Israel's new demands, a dramatic increase in settler activity, and rhetoric on both sides threatened further progress. The mood on the Palestinian street worsened noticeably in reaction to perceived bad faith of the Israeli government and the PA's seeming resignation to Israeli obstacles.

The Knesset went ahead with the debate on Wye ratification on 11/16—the date when the first stage of the second further redeployment (FRD) was to have been completed—and approved it on 11/17 by a vote of 75-19, with 9 abstentions and 16 MKs not voting. (By comparison, the Camp David Accord passed the Knesset by a vote of 64-17.) The Israeli cabinet approved the first stage of the FRD (7-5, with 3 abstentions, 2 absent) on 11/19. The Knesset and cabinet votes, which passed only with support from the Left and without the backing of key coalition members, underscored PM Benjamin Netanyahu's tenuous position within his right-wing government. For the first time it seemed possible that the government could fall over an agreement with a public approval rating of as high as 70–75%.

Although the first stage of the FRD was carried out on 11/20 (see below) and Israel implemented the first part of the Palestinian prisoner release (11/20) as required by Wye (see below), Netanyahu put off further implementation until the PA met Israel's heightened requirements and switched attention to cementing his rightist coalition. On 11/25, he began discussions with various politicians with an eye to reshuffling the cabinet or forming a unity government (see Chronology), but all options fell through, and the

Knesset moved for a no-confidence motion set for 12/9.

Meanwhile, the FRD and prisoner release were “too little, too late” for the Palestinians. While the FRD was merely anticlimactic, failing to give Palestinians any feeling that their condition had been improved, the prisoner release, in which Netanyahu freed mostly common criminals rather than political detainees, sparked massive demonstrations aimed both at Israel and, secondarily, the PA for not securing the political prisoners' release (see below). Netanyahu's response was to threaten to halt Wye implementation altogether if the PA did not suppress the popular protests, which he viewed as acts of official incitement.

When a demonstration in Ramallah on 12/2 ended in the beating of an IDF soldier, Netanyahu suspended (12/2) the FRD until the PA complied with a new list of demands, including publicly abandoning plans to declare a state in 5/99, accepting Israeli criteria for prisoner releases, and halting all “acts of incitement.” The U.S. objected (12/2) to the new demands, saying that the accord “should be implemented as signed,” but Israel reiterated (12/6, 12/7) that it would not move forward on the grounds that the PA had “violated every paragraph” of the Wye memorandum.

Despite the freeze in implementation and the expected fall of Netanyahu's government, the U.S. went ahead with plans made at the Wye talks for Pres. Bill Clinton's 12/12-15 visit to Israel and the occupied territories, forcing the Knesset (12/7) to delay its no-confidence vote until 12/21, after Clinton's visit and the 12/18 date for the second stage of the FRD. Clinton arrived in Israel 12/12 (the day the U.S. House of Representatives approved four counts of impeachment against him in the Monica Lewinsky case). PM Netanyahu greeted him at the airport with a warning that Wye was unraveling and that he would not mute his criticism of the PA.

The U.S. team took a hard line with the Netanyahu government during the tour. The

U.S. team told Israel (12/13) that it must recognize that Palestinians are entitled to ambitions of statehood and urged Netanyahu to find a "creative" way to carry out the second stage of the FRD on 12/18. During Clinton's 12/14 visit to Gaza, he referred to the Palestinian people's "chance to determine their own destiny on their own land" but did not mention the right to self-determination directly. The statements earned Palestinian praise and Israeli denunciations. PM Netanyahu and FM Ariel Sharon also protested (12/14) comments by Clinton in his speech to the Palestine National Council (PNC) comparing the suffering of Palestinian children whose fathers are in Israeli jails with that of Israeli children whose fathers were killed by Palestinians, prompting a State Department clarification (12/14) that the president "meant to draw no parallel between terrorist and victim."

Despite the tense atmosphere surrounding the trip, Israel and the PA did fulfill two Wye requirements: the PNC nullified the PLO charter (12/14; see below), and the U.S., Israeli, and PA teams presided over the opening of the Qarni industrial estate (12/14), which the PA hopes will create 20,000 Palestinian jobs and facilitate exports. Although PM Netanyahu said he was satisfied with the nullification of the charter, he repeated that he would not carry out the 12/18 FRD.

In a last attempt to gain assurances on Wye compliance before he left, Clinton met with PA head Yasir Arafat and PM Netanyahu together at Erez border crossing on 12/15. Netanyahu presented a list of 12 alleged violations or unfulfilled obligations (see Doc. C1) that he said the PA must accept before Wye implementation could continue. Arafat expressed frustration with the demands in light of the 12/14 PNC decision and denounced Israeli settlement expansion, failure to open the safe passage corridors, and failure to release political prisoners. Clinton warned that it would be "unfortunate" if Israel fell too far behind the Wye timetable and reprimanded Netanyahu for calling on Arafat to renounce a Palestinian state, saying "neither side should try to stop the other from saying what their vision of the future is."

Although the 12/12–15 presidential trip was meant to provide a boost to the peace process, all parties seemed preoccupied with other concerns. Indeed, the U.S. team, already distracted by impeachment proceedings, spent a large portion of its time in the region preparing for an attack on Iraq, which was launched immediately upon Clinton's return to Washington on 12/16 (see Chronol-

ogy). The attention of the entire region was then absorbed by the succession in Jordan and the death of King Hussein on 2/7 (see below). Inside Israel, PM Netanyahu announced (12/16) immediately after Clinton's departure that he was prepared to call early elections and would make the 12/21 no-confidence vote, which he was by then expected to lose, a referendum on his 12-point list of demands given to Clinton on 12/15. On 12/20, the Israeli cabinet voted unanimously (with one abstention) to suspend Wye implementation until the PA met the 12 conditions.

On 12/21, PM Netanyahu preempted the Knesset no-confidence vote by calling new elections. Had the Knesset removed his government, elections would have been forced within 60 days. By calling new elections himself, Netanyahu could set them for a later date, giving himself more time to form a coalition. Israeli parties agreed (12/28) to hold general elections on 5/17, after the 5/4 end of the Oslo period, with runoffs for the prime ministership to be held, if necessary, on 6/1. As a result, Arafat publicly backed away (12/28) from plans to unilaterally declare a Palestinian state on 5/4 (see Peace Monitor in *JPS* 110), fearing it would provide political ammunition for the Israeli candidates.

With the lame-duck Netanyahu government, the U.S. gave up hope that any FRD would take place before 5/17, but urged (late 12/98) Israel and the PA to agree on a partial implementation of Wye (focusing on the prisoner release, safe passage, and the Gaza seaport) that could be carried out in the run-up to elections. Israel asserted (1/6, 1/11, 1/19, 2/10) that a partial plan was unnecessary—full implementation could take place if the PA complied fully with its list of 12 obligations.

For the rest of the quarter, Israel continued to accuse the PA of violating all clauses of the Wye memorandum. The U.S. State Department disputed the charges, saying on 1/6 that "There are some [PA] commitments that still have to be fulfilled, but in our view, overall, they are making progress. . . . [It] is the Israelis who have not fulfilled their . . . obligations." The U.S. also specifically denounced (2/3) as unfounded an Israeli media campaign begun in late 1/99, before Arafat's trip to Washington (see below), claiming that the PA had released five Palestinians linked to terrorist incidents that caused the deaths of Americans.

Expecting Israel to suspend the peace process until after 5/17 elections, the PA asked the U.S. (12/26) to convene a high-

level meeting in Washington to take a firm stand on Israel's failure to implement the Wye memorandum. On 1/17, U.S. special envoy Dennis Ross invited the sides to come to Washington in 2/99 to try to salvage the agreement. The PA accepted on 1/17, but Israel declined on 1/24, saying that the time was not right. The timetable for Wye implementation lapsed on 1/29. Channels of communication remained open between Israel and the PA, and Wye committees continued to meet, but no further progress was made.

Further Redeployment

Under the Wye agreement the first stage of the second FRD was to be completed by 2/16. Following Knesset ratification of the Wye accord on 11/17, the Israeli cabinet invoked its 11/11 demand to approve PA security compliance before allowing each stage of the phased FRD (see Peace Monitor in *JPS* 110) and announced that it would not meet on the FRD until 11/19, pending PA moves to collect illegal weapons and clamp down on incitement. Meanwhile, Israeli officials met (11/17) with settler leaders to review the final maps of the first stage of the FRD. Settlers ordered 117 specific changes, of which the government accepted half.

The cabinet approved (11/19) a plan for the first stage of the FRD for 11/20 under which several pieces of land around Jinin (comprising 2% of the West Bank, or 44 sq. mi.) would be transferred from full Israeli control (area C) to joint PA-Israeli control (area B), and other noncontiguous areas in the Jinin and Nablus areas (comprising 7.1% of the West Bank, or 160 sq. mi.) would be transferred from area B to full PA control (area A). After passing the measure, Israel showed FRD maps to the PA for the first time, on 11/19.

Israel made alterations to the maps overnight without informing the PA and began FRD the morning of 11/20. When Arafat learned that the FRD areas had changed, he demanded that the IDF halt until he saw new maps. After his approval, the FRD was completed. Although 28 Palestinian villages came under full or partial PA control, there was no visible redeployment and no IDF bases were dismantled. The change only involved moving road markers to demarcate the new dividing lines.

The amount of land transferred on 11/20 equals that of the first stage of the Hebron FRD that the PA rejected as inadequate in 1/97. The absence of any feeling of change after this FRD arguably added to Palestinian

frustrations rather than relieving them. The PA now has full or partial control of roughly 920 sq. mi. of land—about the area of New York City's five boroughs.

After the 12/14 PNC meeting in Gaza to annul the PLO charter, Israel was to transfer another 5% of area C to area B on 12/18, but did not do so on the grounds that the PA had not met its Wye obligations. No further FRDs were expected until after the 5/99 elections.

As of 12/4, Israel and the PA had held low-level talks on the third FRD, but the committee on the third FRD called for in Wye had not been created.

Palestinian Prisoners

On 11/19, Israel provided the PA with a list of the 250 Palestinian prisoners to be released in the first stage of the three-stage prisoner release. The PA rejected the list as a violation of the spirit of the Wye agreement because it contained 150 common criminals rather than 250 political prisoners. Israel denied that it was required to release political prisoners only. Israel went forward with the release on 11/20, adding five more political prisoners (all PA policemen) to the 100 it had planned to free as a "concession" to the PA. Most of the 250 are reportedly Fatah affiliates.

Widespread Palestinian demonstrations against Israel (for releasing criminals) and the PA (for failing to secure the release of political prisoners) began almost immediately and continued until Pres. Clinton arrived on 12/12. The largest demonstrations were in Gaza on 11/23 (in which 1,500 demonstrators tried to break into PA chief negotiator Mahmud Abbas's home); in East Jerusalem, Bethlehem, and Hebron on 11/28; near Ramallah on 12/5; in Nablus on 12/7; and across the occupied territories on 12/9, the anniversary of the beginning of the intifada. Palestinian political prisoners in Israeli jails (11/22–12/15) and PA prisons (12/5–15) went on hunger strikes in protest.

The PA asked (11/20) the U.S. to intervene with Israel over the prisoner matter, but the U.S. urged the parties to work the problem out themselves and ultimately came down on Israel's side (12/4), saying that Israel had fulfilled its Wye obligation. The PA and Israel held talks (11/23, 11/29) on selecting the remaining 500 Palestinian prisoners but made no progress. The U.S. proposed (12/11) that a U.S.-Israeli-PA committee be formed to review the Israeli lists of prisoners for the next two stages, but Israel refused

(12/11). At a meeting of the Palestinian-Israeli Steering and Monitoring Committee (PISMC) on 12/15, the PA and Israel agreed to create an "informal channel" to discuss the prisoner release issue, in which a committee would reportedly review selected release cases.

On 2/3, Israeli pres. Ezer Weizman reduced the sentences of five Palestinians, two of whom were convicted of killing Palestinian collaborators, and eight Israelis convicted of killing or plotting to kill Palestinians. He hoped that reducing sentences of both Israelis and Palestinians would bring a sense of reconciliation to the peace process, but public opinion on both sides was outraged.

Also of note, the PA complained on 1/11 that Israel had been preventing families of Palestinian prisoners from visiting their relatives in Israeli jails for the past six weeks. Israel holds around 3,000 Palestinian prisoners.

PLO Charter

Under the Wye memorandum (Art. II.C.2), the PLO Executive Committee (PLOEC) and Central Council (PLOCC) had to reaffirm Arafat's 1/22/98 letter to Clinton listing the 26 out of 33 articles of the PLO charter annulled on 4/22/96. At Arafat's invitation, members of the PNC, as well as members of the PLOCC, the Palestinian Council (PC), and heads of PA ministries were then to convene in the territories to reaffirm their support for the PLOEC and PLOCC decisions.

After the PLOEC (11/5) approved Arafat's letter to Clinton (see Peace Monitor in *JPS* 110), the 124-member PLOCC met in Gaza 12/10 and voted (81-7, with 7 abstentions) to approve the letter as well. Factions opposed to the Oslo process boycotted the meeting. PNC speaker Salim Zanoun announced at the session that no new charter would be drafted, raising debates about whether the PLO legally exists without a charter and, if it does not exist, who represents diaspora Palestinians.

Up to the day of the 12/14 PNC session called upon to confirm the PLOEC and PLOCC decisions, Israel and the PA argued over whether the PNC's decision would be taken by acclamation, as planned by the PA and approved by the U.S., or by a vote, as Israel demanded. In the end, the 1,000 Palestinian figures attending, including some 450 of the 700-odd PNC members, overwhelmingly approved the nullification of the charter clauses by a show of hands, though no exact count was taken. (Some 20 PC mem-

bers boycotted the meeting to protest the "humiliating terms" on which it was convened.) In his speech to the PNC following the vote, Pres. Clinton congratulated the participants on their decision (see Doc. D). PM Netanyahu expressed his satisfaction with the result.

Palestinian opposition to the charter's cancellation was strong. On 12/12-13, the 10 Damascus-based opposition factions met in Damascus to reaffirm their opposition to the Oslo process and adherence to the PLO charter (see Doc. B2). In the first practical attempt by the opposition to crystallize its position, conference participants elected a five-man higher national committee to implement plans to establish a "shadow PLO." The goal was to emphasize that an Oslo opposition supports armed struggle and that a majority of Palestinians live in exile. Groups disagreed on narrower aspects of the PLO's future, with Islamists arguing for wresting control of the PLO from Arafat, and nationalists, led by the Democratic Front for the Liberation of Palestine, lobbying for forming an internal opposition within a unified PLO. Some 200 Palestinians representing the nationalist opposition parties and Hamas, plus eight PC members, held a similar meeting in Gaza on 12/11 to call on PLO members to boycott the 12/14 PNC session and to state their opposition to Wye. On 12/14, Palestinian refugees in Jordan, Lebanon, and Syria also held demonstrations against the Gaza meeting.

Gaza Airport

As agreed at Wye, Israel and the PA quickly finalized procedures for the Gaza airport (11/18) and signed an official protocol on the matter (11/20). The Yasir Arafat International Airport was opened 11/24 in a large celebration. Nine planes arrived during the day, including inaugural flights from Egypt, Jordan, Morocco, and the European Union (EU). Despite Israeli objections (12/3), Pres. Clinton flew into Gaza on 12/14 to attend the PNC session.

Palestinian Airlines, with two Fokker 50s, one Boeing 727, and 400 employees, began twice-weekly flights to Jordan (12/5) and flights to Egypt (12/18); a route to Morocco is planned. Flights to Cyprus, Japan, France, and Russia will be offered through other carriers. Israelis will not be allowed to use the airport, which will offer significantly cheaper flights than are available in Israel. The airport is expected to help the Palestinian economy by facilitating exports of perishable goods, such as fruit and flowers.

The international airport code for Arafat Airport is LVGR. Israel had wanted the code to begin LL, as standard for Israeli airports, but the PA insisted on this symbol of sovereignty. Israel will control the airspace, preapprove flight schedules, oversee security, and be able to shut down the airport at any time and ban non-Palestinians and non-Palestinian airlines from using the airport. Israeli security may not search Arafat's plane, and no Israelis will sit in the control tower or be visible to passengers. By 11/24, Israel had not released the permanent air traffic control equipment from embargo at Ashdod port and was demanding \$650,000 in storage fees from the PA in order to release it.

On 12/26, PA security teams at the airport barred Israeli security teams from checking an arriving Egyptian plane with Arafat on board. Israel lodged a complaint, saying that their security agreement only prevents Israel from searching Arafat's plane, not any plane on which Arafat is a passenger. Egypt also complained to Israel over the incident, saying non-Egyptian security is not allowed to board an Egypt Air plane without permission.

Also of note, Israeli security arrested (1/10) a Palestinian student from Amman who was trying to enter Gaza through the airport. The student was on Israel's wanted list.

The PA announced (1/21) plans to build an airstrip in Bethlehem before the Bethlehem 2000 celebrations. Israel warned (1/21) that construction could not go forward without its approval, which it would not give, and called planning for an airport without consulting Israel a violation of Wye. The PA said it would submit blueprints to the Israeli-PA aviation committee.

Anti-Incitement

On 11/19, the PA broadcast a decree against anti-Israeli incitement as required by Wye, but the order did not define "incitement" or differentiate it from legitimate oppositional action. The U.S.-Israeli-PA anti-incitement committee ordered under Wye began meeting days later. The committee held at least four meetings (11-12/98), which focused on but failed to find a mutually agreeable definition of "incitement." On 1/18, the committee presented its first report to the PISMC. The report summarized the debate over the definition of "incitement," examples of incitement brought by Israel and the PA, and possible joint projects, such as inviting senior newspaper editors from both sides to

a debate presided over by a senior U.S. media expert on the role of the media in anti-incitement efforts.

During the U.S.-led strikes against Iraq (12/16-19), the PA closed some television and radio stations and news bureaus for reporting on pro-Iraq demonstrations in the occupied territories. PA police also arrested (12/18) four leading members of the Popular Front for the Liberation of Palestine (PFLP) and eight journalists at a rally marking the PFLP's 31st anniversary. The PA arrested Islamic Jihad leader Abdallah Shami on incitement charges on 12/13 and released him on 1/21. The PA also released (12/23) Hamas spiritual leader Shaykh Ahmad Yasin from his house arrest on incitement charges imposed 10/29 (see Peace Monitor in *JPS* 110).

Illegal Weapons

To meet its Wye obligations on confiscating illegal weapons, the PA ran the text of the 5/98 Palestinian Weapons Control Law in Palestinian local papers on 11/18. The law lists the penalties for anyone who sells, possesses, bears, or transfers weapons or ammunition without a license. An amnesty period for turning in unlicensed weapons began immediately and lasted until 12/6. On 12/6, the PA Preventive Security Force began house-to-house searches in three refugee camps and other locations, confiscating arms and detaining several Hamas members for questioning.

A U.S. Justice Department team, including an FBI agent and an army officer, arrived on 1/22 to help the PA build a system to collect and destroy illegal weapons and to register legal ones. The team reportedly has three target categories of illegal weapons: arms held by groups such as Hamas, arms held by the PA, and arms held by individuals/nonpolitical weapons.

Israeli FM Sharon accused (1/12) the PA of smuggling scores of antiaircraft guns and antitank missile launchers into the areas under its control and of hiding heavy machine guns, thousands of hand grenades and mines, hundreds of antitank grenades, and some mortars. The PA asked Israel for the location of the alleged illegal weapons so they could be confiscated, but Israel refused, saying its sources would be compromised.

Final Status

Under the Wye memorandum, final status talks were to begin immediately and run concurrent to Wye implementation. Israeli

FM Ariel Sharon and PA chief negotiator Mahmud Abbas, appointed to oversee the talks, held a preliminary meeting on 11/18. Some lower-level meetings also took place in late 11/98-early 12/99, but discussions never got past procedural matters. Parties had hoped that substantive negotiations would begin by the end of 11/98, but they did not due to Israel's freeze on Wye implementation. By the end of 12/98, PA chief negotiators Abbas and Ahmad Qurai' were reportedly refusing to have any official contacts with Sharon.

On 1/12, the U.S. announced that it planned to play a much less active role in final status negotiations because it thinks "permanent status is not something that should be mediated."

Other Joint Committees

Although few details were released regarding the smaller joint committees formed under the Wye agreement, all representatives to the committees were reportedly selected and most had begun meeting by 11/18, slightly behind schedule. On 2/1, Israel reported that it was ready to open the southern safe passage route once the PA met its Wye obligations, that eight rounds of talks on the Gaza port had been held, and that the Joint Economic Committee had met several times and agreed that Israel would refund purchase taxes on Israeli products to the PA. Israel claimed (2/1) that it had asked for the standing cooperation and legal committees to meet but that the PA had refused. Other committees reportedly continued to meet, at least at low levels, through the end of the quarter without progress.

Security Cooperation

Despite the problems on the peace track, there was no interruption in security cooperation this quarter. Only one tense interaction occurred on an Israeli-PA joint patrol in Gaza on 1/10, when a fight erupted between Palestinian and Israeli officers over which side would take into custody a Palestinian woman who had attempted to stab an Israeli officer. One of the Israelis discharged his weapon (deliberately, the PA claimed), causing no injuries.

Under Wye, the PA agreed to reduce the size of the police force to the amounts stipulated in the Oslo II agreement, meaning as many as 10,000 policemen must be laid off (see Peace Monitor in *JPS* 110). The PA gave the U.S. (1/22) a list of PA police officers whom it had let go. The U.S. offered to help

retrain them for new occupations. The number of officers on the list was not released and the list was not given to Israel.

On 1/12, the PA returned to Israel 41 stolen cars and a large quantity of spare parts that had been brought into PA territory illegally. Those found with stolen property in their possession were arrested. The PA turned over another 108 cars on 1/31.

Israel and the PA extended (1/25) the mandate of the 111-member Temporary International Presence in Hebron (TIPH) observer force for another six months.

Jerusalem

On 1/26, the Knesset passed (52-30) a law requiring a national referendum and special parliamentary majority (61 of 120 MKs) to cede land in East Jerusalem and the Golan Heights.

On 1/17, Israel for the first time leased land it holds in annexed East Jerusalem to a Palestinian. Elias Khouri, an Israeli citizen and lawyer, outbid Jewish developers to gain rights to the land. Israeli FM Sharon claimed that Khouri's action was an example of PA attempts to purchase properties "in Israel."

The Israeli Tax Authority confiscated (1/5-6) four cars belonging to employees of the British consulate in East Jerusalem, claiming that the owners had not paid their income taxes, imposed by Israel on East Jerusalem residents. Britain denounced the confiscations as "irresponsible," noting that consulate employees are not obliged to pay Israeli taxes.

Miscellaneous Matters

The Bank of Israel and the Palestinian Monetary Authority (PMA) renewed talks (1/12) on various issues, including recognition of each other's checks and letters of credit, PMA officials' difficulty in getting into Israel, standardizing their foreign currency and interest rate policies, and the effect of the new Euro currency. They agreed to hold regular meetings to form working plans for joint action.

Acting on Israeli complaints, the PA police raided (12/9) a factory in Hebron manufacturing counterfeit compact discs of Israeli musicians and detained the owners for questioning.

Canada and the PA held talks (12/9) on concluding a free trade agreement. The agreement would be more of a political gesture than economically beneficial.

The International Institution for Solidarity with Human Rights reported (1/2) that 38

Palestinians were killed by Israelis in 1998, compared to 37 in 1997. Of the 38, 18 were killed by IDF gunfire, 9 were killed by settlers, and 11 died in Israeli prisons under suspicious circumstances.

On 1/29, *Middle East International* reported that since the 10/23 Wye signing 13 Palestinians (including 3 suicide bombers) had been killed, 507 wounded (including 20 by PA police), and 180 arrested by Israel. During the same period, 4 Israelis were killed (2 soldiers and 2 settlers) and 84 injured (43 soldiers and policemen, 7 settlers, 34 civilians).

The Israeli Central Bureau of Statistics reported (12/31) that the Israel population was 6,037,000, with 79.2% Jews, 14.9% Muslims, 2.1% Christians, and 1.5% Druze.

Palestinian Authority

The PC protested to Arafat (1/7) over PA Justice M Frayh Abu-Madayn's refusal to give testimony to the PC on political prisoners held in PA jails. On 1/13, the PC gave Arafat two weeks to charge or release all Palestinian political prisoners being held in PA jails without trial and demanded a halt to political detentions. Although Arafat released 37 Hamas and Islamic Jihad political prisoners to mark the end of Ramadan 1/17, he did not respond to the PC order. In response, 48 Hamas and Islamic Jihad detainees in the PA's Nablus and Jneid jails began a hunger strike on 1/24, and Palestinians held demonstrations in solidarity with the prisoners on 1/27, 2/6, and 2/12. On 2/15, Arafat appointed a committee chaired by Justice M Abu-Madayn and General Intelligence Service head Amin Hindi to study the file of each political prisoner and recommend which prisoners should be released. According to the Palestinian human rights group LAW, the PA holds 1,040 untried prisoners. Of these, 137 are political prisoners; the rest are being held on criminal charges. The PC (2/99) put the figure for political prisoners at 299, while other rights groups claim that the PA holds as many as 450.

Some 1,100 Palestinian doctors went on strike on 1/13 to protest a PA-imposed 50% pay cut and a new 5% "closure tax" imposed on all civil servants to help offset government costs of Israeli closures. The strike ended 1/15 after Arafat rescinded the pay cut.

Palestinian universities held a two-hour strike on 2/6 in solidarity with their colleagues at al-Quds University, who have not

received their salaries for five months. All Palestinian universities also observed a two-day strike (2/8-9) in protest of the PA Higher Education Min.'s refusal to increase salaries.

The PC held a special session 11/30 to study ways of confronting Israeli settlement activity and called on PC members to participate in popular protests against settlement expansion. Thirty-two PC members called for a halt to Wye implementation until Israel halts settlement construction.

The PC complained on 1/7 that Finance M Muhammad Nashashibi had not yet submitted the 1999 budget, which the PC was to have received by 11/11.

On 12/28, Arafat inaugurated the Abu Ammar Naval Base in Gaza. Although the PA technically has a navy, it has no fleet.

In 12/98, the PA moved ahead with plans to open a museum of Palestinian culture and history in the West Bank village of 'Ayn Sinya, near Ramallah.

In early 1/99, Arafat interjected the PA into a dispute in Nazareth between Israeli Palestinian Muslims and Christians involved in a land dispute over plans for a new mosque. Arafat was reportedly concerned that the matter was undermining international Christian, especially Vatican, support for the Palestinian cause. He set up a PA committee to try to solve the issue, but Nazareth Palestinians and the Israeli government protested that the PA was interfering in an internal matter.

On 1/11, former Israeli PM Shimon Peres gave the first address to the PC by an Israeli in which he said that he supports the creation of a Palestinian state as a result of negotiations. Guests to the speech included former Soviet pres. Mikhail Gorbachev, Archbishop Desmond Tutu and former pres. F. W. de Klerk of South Africa, and former Egyptian FM Mustafa Khalil, all of whom were in Israel for a conference at the Peres Center for Peace. 75% of PC members reportedly boycotted the session.

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Nablus-based Center for Palestine Research and Studies (CPRS) on 12-14 November. Results are based on a survey of 1,321 men and women from the West Bank and Gaza. The poll, thirty-seventh in a series, was made available by CPRS's office in Nablus.

1. Do you support or oppose the current peace process between Palestinians and Israelis?

	West Bank & Gaza*	West Bank	Gaza
a. Support	75.2%	74.0%	76.9%
b. Oppose	21.2%	21.2%	21.1%
c. No Opinion	3.7%	4.9%	2.0%

2. Now we would like to ask you a few questions about the Wye Plantation agreement (summary points of the agreement are read): Do you support or oppose this agreement?

	West Bank & Gaza	West Bank	Gaza
a. Support	58.6%	54.5%	64.5%
b. Oppose	35.3%	38.2%	31.2%
c. No Opinion	6.1%	7.4%	4.3%

3. Do you support or oppose the Palestinian security commitments contained in the [Wye] agreement and dealing with security arrangements that the PA should implement against armed Palestinian opposition in order to prevent armed attacks against Israeli targets?

	West Bank & Gaza	West Bank	Gaza
a. Support	38.3%	34.8%	43.5%
b. Oppose	53.6%	55.9%	50.4%
c. No Opinion	8.0%	9.3%	6.2%

4. Are you worried that the implementation of the Palestinian security commitments will lead to internal Palestinian strife between the PA and the opposition?

* This question was asked again in CPRS's January 1999 poll. The figures for West Bank and Gaza combined changed to Support 66.2%, Oppose 30.9%, No Opinion 3.0%.

	West Bank & Gaza	West Bank	Gaza
a. Yes	64.3%	64.9%	63.5%
b. No	29.3%	27.8%	31.5%
c. No Opinion	6.4%	7.4%	5.0%

5. Do you think that the Palestinian opposition has the right to express its opposition to this agreement by acts of violence directed against Israeli targets?

	West Bank & Gaza	West Bank	Gaza
a. Yes	41.4%	43.2%	38.7%
b. No	52.8%	49.5%	57.5%
c. No Opinion	5.9%	7.3%	3.8%

6. Do you think that the Palestinian opposition has the right to express its opposition to this agreement by acts of violence directed against the Palestinian Authority and its security services?

	West Bank & Gaza	West Bank	Gaza
a. Yes	8.8%	9.5%	7.8%
b. No	87.4%	85.9%	89.5%
c. No Opinion	3.8%	4.6%	2.7%

The following data are excerpted from CPRS's thirty-eighth poll, conducted 7-9 January. Results are based on a survey of 1,319 men and women from the West Bank and Gaza.

1. According to the Oslo Agreement, the transitional period will end on 4 May 1999. Some people see the necessity of transforming the PA into a Palestinian state at that date even if Israel objected. Others argue that the establishment of the state should wait until an agreement is reached with Israel. What do you think?

	West Bank & Gaza*	West Bank	Gaza
a. Support waiting till reaching an agreement with Israel	36.0%	33.7%	39.3%
b. Support establishing a Palestinian state right after the end of the transitional period even if no agreement is reached with Israel at that time	57.0%	56.3%	57.9%
c. Other (specify _____)	3.1%	4.1%	1.6%
d. No Opinion	3.9%	5.8%	1.2%
2. During the National Conference that was held in Gaza on 14 December 1998, in the presence of American president Bill Clinton, members of the Palestine National Council affirmed their support for Yasir Arafat's letter in which he pointed out the articles that have been removed from the Palestine National Charter (which is the basic document of the PLO) calling for the destruction of the State of Israel or contradicting the peace process. Do you support or oppose the affirmation decision?			
	West Bank & Gaza	West Bank	Gaza
a. I support the decision to affirm the removal of the charter articles	36.7%	33.4%	41.6%
b. I oppose the decision to affirm the removal of the charter articles	54.4%	54.3%	54.6%
c. No Opinion	8.9%	12.4%	3.8%

* When CPRS asked this question in its November 1998 poll the combined responses for West Bank and Gaza were Support waiting 46.6%, Support establishing a state 45.5%, Other 2.8%, No Opinion 5.1%.

JORDANIAN-ISRAELI TRACK

The quarter was dominated by the death of King Hussein and the question of succession. On 12/29, King Hussein left the Mayo Clinic in the U.S., claiming to have been cured of cancer after a six-month treatment course, and returned to Jordan on 1/19, hinting that he would make a comprehensive review of the government based on his observations while in the U.S. On 1/22, Hussein removed his brother Hassan as crown prince and on 1/24 named his eldest son Abdallah as his heir. After swearing in Abdallah as regent on 1/26, Hussein returned to Mayo with a relapse of lymphoma. Following an unsuccessful bone marrow transplant (2/2), he returned to Jordan on 2/5 and died on 2/7.

Dignitaries from some 75 countries attended Hussein's funeral on 2/8. Pres. Clinton arrived with former presidents George Bush, Jimmy Carter, and Gerald Ford. Israel's PM Netanyahu, Pres. Weizman, former PMs Yitzhak Shamir and Shimon Peres, Labor leader Ehud Barak, FM Ariel Sharon, and former DM Yitzhak Mordechai all attended, but notably did not arrive together. Arab leaders included Syria's Pres. Hafiz al-Asad, the PA's Arafat, Egypt's Pres. Husni Mubarak, Saudi Arabia's Crown Prince Abdallah, Iraqi VP Taha Maruf, and Lebanese Dep. PM Michel Murr. International dignitaries included UN Secy. Gen. Kofi Annan, Britain's PM Tony Blair and Prince Charles, French pres. Jacques Chirac, German chancellor Gerhard Schroeder, Spain's King Juan Carlos, and Russia's Pres. Boris Yeltsin. During the day-long ceremony, Clinton spoke briefly with King Abdallah, Pres. Asad, Chmn. Arafat, and PM Netanyahu. More than 800,000 Jordanians lined the procession route from the Bab al-Salam palace to the mosque, and an estimated 1.2 million Jordanians attended rites held elsewhere in Jordan.

PM Netanyahu said (1/30) that he was confident Jordan would remain stable and that Israel would seek to strengthen diplomatic, security, and economic cooperation. Abdallah himself said (2/5) that he would continue Hussein's foreign policy.

Following Abdallah's ascension, Arafat stated (2/12) in a speech to Fatah members, "We want him [King Abdallah] to know that the PNC has agreed to a confederation with Jordan," raising speculation that the PA was trying to place the confederation option, scrapped by Jordan in 1986, back on the table. Jordan reacted coolly, saying (2/12) that such a decision would have to wait until the

West Bank and Gaza are under full PA control. Israel stated (2/12) that confederation would not remove the threat of an independent Palestinian state on its borders.

Early this quarter, Jordan began holding discussions with the PA (11/18, 11/24), Israel (11/23), Egypt (12/13, 12/15), the U.S. (12/15), and the EU (12/9) on final status issues that affect the kingdom. Jordan wants Israeli-PA final status talks broadened to take into account neighboring states that would be affected by their bilateral decisions.

Throughout the quarter, Jordan continued to fulfill the steps required to implement the 10/94 peace agreement (see below), but continued to keep its contacts with Israel to a minimum to protest Israel's peace process delays.

Economic Matters

Israel, Jordan, and the U.S. discussed (11/16) the Irbid industrial zone project, which is meant to foster economic cooperation between Israel and Jordan by rewarding joint ventures U.S. duty- and quota-free export status. The U.S. has been concerned that the zone has attracted only one Jordanian firm, while international firms make up the rest of the participants. The U.S. agreed to change the investment rules to ensure that international firms participating in the zone will have a Jordanian partner that holds at least 20% of the equity in any project. The teams also discussed the amount of the Israeli content input, originally set at 11.7%, which Jordan complained pushes its costs of production too high. Israel agreed to lower this to 8% for one year, but Jordan wanted a permanent reduction. Teams tentatively agreed to hold the amount at 7% for high-tech products and 8% for all other products for five years. Teams also agreed to create new industrial zones in Jordan.

Israel and Jordan discussed (11/22) bilateral trade issues and Israeli obstacles to Jordanian trade with the occupied territories. Israel agreed to abolish the import license requirement on Palestinians importing from Jordan, to extend the opening of the King Hussein Bridge by two hours a day, and to expand the quotas on goods that the PA is allowed to import from Jordan and Egypt. A follow-up meeting to adjust the quotas was held on 12/2, but new figures were not finalized.

Jordan and Israel signed (11/23) an agreement forming a bilateral mechanism for implementing Jordan Valley projects in the

water, industrial, energy, tourist, agricultural, communications, and transportation fields.

Jordanian Telecommunications Company (JTC) and Israel's state-owned Bezeq phone company opened talks (11/30) to settle their dispute over a \$5 m. bill that JTC says is owed by Bezeq. Bezeq claims it owes JTC nothing and that JTC is at fault for breaking their contract by cutting off direct phone service to Jordan without cause (see Peace Monitor in *JPS* 110).

Security

Jordan asked Israel (12/23) to permit relatives to visit the 14 Jordanian security prisoners held in Israel's Ashqelon prison during Ramadan and to permit regular visits by relatives thereafter. Israel had not responded by the end of the quarter. Israel also renege (1/6) without explanation on a 12/98 agreement to allow five doctors to examine the Ashqelon prisoners. The Jordan Medical Association (JMA) speculated that Israel was unhappy that it had chosen five West Bank doctors to perform the tests. The JMA previously banned its members from visiting Israel to protest normalization.

Jordan's State Security Court convicted (1/10) 12 defendants (Iraqis, Jordanians, Palestinians, and 1 Egyptian) of smuggling arms to the West Bank.

SYRIAN-ISRAELI TRACK

There was no movement on the Syrian-Israeli track again this quarter (see Peace Monitor in *JPS* 110). Of interest, however, PM Netanyahu admitted (12/25) that he held ten secret meetings with Labor chairman Ehud Barak between 5/98 and 7/98 to discuss forming a unity government and that discussions included detailed aspects of how to conduct future negotiations with Syria. The Israeli press reported that the pair agreed on a withdrawal from most of the Golan.

On 1/1, the Israeli daily *Yedi'ot Aharonot* reported that in 1994, when negotiations with Syria were progressing, Yitzhak Rabin's government began a survey project called Operation Mango, which is still ongoing, to assess the dollar value of all settler property in the Golan. The newspaper claims that a draft bill on settler compensation for evacuation from the Golan has already been written and will be presented to the Knesset once a final agreement with Syria is reached. Former Israeli Finance M Dan Meridor confirmed (1/1) that when he joined the Finance Min., he was given files on the surveys, which he

turned over to the Netanyahu government when he resigned in 6/97.

Syria protested (1/26) the Knesset's passage of a law requiring a national referendum and a special parliamentary majority to cede land on the Golan Heights (see above) and accused Israel (1/22) of looting archaeological sites on the Golan in advance of a peace agreement.

MULTILATERAL TALKS

The only multilateral meeting held this quarter was a session of the Coordination Commission of the Refugee Working Group, held in Sharm al-Shaykh 1/25–27. Attendees assessed 1998 activities to support Palestinian refugees and agreed on a work plan for 1999, which stresses improving living conditions of refugees in the occupied territories, Jordan, Lebanon, and Syria. Other projects planned for 1999 include an intersessional meeting on social and economic infrastructure in the West Bank and Gaza, a working group mission to Jordan, data collection on camps in Jordan, consultations on accelerating family reunification, public health training for refugee camp medical workers, and an experts' workshop on vocational training.

REGIONAL AFFAIRS

RELATIONS WITH ISRAEL

As Wye implementation came to a halt, so did cooperation between Israel and the Arab states.

Tensions between Egypt and Israel continued to be high (see Peace Monitor in *JPS* 110). Egypt reportedly rejected several Israeli requests (e.g., 11/16) to come to Cairo on the grounds that the peace process was not moving. After Israel's displeasure was reported in the Israeli media, Egyptian FM 'Amr Musa agreed to meet briefly with Israeli pres. Ezer Weizman, FM Sharon, DM Yitzhak Mordechai, and Labor chairman Barak during his visit to Israel (1/11) to attend a conference at the Peres Center for Peace. By 1/30, Egypt had reportedly frozen ties with the Likud government to protest leaks by the PM's Office claiming that Egypt was interfering in Israeli elections by inviting Netanyahu rival DM Mordechai to visit Cairo. Egypt claimed (1/30) that Mordechai had himself asked to come to Cairo with Netanyahu's knowledge and approval and that Egypt had agreed. Egypt also rejected (early 1/99) Israel's request to participate in the annual Cairo book fair (1/28–2/10) and lodged a

formal complaint over an article on the PM's official Web site alleging that the Egyptian government persecutes Copts. Israel removed the article on 11/19.

The Knesset Committee on Restitution of Jewish Property agreed (1/12) to work with the World Jewish Congress to set up a national center to gather and register documents and testimony on Jewish property in Arab countries.

In mid-1/99, a Kuwaiti journalist was detained upon his return from Israel and held for three days of questioning before being released on \$3,500 bail. Kuwait remains technically at war with Israel and bans citizens from traveling there.

INTER-ARAB HIGHLIGHTS

Inter-Arab contacts this quarter focused on rallying support for the PA, given the stagnation in the peace process and on creating a united Arab position on Iraq (see 12/27, 1/3, 1/8, 1/12, 1/16, 1/24) in the wake of the U.S.-led attacks in 12/98, which sparked massive popular protests across the region (see Chronology). Syrian pres. Asad and Egyptian pres. Mubarak held an important coordination meeting in Damascus on 1/8 to discuss the U.S.-led attack on Iraq and the overall need for Arab unity.

Mubarak and Arafat conferred several times (11/25, 12/16, 12/26, 1/23, 1/21) on Israel's failure to implement the Wye agreement. In 12/26 talks, they discussed holding a meeting with Jordan to coordinate positions toward Israel. They hoped to hold the meeting in 1/99, but King Hussein's change of succession and death delayed it indefinitely. Jordan and the PA held bilateral discussions on Wye implementation on 12/12, 1/3, and 1/7.

The PA (11/19, 12/27) asked Egypt and the Arab League to urge the EU and Vatican to lobby the U.S. and international public opinion in support of the PA position on Jerusalem in final status negotiations and in opposition to Israel's Judaization plans. Egypt and France discussed (11/26, 1/10) reviving their plans (first raised in 5/98) for an international conference to discuss the stalemate in the peace process (see Peace Monitor in *JPS* 110).

Arab interior ministers met in Amman (1/29–31) to discuss combating terrorism, drafting a standard bilateral security agreement on extradition, and fighting the illicit drug trade.

After four years, Lebanon lifted (1/12)

travel restrictions on its Palestinian refugees, agreeing to treat Palestinian travel documents the same as Lebanese passports and dropping requirements for Palestinians to obtain visas in order to return to Lebanon.

A PC delegation traveled to Amman (11/17-18) for talks with Jordanian parliamentarians on enhancing coordination between their legislative authorities.

Jordan and Syria met (11/21-22) to study ways of better utilizing Yarmuk River water and agreed to set up an early warning system to monitor the quality of water flowing into Jordan. Syria pledged not to build new water storage ditches along the Yarmuk. This was their fourth meeting on the issue since 10/97, when the two countries agreed to go forward with their 10/87 plan to construct a dam on the river.

Following Crown Prince Hassan's address to the Arab Parliamentary Union (12/27), in which he stressed the importance of freeing Kuwaitis still held in Iraq since the Gulf War, Kuwait approached Jordan (1/5, 1/26) on restoring ties damaged during the Gulf conflict. Jordan assured Iraq (1/26) that the rapprochement would not be at Iraq's expense.

Jordan and Egypt signed (12/10-11) 14 agreements to strengthen cultural, economic, and medical cooperation, including a free trade accord.

REGIONAL ECONOMIC AFFAIRS

OPEC producers held an emergency meeting in Vienna on 11/24 to discuss the recent decline in oil prices, down one third from the previous year. Experts said oil might hit a low of \$6/barrel before the decline ends. The price slump, one of the biggest on record, is not considered likely to reverse in the near future.

Nine Mediterranean Arab states met in Cairo on 1/12 to discuss their EU partnership agreements in advance of the 27-nation experts meeting in Spain (1/28-29). The experts meeting focused on unifying Arab certificates of origin to expand trade between Arab and EU countries and on encouraging collective exports to the EU. In late 12/99, the EU signed 15 contracts worth \$15.4 m. in the framework of the Euromed Heritage Program, which targets preservation and development of cultural heritage in the Mediterranean basin. Israel will participate in eight of the projects.

France took preliminary steps (1/28) to designate Palestine and Lebanon as "priority solidarity zones" (PSZ), which would permit

them to receive special aid from the French Development Agency. To qualify as a PSZ, a country must be poor, with low revenue, and with limited access to capital markets.

Egypt and Turkey agreed (12/5-6) to establish a free trade zone and reexport zones for Africa-bound Turkish products and Eastern European-bound Egyptian products; to hold semiannual trade meetings; and to raise the volume of bilateral trade. Follow-up meetings, including the first semiannual trade conference, were held 12/16-17.

Iraq renewed (1/4) its agreement to provide Jordan with 4.8 m. tons of oil products a year and signed an agreement (2/1) fixing its ceiling of trade with Jordan for 1999 under the UN Oil-for-Food program. Saudi Arabia offered (2/9) to sell Jordan oil at cut-rate prices to help stabilize Jordan's economy following King Hussein's death. Jordan also signed several protocols with the PA to promote economic cooperation (11/24) and belatedly ratified a 1997 trade cooperation agreement with Algeria (1/31).

Israel's Central Bureau of Statistics reported (11/17) that investments fell 20% and exports fell 19% in the third quarter of 1998 and that all economic indicators were below projections. Third quarter investment in the Israeli economy shrank by 73% compared to the third quarter of 1997.

The customs agreement reached by Syria and Lebanon in 2/98 went into effect on 1/1. Duties will be reduced yearly until they are eliminated in 2002.

INTERNATIONAL

UNITED STATES

Relations between the U.S. and Israel were strained this quarter over Israel's failure to honor the Wye timetable. The U.S. also openly reprimanded Israel for its hard-line positions and accusations of PA violations (see above). Although Palestinians viewed Pres. Clinton's trip to the region (12/12-15) in a positive light, any public opinion gains were reversed with the U.S.-led attack on Iraq (12/16-19).

The Clinton administration agreed (11/19) to lobby Congress for a one-time \$1.2 b. gift to Israel to cover the costs of the FRD called for in Wye. U.S. officials said (11/19) that the \$1.2 b. would cover FRD "plus a healthy tip," but Israel claimed (11/19) it would cover only half its expenses. The U.S. and Israel held talks (11/22, 1/11) to find a formula to assure Congress that the funds would not be

used to pay directly for bypass roads and settlement fortifications. U.S. officials warned (12/13) that if Israel does not implement the second and third stages of the second FRD, the U.S. would have no reason to disburse the aid. Congress agreed (12/11) to discuss the \$1.2 b. for Israel, plus the extra \$400 m. promised the PA at the Washington donor conference on 11/30 (see below) and an extra \$300 m. to Jordan promised after King Hussein's participation at Wye (see Peace Monitor in *JPS* 110) in 2/99 budget talks. Congress expects to "borrow" the money from future long-term funding for Pentagon and CIA intelligence and defense projects.

Christian conservative groups and some congressmen protested the decision by organizers of the annual national prayer breakfast (attended by 3,500 politicians, diplomats, and religious leaders) to invite Arafat, whom they called (1/29) an "unrepentant terrorist." Arafat had been invited to the previous three breakfasts, but only accepted this year. Chief organizer Rep. Steve Largent (R-OK) refused to disinvite Arafat but asked Pres. Clinton (1/29) not to meet with Arafat during the event as planned. Clinton ignored the request and met briefly with Arafat on the sidelines of the breakfast on 2/4.

Following up on Pres. Clinton's promise to PM Netanyahu at Wye to review spy Jonathan Pollard's clemency request (see Peace Monitor in *JPS* 110), the White House sent letters (11/16) to national security agencies and senior advisers asking their recommendations on the issue. Replies began arriving at the White House on 1/11. Although only Secy. of State Madeleine Albright's request to deny clemency was made public, all were expected to urge the president not to free Pollard. In addition, seven former U.S. defense secretaries (12/10) and 60 senators (1/13) sent letters to Clinton urging him not to reduce Pollard's sentence for spying for Israel.

The U.S. Defense Intelligence Agency (DIA) reported (1/26) that it suspects Israel of sharing with China restricted U.S. weapons technology obtained during a joint U.S.-Israeli project to build a short-range battlefield laser gun for use against Katyusha rockets fired from s. Lebanon. The DIA said that Israel has been trying to obtain classified U.S. target selection software codes that could be used to increase the laser's range to hit targets "other than those permitted" by the U.S.-Israeli agreement. Israel denied (2/3) the charges.

The second meeting of the U.S.-Israeli Interparliamentary Committee on National Security (see Peace Monitor in *JPS* 110), originally planned for 12/98, was postponed due to Pres. Clinton's impeachment trial. The committee hoped to meet in 5/99 or 6/99.

PM Netanyahu was reportedly (1/7) angry that Clinton campaign strategist James Carville came to Israel in 12/98 to head Labor chairman Barak's election campaign, interpreting it as a sign that Clinton opposed his reelection. Netanyahu's long-time adviser and campaign strategist is Republican political adviser Arthur Finkelstein, considered the father of the U.S. attack campaign.

RUSSIA

Israeli-Russian relations were strained this quarter over Russia's ties with Iran. Acting without consultation with the PM or other government officials, Israeli DM Mordechai canceled (1/4) a planned trip to Russia and instructed the defense establishment to cool relations with Moscow in light of its continued military assistance to Iran. IDF Chief of Staff Shaul Mufaz also postponed (1/4) a scheduled trip to Moscow. Similarly, the U.S. warned Russia that it would not launch 16 commercial satellites aboard Russian rockets, this year as agreed unless Russia curbs technology sales to Iran that the U.S. claims enhance Iranian missile capability. As an incentive, according to Israeli Trade M Natan Sharansky (1/31), Israel and the U.S. agreed to allow Russian experts and companies to take part in joint U.S.-Israeli projects under the U.S.-Israeli Interparliamentary Committee on National Security (see above) if Russia would halt support for the Iranian missile development program.

Aside from the Iran issue, the Israeli Foreign Ministry held talks with Moscow (1/18-20) on expanding bilateral cooperation in political, economic, trade, cultural, and humanitarian spheres, and PM Netanyahu appointed (1/20) a special envoy to coordinate government policy toward the Commonwealth of Independent States and Baltic states.

EUROPEAN UNION

The EU Council of Ministers issued a statement (1/25) declaring that it deplores Israel's continued suspension of Wye implementation and believes that Israel is contravening the spirit and letter of the memorandum.

EU special envoy Miguel Moratinos

toured Jordan (12/8-11), Israel, the occupied territories, Lebanon, Syria, and Saudi Arabia to discuss their concerns regarding the stalled peace process and final status negotiations. The EU and Jordan formed (12/9) two joint task forces on water and refugees to set common criteria among their experts. The new EU president, German FM Joschka Fischer, toured the region (2/10-14) to discuss the peace process, stopping in Egypt, Jordan, Israel, the occupied territories, and Syria.

The EU parliament recommended (2/11) Israel's participation in the Fifth Framework, EU's multibillion dollar research and development project, pending approval of the EU Council of Ministers. Belgium, Britain, and the Netherlands oppose Israel's participation because of its obstruction of the peace process (see Peace Monitor in *JPS* 110).

Israel and Britain signed (11/20) a ten-year military cooperation pact aimed at facilitating joint research in defense technologies, especially naval high-tech and unmanned aerial vehicles.

UNITED NATIONS

At the 53d session of the UN General Assembly (UNGA) 11/16-12/15, members adopted 24 resolutions relating to various aspects of the Arab-Israeli conflict, reaffirming the UN's positions on Jerusalem, settlements, refugees and displaced persons, the UNRWA, Palestinian self-determination, the principles of peaceful settlement, permanent sovereignty over natural resources, human rights, and assistance. The only new measure was a resolution adopted (11/17) by consensus supporting the PA's Bethlehem 2000 development project (see Peace Monitor in *JPS* 110). Of note, the wording of the resolution on Palestinian self-determination, which passed (12/9) by a vote of 162-2, with six abstentions, added the following text: "without excluding the option of a state." During this session of the UNGA, Palestine for the first time cosponsored 21 resolutions.

On 2/9, the UNGA passed (115-2, with 5 abstentions) a nonbinding resolution calling for an international conference of the signatories to the Fourth Geneva Convention to be held on 7/15 to examine Israel's "persistent violations" of the conventions by building settlements. The conference was to have taken place last fall in keeping with UN Res. ES-10/5 of 3/17/98 (see Peace Monitor in *JPS* 110). The U.S. and Israel voted against the 2/9 measure. Australia, the Bahamas, Came-

ron, Romania, and Swaziland abstained. This UNGA session was the fifth in less than two years to condemn Israel's settlement policies.

The UN committee responsible for monitoring state compliance with the International Covenant on Economic, Social, and Cultural Rights met (11/16-18) to discuss Israel's compliance with the treaty. Fifteen Israeli, Palestinian, and international nongovernmental organizations reported a pattern of Israeli human rights violations under the treaty.

IRAN

Iran continued to build ties with Arab states, for the first time going beyond symbolic accords on cultural cooperation and calls to improve bilateral relations to conclude more substantive agreements. For example, Oman and Iran signed (11/16) a military cooperation agreement to enhance Gulf security, which will include joint exercises as early as mid-1999. An Iran-Oman joint economic committee held talks (12/22-23) on expanding cooperation in various sectors, including economy, trade, oil, industries, mines, transportation, agriculture, pharmaceuticals, telecommunications, veterinary affairs, fisheries, and transit of goods. Follow-up talks were held on 2/6.

Iran and Jordan signed agreements (12/17) on trade, agriculture, transportation and telecommunications, culture, tourism, and energy and held talks on possible joint ventures (12/17) and media coordination (11/27). Iran also discussed boosting cooperation with Lebanon (12/12, 1/13), Qatar (1/13), and Syria (12/10-11, 12/13); signed a telecommunications agreement with Syria (12/13); signed a protocol on economic and technical cooperation with Qatar (1/30); held trade fairs in Jordan (12/15-18), Lebanon (late 1/99), Qatar (late 1/99), and Saudi Arabia (11/23-27); and sponsored an Iranian cultural week in Qatar (2/6-11). VP Masumeh Ebtekar attended (11/24) an environmental conference in Cairo, becoming the highest level Iranian official to visit Egypt since diplomatic ties were severed following the Camp David peace agreement. An Egyptian parliamentary delegation then visited Iran on 12/13. An Iranian Majles delegation visited Lebanon on 11/26.

In addition, the U.S. dropped (12/7) Iran from its list of major drug-producing countries, saying that Iran had largely eliminated its illegal opium trade. Iran and Turkey

signed (12/9) two memoranda of understanding on law enforcement and intelligence and discussed expanding security and political cooperation (2/3).

TURKEY

Turkey's relations with Israel continued to have ramifications for the region this quarter. For example, Russia linked (11/18) its weapons sales to Syria (anticipated to be worth as much as \$5 b. over the next five years) directly to the development of Israeli-Turkish military cooperation and progress on the peace process. Syria and Russia held talks on hardware acquisition (2/3-13).

Greece held military maneuvers in the Mediterranean with Egypt (ending 12/4), stating that it is expanding ties with Egypt to counterbalance Israel's military pact with Turkey. Greece held talks with Israel (1/11-13) on upgrading economic, education, military, and trade ties.

Turkey offered (2/8) to mediate between Lebanon and Israel on IDF withdrawal from s. Lebanon. Lebanon had no immediate reaction.

On 11/23, Cyprus charged that 24 Turkish jets violated its airspace during flights to and from Israel that day.

Turkey rejected (2/8) Iran's call to resume tripartite talks with Syria on the situation in n. Iraq and other regional issues. Tripartite talks began in 1992 but were halted by Turkey in 1994 to protest Syria's alleged increase in support for the PKK (Kurdistan Workers Party).

OTHER

The Anglican archbishop of Canterbury, George Carey, toured the Middle East (1/28-2/3), during which time he criticized Israel's policy on Jerusalem and praised Syrian pres. Asad's "constructive role" in the peace process.

Israel continued to expand ties with former Eastern Bloc states. Israel discussed expanding bilateral relations with Azerbaijan (1/11) and Georgia (11/30) and signed a telecommunications and postal agreement with Yugoslavia (12/14). Israel and Romania agreed (11/24) to set up four working groups on political, diplomatic, and military relations; economics; industry and trade; and combating organized crime. Follow-up talks on joint military projects were held 1/19-21.

Japan and Israel held (12/20-21) preliminary talks on an aviation treaty that would allow direct flights between the two coun-

tries. Follow-up talks were held on 12/29. They hope to reach an agreement by summer 1999. Israel and South Korea signed (2/7) an investment and taxation agreement and discussed strengthening economic ties.

Bolivia contracted (12/17) Israel to provide \$11.78 m. worth of Galil rifles to its military. India was also negotiating (12/99) with Israel for the purchase of air-to-air missiles.

DONORS

In keeping with the Wye memorandum, the U.S. invited (11/19) 50 nations to attend a donor meeting in Washington on 11/30 to solicit new aid for the PA. At the meeting, the 40 participants pledged more than \$3.2 b. in aid to the PA for the next five years. (There is no word on whether the \$3.2 b. figure included the \$1.7 b. in old pledges that have not been disbursed.) The U.S. pledged \$400 m. to the PA for FY 1999, to be paid as soon as possible (preferably in a lump sum before 5/99—the State Department fearing that if the PA unilaterally declares a Palestinian state, Congress would block further disbursement), above and beyond previously planned aid of around \$100 m./year for five years. The World Bank and International Monetary Fund agreed to continue technical assistance. The only Arab states to turn down invitations were Lebanon and Syria, which also declined to attend the 1993 post-Oslo donor conference.

By comparison, in 1993, the U.S. pledged \$500 m. to the PA for five years—\$375 m. in grants from the U.S. Agency for International Development (AID) and \$125 m. from the Overseas Private Investment Corp. (OPIC). By 12/98, the PA had received about \$300 m., including only \$6 m. from OPIC. Overall, international donors pledged \$4.2 b. for the period 1993-98 but actually gave only around \$2.5 b. (mostly from Western Europe). In the last five years, Israel has received \$15.3 b. from the U.S. alone.

Following the Washington meeting, donors were given several weeks to consult with their parliaments to budget the aid before two follow-up donor meetings in Frankfurt (2/4-5). A 2/4 Ad Hoc Liaison Committee meeting reviewed the next steps in the donor effort and possible adjustments in the donor structure. A 2/4-5 Consultative Group (CG) meeting then convened to match pledges to specific projects, but the PA presented its new five-year, \$4.5-b. Palestinian Development Plan (PDP) to CG members only minutes before the session began

on 2/4. With no time to review projects, no final decisions could be made on allocating funds. Donors agreed only to pay out \$770 m. of the \$3.2 b. in 1999. The five-year PDP allocated 49% of its funds to infrastructure; 25% to "social infrastructure" (e.g., schools, hospitals); 17% to industry, agriculture, and tourism; and 9% to institution building.

At the 11/30 meeting, the State Depart-

ment acknowledged that plans for a Middle East Development Bank (see Peace Monitor in *JPS* 105), first raised in 1994, have been suspended. Egypt, Israel, Jordan, and the PA were unable to agree on a charter for the bank. Without the charter, Congress refused to make the contribution that would have provided the bank's capital base.

Compiled by Michele L. Kjorlien



Arafat and President Clinton applaud as members of the Palestine National Council and other Palestinian figures raise their hands and stand to approve cancellation of anti-Israeli clauses in the PLO Charter, 14 December in Gaza. (AFP/Luke Frazza)