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"The Arab-Israeli Peace Process"

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Of all the events in 1996, the 29 May Israeli general elections had the most far-reaching impact on the Arab-Israeli peace process. Up until that point, peace process dynamics were related to efforts to influence the election's outcome; the rest of the year was decisively shaped by the results-- the election of opposition Likud Party head Binyamin Netanyahu to the post of prime minister and the formation of a right-of-center government. Before the election, both inside and outside the region, uncertainty and anxiety characterized viewpoints toward the peace process; after it, pessimism, distress, and distrust were the prevailing attitudes. Though the negotiating process stumbled repeatedly, the Palestinian-Israeli Oslo accords remained the basis for their continuing negotiations.

The election's results heavily shaped the nature and future of the Palestinian-Israeli negotiating track. Indeed, incremental devolution of power and territory to the Palestinian Authority (PA) was virtually stopped after the elections. The election campaign, and its results, also significantly affected the Syrian-Israeli track. Whatever the causes, Damascus and Jerusalem were making belligerent noises at one another in September. By year's end, their relationship was noticeably worse, and negotiations, suspended since the early part of the year, remained nonexistent. Egyptian-Israeli relations deteriorated because the new Israeli government was viewed as hostile toward the Palestinians and opposed to further territorial withdrawals. While unfulfilled expectations for a "peace dividend" in Jordan fueled growing skepticism toward the new Israeli government, the Jordanian-Israeli track nonetheless maintained the brightest of dim lights. Regarding Lebanon, sporadic hostility and firefights between Israeli and Hizballah forces in Southern Lebanon continued throughout the year, while exploding in April. Overall, by the end of December 1996, Israel's "hard-won relations with moderate Arab states ranged from frozen to tense,"¹ as diplomatic and commercial normalization slowed markedly. Israel's economy, in the midst of reaping benefits from the peace process at the beginning of the year, became sluggish at year's end as foreign investment and tourism declined (see chapter on Israel).

As it had for three decades, the US continued to be deeply involved in the negotiating process, but in only a semi-continuous fashion. Washington neither inspired awe nor caused fear in either Arabs or Israelis. For its part, the US decided that it would not become regularly engaged unless and until the respective sides began exercising political will and courage with respect to the process. During the first half of the year, the Clinton Administration openly supported the candidacy of Shimon Peres, who had replaced the assassinated Yitzhak Rabin as Israeli prime minister the previous November (see MECS 1995, pp. 352-54); during the second half, it tried to understand the motivations of the newly installed Netanyahu. Given Washington's unpreparedness for the election results, and that 1996 was a presidential and congressional election year, it was not surprising that no new initiative emerged from Washington. Through more than half a dozen visits to the region, Secretary of State Warren Christopher and special ME negotiator Dennis Ross kept channels of communication open between Netanyahu and PLO Chairman and PA President Yasir 'Arafat, two men who continued to dislike each other intensely even after they met face-to-face for the first time on 4 September. In the autumn, Palestinians and Israelis alike engaged in unilateral actions, regular verbal swipes at each other and an outburst of violence which further exacerbated their mutual relations. Before the end of the year, as talks intensified to resolve Israel's promised withdrawal from most of the West Bank city of Hebron, Netanyahu and 'Arafat met for the second time, on 29 December. By the end of the year, Washington's previous Quasi-laissez faire approach shifted. Resolving the Hebron issue became life support for the entire Oslo

process. At year's end, Ross and his assistant, Aaron Miller, stepped up the negotiating intensity and entered into laborious negotiations that yielded an Israeli-Palestinian agreement on Hebron in January 1997. Overall, the minimum level of mutual acceptance between some Arabs and some Israelis which had been grudgingly constructed since the 1991 Madrid conference, was noticeably weakened because of a combination of American distance from the process, mutual distrust between Netanyahu and 'Arafat, and unilateral negative acts by Israelis and Palestinians alike.

Israel's policy shift generated adjustments in the pace and nature of the negotiating process. Netanyahu did not break the Oslo agreements; he redefined them and slowed their implementation. Consequently, Netanyahu's election put an additional burden on 'Arafat to justify why he had chosen to recognize Israel and politically settle, at the most, for the West Bank and Gaza, 27% of the land area of British-mandated Palestine, and grant Israel the remainder by the stroke of a pen. Netanyahu's well-developed antagonistic view towards 'Arafat, as well as his "policy of constriction" on the Palestinians, gave 'Arafat's opponents, both on the left and among Islamic elements, ammunition to hurl at 'Arafat. Shimon Peres's electoral defeat generated a leadership struggle within the Labor Party; within the Likud, Netanyahu's success caused others who had leadership aspirations to postpone their plans.

While the Israeli election results had a pivotal impact on the peace process in 1996, there were other significant events as well. These included: the halting of the Syrian-Israeli talks in February; the PA and American election campaigns in January and November, respectively; Palestinian terrorist acts perpetrated against Israelis in February and March; the anti-terrorist "summit of the peacemakers" in March; Israel's 22-day bombardment of South Lebanon, dubbed "Operation Grapes of Wrath," during April; moves toward amending the PLO's Palestinian National Covenant in April and early May; numerous bilateral and multilateral Arab summit meetings during the year; severe Palestinian-Israeli violence in late September, sparked by the Israeli opening of an ancient tunnel alongside Jerusalem's Temple Mount (al-Haram al-Sharif; "Noble Sanctuary"), resulting in a hastily convened 'Arafat-Netanyahu summit with President Clinton and Jordan's King Husayn on 1 October; several postponements of Israel's promised withdrawal from Hebron; and the Cairo ME and North Africa (MENA) economic conference in November.

Israeli and Palestinian positions on "final-status" issues, already far apart as the year began, were sharpened starkly by both Labor and Likud Party candidates during the Israeli election campaign. The campaign further generated acrimonious controversy about what Palestinians and Israelis expected from each other. Four suicide bombings which killed dozens of Israeli civilians in February and March had the most profound impact upon the election outcome and general Israeli attitudes toward the Palestinians.

External actors remained engaged with Arab-Israeli affairs throughout the year. During the second half of the year, especially, Egyptian President Husni Mubarak was 'Arafat's most frequent Arab consort in matters relating to the peace process. At the same time, for several months after his victory, Netanyahu enjoyed somewhat of a political honeymoon courtesy of King Husayn and Mubarak. Indeed, most of the parties involved in Arab-Israeli negotiations waited to give Netanyahu the benefit of the doubt and to see the extent to which his leadership would alter the parameters laid down by the Oslo accords. By the fall, however, negotiations had ground to a halt, rekindling a competition Amman and Cairo to prevent a total collapse of the negotiating process. Both Jordan and Egypt sought to be useful adjuncts to the US, notwithstanding their strong opposition to Washington's continued physical punishment and isolation of Iraq, and opposition to what was viewed as Netanyahu's "foot dragging" with the Palestinians. By year's end, Israel's ninth prime minister was remonstrated severely by the two Arab leaders whose countries had peace treaties with Israel, for slowing the pace and content of withdrawals.

From a broad historical perspective, the negotiating process still focused on the interplay of exchanging land for peace and security. Under what conditions, over what period of time, and for what political gains would Israel return territories taken in the June 1967 war? Significantly, Netanyahu differed from Peres, changing the emphasis from "land for peace" to "land for security." One of Netanyahu's key objectives was to strip 'Arafat of his option of using violence or the threat of violence in order to obtain further Israeli concessions. Conversely, if 'Arafat and his security services performed to the Israeli leadership's satisfaction, then political prerogatives, economic carrots, and specified quantities of land could be provided to the PA.

In determining a workable formula for devolving territory to the PA, Israel was essentially negotiating with itself. Except for the use of violence, directly or indirectly instigated, 'Arafat's PA had very little leverage over Israel's policy choices.

During the year, the peace process was characterized by a cycle of action and reaction. Palestinians failed to fully fulfill their commitment to implement portions of the Oslo accords, particularly regarding the armed activities of Islamic opposition movements. At certain points during the year, the PA would round up extremists and militants, incarcerate them, and after an interval, release some from detention. Israel responded to terror attacks with periodic closure of the West Bank and Gaza to Palestinian laborers and to Israeli markets. Unilateral actions by one side would repeatedly anger the other, resulting in verbal rancor, centering on the inadequacy of the other's commitment toward implementing the accords appropriately and in a timely fashion. Intermittently, Arab leaders would meet with one another, with American representatives in the ME or in Washington, and occasionally attend summits either in Washington or the ME, all to debate but not to do much about the stalemated peace process. At the same time, though mistrust and hostility characterize Palestinian-Israeli relations, neither side totally gave up on the negotiating process: there was no alternative to this marriage of necessity. Political casualties for the year included a break in quiet diplomacy, a reduction in security cooperation, and a decline in confidence and trust between Arab and Israeli leaders. The leading economic loser for the year was the Palestinian economy; the political winners were those Palestinians and Israelis who wanted no further concessions to be made to the other.

Nineteen Ninety-six did witness some significant "firsts" in the peace process, both positive and negative. It was the first year since 1993 that a major agreement was not signed between Palestinians and Israelis. In early May, Yasir 'Arafat met alone for the first time with an American president in the White House. It was a maiden opportunity for the Likud Party, that was directly responsible for offering the concept of full "Palestinian autonomy" in the 1978 Camp David accords, to demonstrate its willingness or lack thereof, to implement the Oslo accords, which had added to the concept of Palestinian self-rule by including the transfer of territory to Palestinian hands. It was the first time since the signing of the Oslo accords that there was a major armed clash between Palestinian and Israeli security personnel: in late September, 60 Palestinians and 15 Israelis were killed in pitched gun battles between PA and Israeli forces in the West Bank and Gaza. According to Palestinian accounts, the subsequent deaths of wounded persons raised the death toll among Palestinians to 84. In early October, President Clinton convened the first U.S.-sponsored 'Arafat-Netanyahu summit at the White House aimed at cooling tensions arising from the previous month's violence. On 15 October, King Husayn made his first official visit to the West Bank since losing it to Israel in the June 1967 war. Israel's postponement of the withdrawal from Hebron in March 1996, as had been promised in the September 1995 Oslo II implementation agreement (see MECS 1995, pp. 45-48) became a major bone of contention between the new Israeli government and the PA. Israelis, already skeptical about Palestinian intentions, had their feelings reinforced by the PLO's tiptoeing around the covenant's amendment, frequent anti-Israeli comments by Palestinian leaders, and harsher and more vitriolic utterances against Israeli policies emanating from virtually every Arab capital. A significant portion of the Palestinian community which remained unalterably opposed to the Oslo agreements effectively used violence to express their opposition toward 'Arafat and the PLO's recognition of Israel. Others who wanted an accommodation with Israel were angered and frustrated with what was viewed as Netanyahu's intentional procrastination in implementing Israeli commitments contained in the Oslo agreements.

THE PALESTINIAN-ISRAELI TRACK IN THE MIRROR OF ISRAEL'S ELECTION CAMPAIGN

Rabin's assassination in November 1995 placed the future pace of the Arab-Israeli peace process in doubt. Rabin personified a reasonably comfortable middle ground for most Israelis. In their minds, his military and political career inspired trust that he would make decisions necessary for, and commensurate with insuring Israeli security. Shimon Peres's succession fueled speculation among some within Israel about whether too much territory and prerogative would be relinquished too quickly to Arab control. For some Israelis, Peres lacked the fortitude to act judiciously and apply sufficient restraint in making strategic concessions to the Palestinians and Syrians. Peres was Israel's prime minister when in late 1995 major Arab towns in the West Bank were evacuated and assigned to "Arafat's PA; he was prime minister

when the Hamas "engineer" of previous suicide bombs, Yahya 'Ayyash was assassinated in Gaza in early January 1996 by an Israeli-planted exploding cellphone. Though Israeli officials had asked 'Arafat to arrest 'Ayyash, he had refused, in part because of 'Ayyash's popularity as a folk hero 2 (see chapter on Palestinian affairs).

Peres considered advancing the Israeli national elections from the original November 1996 date to sometime in January or February. One of the reasons he did not was his desire not to disturb the concurrently scheduled Palestinian elections. On 20 January 1996, more than 75% of the 1m. registered Palestinians in the West Bank, East Jerusalem, and in the Gaza Strip elected the 88-member Palestinian Legislative Council (PLC), and chose Yasir 'Arafat to be president of the PA. 3 Palestinians were keen to exercise their voting rights for they saw it as demonstration of sovereignty.4 Israelis too saw this transitional election as a definite step toward self-determination in the direction of the establishment of a Palestinian state.

Elections for a Palestinian president and legislative council served both Israeli and Palestinian purposes. First and foremost, Israel's withdrawal from the major cities of the West Bank, noninterference in the election campaign, and the conduct of the elections themselves confirmed that obligations made under the Oslo agreements could and would be implemented. In a broader perspective, these elections effectively consummated the never-implemented 1978 Camp David agreement, "to elect a self-governing authority" for the inhabitants of the West Bank and Gaza Strip (see MECS 1977-78, pp. 123-29). Since the Oslo agreements affirmed Israeli authority over the territories pending negotiations, Palestinian participation in the elections confirmed Israeli limitations on Palestinian self-rule. Second, 'Arafat's overwhelming election victory as president further legitimized him as the undisputed leader of the Palestinians, giving him a mandate to negotiate on their behalf; Israelis, for their part, saw this as an opportunity to hold 'Arafat and the newly elected council accountable for implementing the Oslo agreements and especially the security requirements in the territories under his control.

Despite the election of the PLC, 'Arafat's "dominant and charismatic personality" and "individualist style of leadership" did not allow any devolution of significant power and authority to either the council or to any one individual within it. 5 Though multiple negotiations took place between various Palestinian officials and Israeli counterparts as prescribed in the Oslo accords, 'Arafat's unchallenged control of the multiple sources of power and legitimacy within the Palestinian community were what mattered most. In order to sustain a consensus within a geographically, socially, and politically fragmented community and preserve his own unchallenged position, 'Arafat maintained his status not only as president of the PA, but also as chairman of the PLO Executive Committee. As he increased his control over his half-dozen distinct security services, he limited the effectiveness of the newly elected PLC, even while adding the members to the Palestine National Council (PNC) so they could vote to amend the 1968 PLO covenant (see below).6 According to a long-serving American diplomat in Jerusalem, there was a distinct unwillingness in the Palestinian press either to take on 'Arafat publicly or report the goings on of the council. The Palestinian "population has no idea what this institution is supposed to be doing. The council is reacting to 'Arafat rather than initiating."7 Those Palestinian leaders who openly opposed 'Arafat, such as Ahmad Jibril, head of the Damascus-based Popular Front for the Liberation of Palestine-General Command, described the PLC as a "parasitic structure", without "legitimacy" and its decisions "nonbinding." 8 Yet, with the Palestinian presidential election confirming his leadership and a historic predilection not to share power, the Israeli Government, whether led by Peres or Netanyahu, was assured of an identifiable address regarding the implementation, or lack thereof, of the Oslo accords.

The Rabin assassination notwithstanding, the implementation of the Oslo agreements proceeded apace at the end of 1995 and the beginning of 1996. The redeployment from six of the seven main West Bank urban areas was carried out with few hitches (see MECS 1995, pp. 141-42). The January PA elections were held with much fanfare and only a minimum of Israeli harassment on election day (see chapter on Palestinian affairs). Also in January, Israel released more than 1,000 Palestinian prisoners. On 4 February, Peres and 'Arafat met in Davos, Switzerland. During the next several days US Secretary of State Warren Christopher met with Israeli and Palestinian officials. Several weeks later Israel approved entry into Gaza of 154 members of the PNC for the purpose of amending the covenant. At the end of Ramadan, on 12 February, Israel imposed closure on the territories, to avert possible clashes over the 'Ayyash assassination. On 23 February, the day that 'Arafat was sworn in as president of the PA, the closure was lifted. As they had ever since the Rabin assassination, public opinion polls

showed Peres and the Labor Party holding a decisive advantage over Netanyahu and the Likud. But a series of terror attacks swiftly erased Labor's edge.

The first attack came on 25 February, near Jerusalem's central bus station, when a suicide bomber detonated an explosive of over 10 kg. on a crowded commuter bus, killing 26 and injuring 80 others. Less than 30 minutes later on the same day, a second suicide bomber blew himself up at a crowded bus stop in Ashkelon claiming two lives and wounding 38 other soldiers and civilians. Hamas claimed responsibility for both bombings, and said the bombing was in response to the January killing of 'Ayyash. Immediately, Israel halted talks with the PA and closed its borders with Gaza and the West Bank.⁹ The next day, Palestinian police arrested some 90 Hamas members. On 3 March, a week later almost to the minute, another suicide bomber detonated a heavy explosive while riding the same bus line in the center of Jerusalem, killing 19 people and wounding nine others. A Hamas spokesman claimed responsibility and said the attack was in response to Israel's rejection of a conditional cease-fire offered by Hamas. Prime Minister Peres declared "war" on Hamas and ordered increased security measures, including the destruction of the houses of the families of suicide bombers.¹⁰

The very next day, on 4 March, a suicide bomber detonated a bomb outside of Dizengoff Center, Tel Aviv's major downtown shopping mall, killing 20 and wounding 126 others. ¹¹ Hamas and the Palestinian Islamic Jihad both claimed responsibility for this bombing. Israel now imposed an "internal closure," banning movement between Palestinian villages and prohibiting all entry into Israel, including medical, humanitarian, and VIP visits. Closure of one degree or other remained in effect through May.

In claiming credit for the spate of bombings, the military wing of Hamas said,

Let the Jewish enemy know it is not safe from the strikes of our mujahidin despite the Nazi campaign it is launching against our innocent people. For [neither] organized killing, siege, starvation, nor house demolitions and sealing will frighten our mujahidin, who will, with God's will, keep fire on the necks of the Jewish terror leaders. ¹²

In just a fortnight after the March bombings, Beirut's Hamas representative, Mustafa al-Liddawi, asserting opposition to the peace process, confirmed "a continuation of the jihad and the martyrdom-seeking action" because the "proposed peace seeks to impose hegemony over a weak, surrendered party."¹³

Arab reaction to the bombings was mixed. The PA's Mahmud 'Abbas (Abu Mazin) said that it was "determined to root out every bit of [terrorist] infrastructure"; al-Hayat's chief editor, Jihad Khazin, castigated Hamas, saying the bombings jeopardized the Palestinian people's future; Egypt's al-Ahram claimed that Hamas was not acting so much against Israel as much as against the PA and the peace process; while Bahrain's Akhbar al-Khalij expressed support for the actions undertaken by Hamas against Israelis. ¹⁴

A direct consequence of the bombings was the erasure of Peres's commanding lead in public opinion polls. On 9 February, they showed that Peres would trounce Netanyahu 51% to 36%; on 8 March they indicated that Netanyahu would defeat Peres 49% to 46%.¹⁵ In almost all subsequent polls until the elections, Peres retained a razor-thin margin over Netanyahu in Israeli voter preferences. Another direct consequence was the postponement of Israel's promised withdrawal from Hebron. The Hebron issue was not discussed again in earnest until the end of the year, despite the arrival of the 32 European observers in May who were to monitor implementation of a Hebron agreement. Said the Economist, "Israelis, traumatized by the slaughter of 60 people, believe they have been cheated in their land-for-peace deal with the Palestinians ... three years of courageous risk-taking are undone, a cruel war of attrition, an end to Israel's hopes of normal relations with the Muslim world. The evil men behind the suicide bombers can congratulate themselves. Seldom ... has terrorism been more effective at achieving its ends." ¹⁶

In advance of bilateral Palestinian-Israeli steering committee talks held on 22 February, chief Palestinian negotiator Sa'ib'Urayqat and Israel's Foreign Ministry legal adviser Joel Singer met to discuss 49 outstanding issues. However, the bombings caused suspension of the steering committee talks, with Peres and 'Arafat not meeting again until April 18. It was

decided to move forward implementation of the Oslo II (September 1995) commitments. Though Israel had launched Operation Grapes of Wrath against Lebanon, Palestinian-Israeli bilateral talks were not suspended further.

In the meantime, on 13 March, an international conference of officials from 29 countries was convened under Egyptian auspices at Sharm al-Shaykh. While all came with a primary purpose of garroting terrorism, each came to promote separate interests. Peres sought to gain international support for the war against terrorism but also to shore up his faltering election campaign; Egypt's Mubarak, Husayn of Jordan, and Russia's President Boris Yeltsin wanted to assert their respective centrality to the negotiating process; 'Arafat wanted to urge attendees to pressure Israel to end the closure on Palestinian areas and lobby for additional financial support for the Palestinians from international donors; the Europeans, for their part, wanted to be sure that their economic relations with states like Libya, Iran, and Iraq would not be unduly jeopardized by overly strong condemnations of these countries.

The overall purpose of the summit was to establish a cooperative mechanism to thwart further regional terrorism, to express international solidarity and support for Palestinian-Israeli agreements and the negotiating process in general, and to promote security coordination to stop terror on bilateral, regional, and international levels. The meeting was a dramatic show of solidarity from world leaders and of their declared desire to combat and track down the financial sources, sponsors, and perpetrators of terrorism. Symbolically, it brought Arab and Israelis leaders together. However, the summit's final statement fell short of a united stand against Muslim extremist violence and condemnation of Iran's alleged sponsorship of terrorism, 17 or that of any other country, thanks in large part to Egypt's insistence on keeping the statement general in tone. The leaders agreed to reinforce the Arab-Israeli peace process with security and financial assistance. Clinton committed \$100m. to Israel for antiterrorism initiatives, including training, bomb detection scanners, X-ray systems, and robotics for handling suspect packages. European leaders were satisfied that additional sanctions had not been requested against Iran, Iraq and Libya, despite their being viewed as providing support for terrorism.

As had been intended, another effect of the summit was to strengthen Shimon Peres's candidacy for prime minister. President Clinton called it "the peacemakers' conference," and acknowledged that a risk-free environment could not be created unless Israel's risks could be reduced.¹⁸ Netanyahu sarcastically characterized it as "the conference to save Peres."¹⁹ Israeli commentators, such as Chemi Shalev, wanted a conference that offered teeth to terrorism prevention, such as the establishment of an international commando unit, "not another ceremony, verbiage, [and] production."²⁰

Strident Arab reaction came from several sources. Egypt's Islamist-oriented al-Sha'b derided Arab leaders who, it declared, should not be going to Israel but forming a common front against Israel. Editor in chief 'Abd al-Bari 'Atwan of the London daily al-Quds al-Arabi, labeled the Sharm al-Shaykh meeting the "terror summit - a summit to terrorize the Arab peoples ... a summit in which [Arab] regimes cooperate warmly with the American and Israeli masters in broad daylight," and Syria's state-run daily Tishrin defended the decision by Damascus not to attend the conference because "participation is tantamount to contributing to the support of Israel's policies of occupation, colonization and repression."²¹ Jordan's Prime Minister 'Abd al-Karim al-Kabariti, on the other hand, criticized Syria's boycott by saying, "it did not bode well for the strategic option that they [Syria] made, which is peace."²² (For More on the conference, and on Jordanian-Syrian relations, see chapter on inter-Arab relations.)

THE ISSUES OF JERUSALEM, THE PLO COVENANT, AND FINAL STATUS TALKS

With final-status talks scheduled to commence (symbolically) in May, the Israeli election campaign debate focused on which political party could be better suited to preserve Israeli interests vis-à-vis the Palestinians. In mid-February, the Likud revealed its strategy: to tar Peres with the accusation of dividing Jerusalem as the price for a settlement with the Palestinians. The Likud unveiled a life-sized poster of Peres with the slogan, "Peres is partitioning Jerusalem." The Labor Party responded with an appeal that the issue of Jerusalem remain outside of the campaign. Peres, for his part, categorized the Likud claims as "tall tales."²³ However, his effort to limit public debate on Jerusalem boomeranged. According to a Maariv editorial, "instead of moderating the confrontation on the issue of Jerusalem, it is sharpening it; instead of calming the Right, it is causing suspicion; and instead of taking the

wind out of the Palestinians' sails, it is inflating them with a bad wind." 24 Three days before the 25 February bombing, revelations were aired regarding Labor's periodic discussions with the Palestinians in European and Mediterranean area venues about distinctive arrangements for Jerusalem. The draft of this understanding negotiated between Oslo architects Yossi Beilin and Abu Mazin reportedly called for an unarmed Palestinian state, Israeli sovereignty over most settlers, and religious sites in Jerusalem declared extraterritorial. Other options for Jerusalem reportedly included: granting Palestinians administrative autonomy, creating a borough system, creating separate Arab and Jewish municipalities under an umbrella administration, shared sovereignty, and 41 suspension" of sovereignty over contested parts of the Old City considered holy to all religions.²⁵

As contentious as it was continuous, the debate on the unofficial Palestinian presence in Jerusalem focused on the functions and symbolism of Orient House, located in East Jerusalem, outside of the Old City. Under the direction of Faysal al-Husayni, the PA's minister for Jerusalem affairs, conventions, symposia, meetings, and other activities were held as part of a systematic Palestinian effort to assert a political claim to Jerusalem. The Israeli Government, for its part, sought to curtail all political activities there. On 7 March, the Knesset passed the first reading of a bill to close Orient House. The second and third readings of this law were held in abeyance until after the May elections. The timing of the bill's initial tendering had everything to do with the elections, so as to counter the Likud's claim that Peres was "soft" on keeping all of Jerusalem under Israeli rule. On 1 April, in order to defuse negative campaign perceptions about his positions on final-status issues, Peres promised a national referendum on any final settlement with the Palestinians. Once he became prime minister, Netanyahu's position on Palestinian presence in Jerusalem was clearly stated: "We will not tolerate any Palestinian authorities in Jerusalem Orient House serves as a quasi foreign ministry, and that is unacceptable."²⁶ At the same time, the Knesset bill to close Orient House was not brought back for a formal vote.

The September 1995 Oslo II agreement had a direct impact upon the Israeli election campaign in another way as well. According to the agreement, the PLO covenant was to be revised within two months of the PLCs inauguration; concurrently, final-status talks were to begin no later than 5 May 1996. Just as it emphasized the Jerusalem issue in its election campaign, the Likud aimed at highlighting the flaws in the Palestinian- Israeli agreements, while emphasizing wherever possible that 'Arafat and the PLO could not be relied upon. Portraying Peres as untrustworthy with the nation's future, and linking him inextricably to 'Arafat, whom much of the Israeli public deeply distrusted, was the obvious Likud goal. Peres could not be relied on, went the Likud campaign refrain, to manage the country's assets in final-stage negotiations with the PLO and by implication, not with Syria or Lebanon either. Peres's willingness to allow PLO officials, including those who were responsible for killing Israelis in earlier times, the opportunity to return to Gaza to participate in the covenant's emendation process added fuel to the fire. By giving 'Arafat a chance to have a quorum necessary to vote on the covenant's proposed changes, Peres opened himself to criticism for getting in bed with Israel's archenemies. Peres and 'Arafat met for the first time in three months, on 18 April at the Erez checkpoint. Peres announced that final-status talks would commence as scheduled. Other points discussed included relaxation of the territories' closure, 'Arafat's actions taken against known terrorist elements, Israel's redeployment from Hebron, and the forthcoming PNC meeting to amend the covenant and "to fulfill" what 'Arafat said was "promised from our side concerning the charter" (covenant).²⁷ Amendments to the covenant, specifically the change of 8 of the covenant's 33 clauses, became a barometer for Israelis to see whether 'Arafat would hold true to a promise that held psychological value regarding Palestinian intentions. Israel's deputy foreign minister Eli Dayan reflected this position, insisting on explicit cancellation of the covenant, "without any tricks or subterfuges."²⁸ As it happened, the PNC's revision of the covenant, to the extent Israel wanted, fell short of the unequivocal, specific removal of the covenant's articles which called for Israel's destruction. In fact, the extent and manner of its revision influenced the Israeli election campaign and affected the Palestinian-Israeli relationship.

On 24 April, when Israelis were celebrating Independence Day, the PNC voted 504 to 54 with 14 abstentions and 97 absentees, to amend those parts of the covenant, "by canceling clauses which contradict the letters exchanged between the PLO and the Israel Government" (on 9 September 1993; see MECS 1993, pp. 37-38).²⁹ 'Arafat's deputy, Abu Mazin, led the effort to secure a two-thirds majority, although only a simple majority was required. No specific change to the covenant was actually made. The PNC Speaker, Saljrn

Zanun, announced that a legal committee of the PLC would draft a new covenant to be submitted to the Palestinian Central Council for approval within six months. Peres called the PNC action "the most important ideological change that has occurred in the ME in the past 100 years"; Netanyahu counseled caution, explaining that what the PLO did was "not complete." 30 The Arab press's reaction was subdued. President Clinton and Secretary of State Christopher respectively termed the vote as a "major step forward on the road to lasting peace" and "a historic milestone on the road to reconciliation." 31 Subsequent to the vote, the Israeli Labor Party endorsed a new party platform that omitted opposition to a Palestinian state but retained clauses calling for Israeli sovereignty over a united Jerusalem, the Jordan Valley, and all existing Israeli settlements.

Final-Status talks, designed to be completed by 4 May 1999, 32 commenced in Taba, Egypt, on 5 May, as stipulated by the Oslo accords. Abu Mazin, the head of the Palestinian team, remarked "that it was high time for Israel to remove any obstacle to the establishment of a Palestinian state next to Israel," while his Israeli counterpart, Uri Savir, described Israel's goal as "the separation of the two peoples while seeking cooperation in an atmosphere of mutual respect and dignity." 33 These talks were to treat the most important and intractable issues of the conflict: the future disposition of Jerusalem, Israeli settlements, fate of Palestinian refugees, final borders, security arrangements, water usage, and trade matters. Palestinian and Israeli negotiators could only agree to set up a joint steering committee of four or five members each to address conceptual aspects of the negotiations and define the framework and modalities of the talks. The differences of opinion between Israelis and Palestinians on these issues was enormous. Nabil Shath, the PA's planning minister, said that "the two sides could not conceal the scale of the radical disagreements ... on the issues raised." 34

Moreover, unsureness about the outcome of the pending Israeli election made it impossible for Palestinian and Israeli officials to conduct any detailed discussion of the difficult and unresolved issues. After two days, the talks were suspended. Intermittent security contacts continued between Palestinian and Israeli representatives, but no final-status talks were held for the remainder of the year.

Prior to the elections, the PA and Israel reached understandings on security measures at Rachel's Tomb between Jerusalem and Bethlehem and freer movement for Palestinian council members in the territories. In the security realm following the February and March bombings, 'Arafat, seemingly stunned by the Israeli reaction to the bombings, initiated a crackdown on Hamas and Islamic Jihad members. Mass arrests were made by Palestinian security forces; the PA outlawed extremist and paramilitary organizations. Israel's General Security Service commanders were in daily contact with their Palestinian counterparts in the West Bank, Gaza, and Jerusalem areas. But these measures did not persuade the Israeli electorate to trust either 'Arafat or rely on Peres to be the next prime minister. Voting preferences were to be driven by concerns with personal security and at what pace and style to negotiate with the Palestinians.

International pressure on 'Arafat to continue security cooperation receded during the months after Netanyahu's election. Conversely, pressure on 'Arafat to release Hamas and Islamic Jihad militants increased from Palestinian and other sources. By September, 'Arafat was emptying PA prisons; Islamic militants were recruited by PA security agents. The short span of successful security cooperation with the Israelis in the spring had been effective; it also demonstrated to 'Arafat the extent of the Islamic threat to him. 35 However, in the context of worsening Israeli-Palestinian relations, 'Arafat eased up on Hamas.

NETANYAHU'S ATTITUDES TOWARD A PALESTINIAN SOLUTION AND ARAB REACTIONS TO HIS ELECTION

Binyamin Netanyahu led a political party that was historically less accommodating to the Palestinians and ideologically opposed to parting with any portion of the West Bank (Judea and Samaria) and Gaza territories. When the election campaign commenced, Netanyahu was derisive of the Oslo accords and most negative in his statements about 'Arafat. As the elections approached, he reluctantly accepted the Oslo agreements but remained staunchly negative toward 'Arafat. In January 1996, Netanyahu reportedly stated that he was "prepared to accept the existence of the PA under the PLO's leadership ... promised not to find other Palestinian partners for the autonomy idea, and [was] prepared to admit that Israelis [would] not return to the [Arab] cities," 36 evacuated prior to the 20 January Palestinian elections. In February, however, Netanyahu promised that he would never meet with 'Arafat; that the

Palestinians would merely run their own lives in an autonomous fashion concentrated in the densely populated areas; that he would close down PA institutions in Jerusalem; and that Israel would protect its most cherished assets - Jerusalem and water - in any permanent arrangement. 37 By the time of the elections, Netanyahu had left the unmistakable understanding that if he were elected, Oslo's implementation would certainly be more restrictive, and perhaps recast. Clearly, Netanyahu disliked the Oslo accords, so he penned his own terms of reference to them. At the end of the year, he declared that "Oslo is a very badly planned framework, particularly in terms of its security aspects. It is a negligent and careless agreement with endless holes ... there was no insistence on reciprocity in the implementation of the accords. There emerged a norm of the Israelis giving and the Palestinians taking ... if we had continued with a process of automatically complying with every demand of the other side, we would have ended up dismantling the State of Israel."38

While not rejecting the legitimacy of a Palestinian national movement, Netanyahu wanted to define or limit its aspirations. He recalled that "Oslo was based on the clear assumption that both sides wished to establish a Palestinian state." To him, clear dangers remained for Israel from such a state because it could have its own army, establish military pacts with foreign countries, control its own air space, drill water wells freely, want Jerusalem as its capital, and return Palestinians to the West Bank and Gaza. Nonetheless, Netanyahu believed that it was "possible to reach a broadbased national agreement on a solution that will allow the Palestinians a considerable measure of independence, while leaving the overall authority, particularly in the field of security, in our (Israeli) hands."39

Quite expectedly, the Palestinian community disagreed vehemently with Netanyahu's formulations. In response, the demand for vigorous Israeli adherence to the Oslo accords became a mandatory mantra for 'Arafat and his mainstream political allies. 'Arafat feared that Netanyahu's election would mean application of the Likud Party's traditional ideological commitment to a Greater Israel. For 'Arafat, truncating if not trashing Oslo's requirements for additional territorial withdrawals ("redeployments") during the interim period was completely unacceptable. Among Palestinian opponents of Oslo, terrorist violence against Israelis both prior and subsequent to Netanyahu's election was the preferred response to the entire enterprise of negotiating with Israel. Thus, within both Israeli and Palestinian communities, debate was increasingly sharpened about the validity and vitality of the Oslo process.

In addition to their diametrically opposed position on matters of substance, Netanyahu and 'Arafat profoundly disliked each other on a personal level. Their mutual antagonism was far greater than even that between Menachem Begin and Anwar al-Sadat two decades earlier. It took more than three months after the May elections for Netanyahu to rescind his preelection promise not ever to shake 'Arafat's hand. Thus, a combination of deep personal distrust and fundamental differences of substance raised the level of tension in Palestinian-Israeli relations by many degrees.

While personal estrangement grew and the chasm of mistrust between Palestinian and Israeli communities and their leaders deepened; despite the litany of mutual complaints about the flaws, shortcomings, and ambiguities in the Oslo accords; and notwithstanding Palestinian terror, Israel's military action in Lebanon, and the Israeli-Palestinian violent clashes in September, the Oslo accords were not trashed. Survey research conducted throughout the year on a systematic basis by both the Tami Steinmetz Center for Peace Research at Tel Aviv University and the Center for Palestine Research and Studies in Nablus showed consistently that more than 50% of the Israeli population and 60% of the Palestinian population supported a Palestinian-Israel settlement and favored the Oslo accords. Opinions measured after major events such as the Rabin assassination, the Palestinian elections, the terrorist acts in February-March, the Netanyahu election, and the September violence showed either small shifts downward or significant shifts upwards of public support in both communities, while a constant majority of both populations continued to register support for an accommodation with each other.40 For the Palestinians, that meant an independent state alongside Israel.

On 17 June, the day before his inauguration as Israel's ninth prime minister, Netanyahu published his government's basic guidelines. Portions relating to the negotiating process included the general intention "to broaden the circle of peace with all of its neighbors ... reinforce and develop peaceful relations with Egypt and Jordan ... conduct negotiations with Syria without preconditions (see below) ... [and] raise the level of relations with other Arab countries [like] Qatar, Oman, Morocco, Tunisia, [and] Mauritania." Regarding the Palestinian

track, the guidelines stated that the government negotiate with the PA with the intent of reaching a permanent arrangement, on the condition that "the Palestinians fulfill all their commitments fully ... propose to the Palestinians an arrangement whereby they will be able to conduct their lives freely within the framework of self-government ... oppose the establishment of a Palestinian state or any foreign sovereignty west of the Jordan River, oppose the right of return of Arab populations to any part of the Land of Israel west of the Jordan River ... and insist on ensuring the existence and security of Jewish settlements and their affinity with the State of Israel," Regarding the Syrian track, the Golan Heights were declared "essential to the security of the state and its water resources. Retaining Israeli sovereignty over the Golan will be the basis for an arrangement with Syria."⁴¹

Immediately after the elections, most Arab quarters recognized that the change in the Israeli Government meant an unwanted transformation in the style and substance alike of Arab-Israeli negotiations. Some Arab leaders gave Netanyahu and his peace process policy a honeymoon and did not pronounce an "immediate death" of either the Oslo formulations or negotiations in general. Egypt, Jordan, and the PA, those with treaties or agreements with Israel, were the most patient. Mubarak tried to remain upbeat; King Husayn was quite sanguine; the PA fiercely demanded Netanyahu's adherence to the Oslo agreements. Syria, however, castigated the new Israeli government from the outset. The slide toward collective Arab chagrin was evident and almost uniform, except for Jordan, by the end of July.

Arab leaders' response to Netanyahu's election were a swift series of meetings designed to shape a common position: Mubarak and Asad in Cairo on 31 May; Husayn, 'Arafat, and Mubarak in 'Aqaba on 5 June; Mubarak, Asad, and Saudi Crown Prince 'Abdallah on 7 June in Damascus; and the Cairo Arab summit on 21-23 June (see chapter on inter-Arab relations). The latter was the first all-Arab summit meeting in nearly six years, a testimony to the "shock" delivered by Netanyahu's election. Most Arab leaders accepted the Gulf Cooperation Council's (GCC) view that the new Israeli government "needed to be totally and thoroughly committed to the implementation of all the agreements reached."⁴²

Egyptian Foreign Minister 'Amru Musa said "it is wise to give" Netanyahu "suitable time to map out his policy" but there was also a need for him "to scrupulously implement all signed agreements."⁴³ At the tripartite summit on 5 June, President Mubarak rebuked a correspondent for using terminology in his question that suggested an Arab fear resulting from the elections which he termed "Israel's natural democratic process."⁴⁴ The Cairo Arab summit's final statement reflected the prevailing caution, noting that Israel, "should honor its commitments to the Arabs, and specifically to the Palestinians or risk a deterioration in Arab-Israeli relations."⁴⁵ (For the text of the final statement, see chapter on inter-Arab relations, appendix 1.) Addressing reporters at the end of the same tripartite minisummit, 'Arafat said, "We are committed to the peace process in implementing what had been agreed upon and signed", King Husayn said that the "peace process was irrevocable. There is no turning back."⁴⁶ Those associated with 'Arafat and the PA insisted that regardless of who led Israel, the agreements were international in nature and required Israeli adherence. PA Finance Minister Muhammad al-Nashashibi made the distinction that Israelis "voted not on the peace process" but decided "who will continue the peace process"; and the director-general of the PA Presidency Office, Gen. Tayyib 'Abd al-Rahim, said that "even if Peres lost ... the new government must continue (because) ... the Palestinian-Israeli agreement is an international one."⁴⁷ Ahmad Tibi, 'Arafat's special adviser, said that ... Arafat is committed to the political process and will hold talks with any elected [Israeli] government."⁴⁸

About a month after the election, the previously cautious Arab reaction toward the new Israeli government turned sour; harsh tones were thereafter not modulated. The belated appointment of the hard-line Ariel Sharon as national infrastructure minister was termed by Radio Damascus an act of "extremism, hatred of the Arabs ... and challenging the land-for-peace principle."⁴⁹ Former Jordanian prime minister Zayd al-Rifa'i remarked that "Netanyahu's election means the end of the peace process as we know it."⁵⁰ Articles in Egypt's leading daily al-Ahram, and the Syrian-controlled media were now similar in their negative assessments of the Netanyahu government. Al-Ahram's chief editor Ibrahim Nafi' noted that Netanyahu "believes that he is capable of achieving peace and security while keeping the Arabs' territories," because of a "deluded ability ... characteristic of illogical and childish thinking";⁵¹ columnist Salah al-Muntasir wrote that Netanyahu was "fueled by the arrogance of power, the conceit of his young age, and the haughtiness that comes from knowing that the president of the world's greatest power needs him during the next four months.

when US elections are held." 52 Syria's Tishrin accused Netanyahu of "pursuing the terrorism of his predecessor" when he declared his "three no's: no to withdrawal, no to a Palestinian state, and no to ending settlement activities."53 These strident remarks coincided with Netanyahu's first visit to Washington and, not uncoincidentally, the warm reception given to him at the White House and the enthusiasm expressed during his address to a joint session of Congress. Still, PA leaders clung to the assertion that regardless of which party ruled Israel, "signed agreements are the basis accepted by the world for the continuation of these talks."54

Apparently little if any preparations had been made by either Labor or Likud parties to handle a possible transition of authority. Therefore, crucial time was spent and lost during the summer months just making arrangements to establish high-level contacts between the new Israeli government and the PA. To be sure, back-channel communications were initiated the day after the elections between Dore Gold, Netanyahu's foreign policy adviser, and Abu Mazin. However, Gold and 'Arafat apparently did not meet until 27 June; and Foreign Minister Levy met 'Arafat only a month later. The absence of trust, stemming from a combination of sharp differing views and a lack of familiarity with one another, was now a major factor in the relationship. Only two security committee meetings were held between PA and Israeli authorities between the 29 May elections and 26 July; civilian committee talks resumed only on 13 August. Only after Netanyahu returned from the US and Egypt on 19 July were serious efforts made to initiate an 'Arafat-Netanyahu meeting. Focus on negotiating substance was shared with overcoming Netanyahu's continued reluctance to meet 'Arafat. From 13 August until early September, contacts between Abu Mazin and Gold were held intermittently, sometimes with respective military advisers attending." Instrumental in facilitating this quiet Palestinian-Israeli dialogue was Terje Larsen, the UN coordinator in the territories. Larsen had been the person most responsible for the conduct of the secret talks which led to the 1993 Oslo accord (see MECS 1993, pp. 35-43). Larsen feared that the process would simply collapse because without informal contacts, no trust would be formed, and formal talks would founder immediately.56 Based in Gaza, Larsen offered what the Netanyahu government lacked, a long-standing relationship with 'Arafat and his top assistants. Netanyahu, for his part, did not want the Americans present, sensing that they might put pressure on Israel. 'Arafat apparently liked the idea of establishing his own private channel to Netanyahu. Larsen, did, however, brief American and Egyptian officials on the contents of these talks. Time was arduously devoted to the choreography surrounding a meeting between them and much less on narrowing matters of substance that separated them.

Palestinian-Israeli Meetings, Clashes and Conferences

Angry and impatient in June, 'Arafat waited for Netanyahu to call. But Netanyahu's priorities were his initial meetings with Presidents Clinton and Mubarak. 'Arafat chafed at the disdain Netanyahu showed for him. With apparently little immediate chance of an 'Arafat-Netanyahu meeting in sight, Israeli President Ezer Weizman thrust himself into the issue and invited 'Arafat to his private home in Caesarea for a meeting in mid-September. Not to be preempted, Netanyahu finally agreed to meet 'Arafat. He claimed that he could do so because 'Arafat had made sufficient headway in cracking down on extremists. Though Netanyahu felt it now appropriate to shake 'Arafat's hand, Likud Knesset members such as Uzi Landau and Binyamin Begin were sharply opposed to the gesture, seeing the symbolism of this act as political poison. According tacit Likud recognition to Palestinian political aspirations was not compatible with the core ideology of the party which traditionally held that the Land of Israel could not be physically shared with another people. Nonetheless, Israeli public opinion polls showed that more than three-quarters of the Israelis supported the meeting. 57

On 4 September, Netanyahu and 'Arafat met briefly at the Erez checkpoint. Despite the lack of warmth during the meeting, their remarks at a joint press conference suggested public compatibility. 'Arafat stressed his "commitment to cooperate with Israel in all aspects in accordance with the agreement ... to advance the peace process, the peace of the brave ... [to] work together as we did with his predecessor." Netanyahu said, "I have heard in the Palestinian press and Palestinian quarters that my intention is to fragment, to break up the agreement. This is not true." [My intention is] "to facilitate negotiations on a final status ... to also improve the prosperity and economic conditions of the Palestinian population ... we are committed to the agreements and to the outline of the peace process. Our government seeks peace, [on] the principle of reciprocity." However, their respective actions and private remarks for the remainder of the year suggested anything but harmony.

Though under the Oslo II agreement, Israel was scheduled to carry out the first of three further military redeployments and transfer additional internal security control to the PA by 9 September, the date passed without action. The Palestinian-Israeli steering committee for the implementation of the interim agreements met in Jericho the same day and discussed the issues that would be on the agenda in the following stages of negotiations. Among the issues discussed in Palestinian-Israeli working groups were the long-delayed Hebron redeployment, use of the Dahaniyya airport and port in Gaza, general security matters, economic issues, and further Israeli redeployment. However, the atmosphere quickly soured. With the monkey of the symbolic meeting off his back, Netanyahu traveled to Washington for his second meeting with Clinton in three months, while 'Arafat went to Cairo to consult with Mubarak and then attended the Arab League meeting in Cairo. There he addressed a closed session of Arab foreign ministers on 16 September, painting the Palestinian-Israel track and Netanyahu in the bleakest of colors. The Palestinians, he declared "have entered a vicious circle with the new Israeli government ... a new world order may be achieved at our expense We are facing a possible collapse of the peace process ... [having] reached a dead end and got[ten] into an unenviable situation. Netanyahu is now talking about a peace-for-peace exchange ... ignoring the Syrian and Lebanese tracks ... saying no to the Palestinian state and no to Jerusalem as a capital of this state. We will never accept this. Patience has its limits."⁵⁸ 'Arafat complained about Israel's failure to withdraw from Hebron and listed his menu of complaints against the Netanyahu government: failure to carry out, by 7 September, the first phase of further redeployment; the growth of new and existing settlements; expropriation of land; continued partial closure; inability to use the airport in Gaza; failure to open the promised "safe passage" travel corridor between the West Bank and Gaza; and almost total closure of the territories since Netanyahu's election. A chorus of harsh words emerged from Arab media outlets against Netanyahu; the US's concurrent attack against Iraq (see chapters on Iraq, and the US and the ME) compounded Arab antagonism against Israel. The US was perceived as sustaining a double standard; permissiveness toward Netanyahu's procrastination and vile sanctions and actions against the Iraqi people.

On 24 September, Israel opened a 500-yard Hasmonean-era tunnel for public viewing which ran alongside the Western Wall and Temple Mount, lighting the spark of Arab antagonism. Immediately, 'Arafat called for protest marches in Jerusalem and in the territories while denouncing the completion of the tunnel as "real aggression" and a "big crime against our religion and our holy places."⁵⁹ As he had since signing the Declaration of Principles, 'Arafat couched the Jerusalem issue not merely as a Palestinian issue but one at the core of Arab and Islamic interests.⁶⁰ Palestinian resentment now boiled over. The move sparked an unprecedented five days of violence in East Jerusalem, the West Bank, and Gaza. Clashes between Israelis and Palestinians occurred in virtually every major city in the territories, and for the first time since Oslo, Palestinian security officials joined in some of the attacks against Israelis. The violence left 15 Israelis and 60 Palestinians dead. According to Israel's chief of military intelligence, Moshe Ya'alon, there were 11 reasons for Palestinian frustration which caused the outbreak of violence following the tunnel's opening: (1) the freeze in the peace process; (2) Israel's refusal to continue final-status talks; (3) a humiliating attitude exhibited by Israel toward the Palestinian leadership; (4) the closures in the West Bank and Gaza Strip; (5) new Israeli initiatives to enlarge settlements; (6) Israeli expropriation of land in the West Bank; (7) Israeli refusal to settle the Gaza airport issue; (8) Israeli refusal to release more Palestinian prisoners; (9) corruption in the Palestinian administration; (10) economic problems of the PA; and (11) the struggle within the Palestinian community which led to 'Arafat's diminishing status.⁶¹ Arab commentators characterized the outbreak as signifying a new and prolonged Intifida, or indicating "an end of the peace process."⁶² Despite this exaggeration, Israeli-Palestinian relations, already reeling, had been dealt serious blows. Paradoxically, however, it also brought about intensified diplomacy.

For more than a decade, previous Israeli governments had discussed opening the tunnel, but had declined to do so out of concern for Arab and Moslem sensitivities to any change in the status quo in areas close to Jerusalem's Muslim holy sites. Netanyahu's decision to open the tunnel was intended as a direct message to all Arab sides that Israel was the sole sovereign in Jerusalem. Apparently, Netanyahu consulted neither with Ya'alon nor Israel's coordinator of activities in the territories before opening the tunnel and reportedly informed the Israeli army chief of staff of the decision only hours before the tunnel was opened. Nor did he inform foreign policy adviser Dore Gold, who met with King Husayn just prior to the opening. Netanyahu explained that he had had "no intention to surprise" the king, for he himself "was surprised by the reaction."⁶³ Netanyahu gave different reasons for the violence than Ya'alon when he said

that Israel "did not anticipate that 'Arafat and the PA would instigate the incitement with the help of this lie ... that we were digging under the al-Aqsa Mosque ... and ['Arafat was] backed up by the international media."⁶⁴

The violence, which began on 25 September while Netanyahu was on a three-day European diplomatic tour, resulted in a hastily convoked summit on 1-2 October in Washington under Clinton's auspices, and attended by 'Arafat, Netanyahu, and Husayn. The latter was especially piqued by the tunnel's opening, particularly in view of Jordan's special interest in Jerusalem as confirmed in the Jordanian-Israeli peace treaty two years earlier (see MECS 1994, pp. 52-57). The summit was a series of meetings which served mutual purposes and had mixed results. Mubarak decided not to attend; Foreign Minister Musa, who was concurrently in the US, followed the meetings from close range. In staying away, Mubarak was able to criticize Netanyahu harshly, assailing Israel for its "obstinate acts" of intransigence.⁶⁵

What else did the summit do? President Clinton, just five days before his presidential television debate in Hartford with Senator Robert Dole, opted to plunge publicly into the diplomacy of reconciling Israeli and Palestinian views. At the same time, Clinton and his aides openly toned down any expectations of a breakthrough between 'Arafat and Netanyahu. Thus, Clinton took little risk in being seen as "presidential" in world affairs five weeks before the national election. For Netanyahu and 'Arafat, the summit was a "diplomatic continuation of the fighting":⁶⁶ its achievement was a promise to terminate the three-month freeze on negotiations and to accelerate talks, primarily on Hebron, until an agreement was reached. After it was over, critical issues remained on the PA's negotiation agenda: expansion of West Bank settlements; Israel's continued employment of foreign workers over Palestinians from the territories; and failed implementation of safe passage routes between Gaza and the West Bank. It seemed that every time a new issue clouded the PA-Israeli relationship, old promises not yet resolved complicated resolution of new ones. Netanyahu was adamant that violence not be used as a diplomatic tool to coerce Israeli concessions. The tunnel opening, which had spawned the violence, was not closed. Said Dore Gold, "The Palestinian leadership deserved to reap no political fruit from the Israelis."⁶⁷ Thus, Netanyahu left the summit without giving a firm time frame for Israel's withdrawal from Hebron. At the same time, he delicately calibrated the content and tones of his remarks depending on his audience. In Washington, he referred to 'Arafat as his "partner and friend" and publicly recognized the Palestinians as a people and the PA as a government.⁶⁸ He also promised Clinton a renewal of talks, and at home was welcomed back warmly by his hawkish supporters for remaining steadfast about omitting concessions to 'Arafat in the face of growing negative world opinion toward the tunnel's opening.

Did 'Arafat instigate the use of violence? The New York Times reported that "a frustrated Palestinian leadership encouraged and approved hostile demonstrations."⁶⁹ If instructions to engage in specific violence were not given, it was apparently understood in the territories that violence against Israelis would be condoned. In the words of Azmi Shu'aybi, a member of the PLC, "The people were ready to move, but no one believed the explosion would be so strong."⁷⁰ Because Palestinian police opened fire on their Israeli counterparts, the future success of joint security patrols, so carefully crafted in the Oslo agreements, was now in question. Positive steps toward cooperation were dealt a severe blow. In this tense atmosphere, a new round of Israeli-Palestinian talks commenced four days after the summit ended. On 6 October with the participation of Secretary of State Christopher and special envoy Ross, these discussions continued intermittently until the end of the month, concentrating mostly on the issue of withdrawal and redeployment in Hebron. Central to the difficulties was the existence of a Jewish enclave within the city, a feature which did not exist in the six other West Bank cities which Israel had turned over to the PA. In mid-November the level of talks was raised to include Israel Defense Forces (IDF) Chief of Staff Amnon Lipkin-Shahak and Abu Mazin. The Hebron issue continued to dominate discussions into December, culminating with another 'Arafat-Netanyahu meeting, on 29 December, at the Erez checkpoint. The negotiations were fraught with difficulties. Each time a violent clash ensued between Palestinians and Israeli soldiers, often in the area of Rachel's Tomb, the Netanyahu government sought to restrict PA claims in the Hebron area. Israel also insisted on control of the hills surrounding Jewish areas, wide buffer zones between Jewish and Palestinian zones, and restrictions on the PA police (sidearms, not rifles). The PA balked at the proposed limitations in weapons they might carry, asked for the opening of a key street to Palestinian traffic and less restrictive movement of joint patrols. In the meantime, physical preparations for Israel's redeployment moved ahead with the construction of bunkers and renewal of the

mandate for the European observers to be stationed in Hebron.⁷¹ Notwithstanding all the obstacles, a final draft for Hebron redeployment was all but finalized by the end of the year.

THE EGYPTIAN-ISRAELI TRACK

Though official Egypt's initial response to the Likud's return to power was guarded, by year's end, the government's attitude toward Israel had become extraordinarily harsh and was virtually indistinguishable from the virulence expressed regularly in the Egyptian and Syrian media. Not even the Palestinian press was as consistently angry toward Israel as were Cairo's media outlets.

Egypt sought to balance its definition of peace with Israel - basic nonbelligerency - with what it saw as its central role in Arab world politics. Throughout the year, but especially from the end of July onwards, Egypt's patience with Israel waned. By October, following the Palestinian-Israeli confrontation, Mubarak said, "Israel is setting the Arab world afire."⁷² Primarily during the second half of the year, Egypt exhorted Washington to put pressure on Israel and was encouraged by the renewed European interest in pressuring the Netanyahu government to move forward. Egypt used the Netanyahu election to step up the frequency of its own high-level contacts with other Arab leaders. "Peace [with Israel]" Mubarak said, "does not mean Egypt should give up its natural role in the region and the world, turn its back to its Pan-Arab identity, or accept what conflicts with its national sovereignty or upsets the balance of its national security."⁷³

In addition to what was viewed as insufficient progress on the Palestinian-Israeli track, bilateral and regional issues complicated and confounded Egyptian-Israeli relations. Of all the Arab states, Egypt reacted the most viscerally to any challenge to its self-anointed role as "protector of Arab interests." Though not as angry as Syria, Egypt was disturbed by the Turkish-Israeli military agreement signed in the spring (see chapters on Turkey and Israel). Cairo disparaged that agreement, and viewed it as an indicator of Israeli competition with Cairo for regional influence.⁷⁴ Similarly, in September, when the US conducted air strikes against Iraq, Cairo expressed strong opposition, in line with its role as defender of Arab territory. Moreover, Cairo was convinced that such an attack served Israel's interests. Egypt's overall disaffection with Israel was compounded by Egyptian-American bilateral disagreements over issues such as the economic and diplomatic isolation of Libya, the slowness in which US economic assistance was provided to Cairo, and noticeably, the absence of American coercive action against Netanyahu for his delay in implementing the Oslo agreements.

Egypt wanted to use a carrot and stick in its relations with Israel: reward Israel if progress were made with the Palestinians, while denying Israel aspects of normalization if there were insufficient forward movement. Above all, Cairo sought to assert proprietary Egyptian interests in both the negotiating process and in championing the Palestinian cause. Mubarak and 'Arafat reportedly met a dozen times during the year; no other Arab leader was consulted as frequently by 'Arafat.⁷⁵ Israel continued to view its strategic relationship with Egypt as primary, with Jordan a very close second. The first two phone calls Netanyahu made after his election were to Mubarak and Jordan's King Husayn. "The worst thing that could happen," said Dore Gold, "is for the (Israeli) people to see the relationship with Egypt deteriorating."⁷⁶ On 18 July, after his maiden visit to the US, Netanyahu visited Cairo, his first visit to an Arab capital since his election. Netanyahu called the meeting, "a very good beginning," while Mubarak was more businesslike and general, saying that "violence and terrorism spread only in an atmosphere of despair and frustration, which emanates from a feeling of injustice."⁷⁷ Reasonably cordial on the outside, their talks were marked by disagreement about Israel's procrastination in withdrawing from Hebron and the Israeli leader's opposition to withdrawal from the Golan Heights.⁷⁸ To Mubarak's consternation, Netanyahu made no commitment to withdraw from Hebron or promise to meet with 'Arafat himself, except to say "at an appropriate time we will consider such a meeting."⁷⁹ Netanyahu and his visit were vilified by the Egyptian press. The opposition paper, al-Wafd, denounced the visit; the editorials in the progovernment al-Ahram and al-Akhbar accused Netanyahu of "arrogance," "conceit" and "haughtiness," while al-Jumhuriyya advised him "to handle peace with understanding, wisdom, and sobriety."⁸⁰ Substantively, Israel announced that it was allowing an increase in the number of Palestinian workers who could enter Israel each day from 25,000 to 35,000, that additional truckloads of PA-bound goods would be able to pass through Israeli checkpoints, and that a meeting would take place the subsequent week, on 23 July, between Israeli Foreign Minister Levy and 'Arafat.

A week later, Mubarak met with President Clinton in Washington to urge renewed American pressure on Israel. Foreign Minister Musa used that occasion to tell an American television interviewer that "full withdrawal from all the occupied territories" was a fundamental requirement for peace.⁸¹

Just prior to the violent outbreak of disturbances in Jerusalem in late September, Egyptian officials lambasted Netanyahu and his government. With the Netanyahu government in mind, Foreign Ministry undersecretary 'Adil al-Safti said that members of the Netanyahu government are talking like "dinosaurs" and called them "amateur politicians"; Egyptian deputy foreign minister Fathi Shazli reportedly said that "a pathological fear on the security issue cannot be solved on the negotiating table but only by a psychiatrist."⁸² In September, Musa threatened Israel with reduced levels of normalization if it failed to withdraw from Hebron as promised. The most immediate implication was that there would be no Israeli participation in the upcoming Mena economic conference in Cairo in November. Two days prior to the initial Netanyahu-'Arafat meeting in early September, Musa declared that, "the economic summit would not take place when withdrawal from Hebron has not happened We cannot talk about regional cooperation when the peace process is obstructed or paralyzed."⁸³ Musa laid out a list for Israel to fulfill before the November summit: redeploy from Hebron, lift the closure, resume final-status talks, resume negotiations with Syria, and refrain from floating diplomatic trial balloons such as "Lebanon First" (see below). Notwithstanding the publication of this laundry list and Israel's noncompliance with it, Israeli military personnel arrived in Cairo at the end of October to resume the search for the bodies of Israeli soldiers missing since the 1973 war, visa issuance to Israelis was speeded up to facilitate trade and tourism, and Mubarak hosted Israeli President Weizman and former prime minister Peres on 14 and 27 October respectively. However, Mubarak refused to meet with Netanyahu again until the Hebron issue was resolved.⁸⁴

The resumption of Israeli-Palestinian negotiations over Hebron following the violence of late September and American intervention enabled the economic summit to be held on schedule. It was the third such annual meeting designed to promote multilateral and bilateral development as an accompaniment to Arab-Israeli diplomatic progress for the previous Casablanca and Amman conferences. (See MECS 1994, pp. 61-62; 1995, pp. 53-54, 69-70.) More than 4,000 public and private sector delegates attended, coming from 92 countries. Lebanon, Syria, and some Palestinian businessmen boycotted the meetings. Many of the speakers at the conference warned that regional economic cooperation could not go forward without political progress. Indeed, individual Arab countries emphasized single-country deals rather than focusing on regional investment schemes. However, despite the lack of political progress and the frostiness in Arab-Israeli relations, the annual regional conference seemed to have become a permanent part of the ME landscaper. Most Arab countries were not willing to adopt the Syrian line which viewed multilateral discussions of economic development as an unjust reward for Israel, before the political issues had been solved. At the same time, there were clearly linkages between the state of the peace process and the scope and pace of the normalization process. Egypt used the threatened cancellation of the conference and Israel's possible nonparticipation in it as a foreign policy tool against the Netanyahu government's policies on the peace process. At the same time, Cairo sponsored the meeting to showcase the Egyptian economy as a target for foreign investment. Thus, Cairo established a working disequilibrium between promoting its national self-interest and advocating a blunt rebuke on Netanyahu's policies.

EUROPE AND THE PEACE PROCESS

Throughout the year, individual European leaders and the EU sought to play a more active role in Arab-Israeli affairs. For their part, Arab leaders continuously urged EU capitals, and Moscow as well, to engage overtly in the peace process. Part of their goal was to offset what was perceived as Washington's pro-Israeli stance in the negotiating process. Arab leaders hoped that their European and Russian counterparts would "lean" on Israel and even apply sanctions where possible. Great delight was evinced in Arab quarters whenever any degree of heightened European involvement or articulation of a pro-Arab or anti-Israeli view surfaced during the year. Nonetheless, while lamenting Washington's pro-Israeli outlook, Arab states constantly reiterated that Washington's role was essential. Egypt's Foreign Minister Musa put it in succinct diplomatic terms: "the US role is necessary ... [it is] an important one, but to be effective it should be the role of an honest mediator. Anything less will not be effective. The European stand is progressive ... we want a balanced contribution to the peace process."⁸⁶

Following a visit to the region by French Foreign Minister Herve de Charette, Radio Damascus called on the international community "to employ pressure on Israel,"⁸⁷ while 'Arafat lauded the EU, and especially French President Jacques Chirac for adopting strong statements in favor of Palestinian interests.⁸⁸

Despite the fact that the negotiating process itself remained an almost exclusive American preserve, Europeans played significant roles in matters ancillary to direct Arab-Israeli peace talks. In January, European election observers dominated the international monitoring of the Palestinian elections (see chapter on Palestinian affairs); many European leaders participated in the March Sharm al-Shaykh antiterrorism conference; in the aftermath of Israel's Operation Grapes of Wrath in Lebanon in April, French, Spanish, Italian, and other European envoys rushed to the region or suggested solutions to the problems of Southern Lebanon; European monitors were mobilized to observe Israel's projected withdrawal from Hebron; European nations bankrolled large portions of the international economic assistance for the Palestinians; and European nations spoke with a uniform voice about ME issues and the peace process at the June meetings in Lyon of the G-7 countries and in Florence at the EU summit meeting, in the EU's October statement on the peace process, and on the appointment of a special ME envoy in October-November.

Despite Arab encouragement for substantive engagement, the EU remained at the margins of Arab-Israeli diplomacy. At the root of its ineffectiveness were the separate national views and disagreements on the desired level and intensity of EU engagement in the diplomatic process. The British were most willing to defer to American mediation, the French were most eagerly interventionist, Mediterranean states such as Italy, Greece, and Spain tended to propound a stauncher pro-Arab viewpoint while northern European states like Holland or the Scandinavian countries preferred a quietly persuasive and less intrusive approach.⁸⁹ Given such pronounced more differences, it was noteworthy, if not unexpected, that the EU, in early October, published the Luxembourg declaration, its most authoritative statement on Arab-Israeli negotiations since the Venice declaration of May 1980 (see MECS 1979-80, pp. 72-74). The declaration affirmed that "the inadmissibility of the acquisition of territory by war applies to East Jerusalem, which is therefore not under Israeli sovereignty; that Israel should refrain from measures that prejudice the outcome of final-status negotiations; and that Israel should release Palestinian prisoners in a timely fashion." (For the text of the declaration, see appendix II.) On 28 October, the EU appointed its own ME envoy, Spain's ambassador to Israel, Miguel Angel Moratinos. The EU defined Moratinos' mandate much less ambitiously than the French would have liked, owing to German and British desire not to compete with American diplomatic efforts.⁹⁰ From their vantage point, American policymakers were, according to a high-ranking State Department official, "pleased by the junior role Europe plays in Arab-Israeli negotiations."⁹¹ By the end of the year, Israel's image in Europe had deteriorated, exemplified by the instructions given to many European defense ministries "not to sign new contracts [with Israel] because of...the Israeli stand on controversial issues regarding the Palestinians and the Arab states."⁹²

SYRIAN-ISRAELI AND LEBANESE-ISRAELI TRACKS

Considerable headway in Syrian-Israeli talks early in the year, via American good offices, yielded first to postponement and then stagnation. Except for perhaps secret diplomacy, nothing occurred in the public domain until after the Israeli elections. Then in the summer and culminating in September, there was Israeli-Syrian saber-rattling with the prospects of a limited Syrian-Israeli military confrontation. Israeli intelligence analysts were publicly fearful that Syria was seriously considering the use of not just conventional but also nonconventional weapons - Scud delivery systems that could include chemical weapons and nerve gases.⁹³ By the end of the year, Syrian-Israeli talks remained frozen; tension between the countries ran high.

Syrian-Israeli talks had begun promisingly in late December 1995, at Maryland's Wye Plantation (see MECS 1995, pp. 57-58, 617). However, according to Walid Mu'allim, Syrian ambassador to the US and head of the Syrian delegation in the negotiations, Israeli Prime Minister Peres's decision on 20 February to move up the scheduled November elections to May, placed the negotiations on hold. Talks were briefly resumed on 28 February, three days after the beginning of the Hamas bombing wave, but were suspended on 3 March. Israel complained that Syria did not adequately condemn the attacks and refused to resume the talks until Syria did so,⁹⁴ and crack down on Damascus-based Palestinian organizations vigorously.

opposed to the Oslo process. Syria rejected the request, delivered via Washington, and recalled its negotiating team on 4 March.⁹⁵

Many substantive issues were discussed between late December 1995 and early March 1996. The atmosphere of the meetings was reportedly positive. Previous bilateral negotiations which had emerged out of the Madrid conference had laid a formidable foundation for areas of general agreement: mutual understanding that each side recognized the security interests of the other; agreement on the mutual demilitarization of territory; agreement on the establishment of buffer zones or thinned-out zones of military presence; and the implantation of some type of supervisory apparatus including technical early-warning equipment. Nonetheless, substantive disagreement apparently remained on the timing of the Lebanese-Syrian demand for Israeli withdrawal from Lebanon; Israel's demand for security assurances on its northern border; the size of the demilitarized and thinned-out areas; the degree and time frame of Israeli withdrawals) from the Golan Heights; details of the supervisory apparatus; the degree of peace (normalization) Israel would receive for the depth of a Golan withdrawal; and matters relating to water usage and sources that fed the Jordan River. Israel and Syria had differing understandings of the concepts "symmetrical," and "reciprocal," as far as they related to withdrawal and the meaning of peace. In speaking for the Syrian delegation, Mu'allim subsequently claimed that more had been achieved in two sessions (27 December-5 January and 24 January-31 January) of talks in Maryland than had been achieved in the previous four years. In fact, he claimed, a deadline of June 1996 was set to close remaining gaps with the expectation that a final document would be ready in September 1996. Whether or not Mu'allim exaggerated in his recollection of the meetings could not be determined. Nonetheless, many of the bilateral issues were in the advanced stages of understanding, if not resolution, at the time of the suspension of the talks. In addition, parallel, separate discussions with the US and EU countries focused on identifying security-related expenses for Israel following a Golan withdrawal and an economic package for Syria.

Prior to the bombings, Peres had wanted the talks accelerated and apparently asked Christopher to convey this to Asad in mid-January 1996.⁹⁶ Asad, for his part, reportedly responded that he was not prepared to do so.⁹⁷ He did agree to add military experts to the talks, but not water and economic specialists as Israel had wanted. Asad, who for years had insisted that all progress in negotiations be coordinated between tracks, now did not condition Syrian-Israeli talks on the pace or content of negotiations on the Israeli-Palestinian track.⁹⁸ It appeared that when Syrian national interests (as he defined them) could be promoted, his commitment to coordination could be pragmatically suspended; when there was no progress in talks with Israel, Asad reemphasized his adherence to Arab unity.

In the aftermath of the suspension of the Wye Plantation talks and the subsequent Israeli elections, the Syrian position was that Israel was obliged to honor those unwritten commitments made in those talks. Asad, in a CNN interview in August, defined those unwritten commitments made by the Rabin and Peres governments as an agreement regarding an Israeli withdrawal from the Golan Heights to the 4 June 1967 line.⁹⁹ Syria also insisted that normalization of Arab states' relations with Israel (initiating or expanding diplomatic contacts, engaging in commercial relations, or participating in conferences with Israelis) should be slowed down or halted; that the formula for negotiations was land for peace and not peace for peace; that the formula used in convening the October 1991 Madrid ME peace conference, as interpreted by Syria, be upheld (see MECS 1991, pp. 114-19), and that Arab states that ignored these guidelines were in violation of their commitment to Arab unity. In meetings with other Arab leaders during the year Syrian officials insisted that consideration be given to Israel for regional recognition and cooperative economic projects with Arab partners only after Israel withdrew from Syrian and all Arab territory. After February, Damascus sought greater European and Russian involvement in the peace process in order to both apply economic and political pressure on Israel and to use non-American intermediaries to discern Israel's views on restarting negotiations. Syria even went so far as to suggest the reconvening of the Madrid conference in order to provide Moscow "equal weight" with Washington in arranging for a Syrian-Israeli agreement.

Throughout the better part of the summer, rumors surfaced repeatedly in Israel about secret Syrian-Israeli talks held under the auspices of European and ME leaders. Israel had apparently offered to influence Washington to drop Syria from the list of countries sponsoring terrorism if Syria dismantled Hizballah and prevented Palestinian organizations from operating from Damascus. ¹⁰⁰ There was discussion but no public progress reported on the Israeli-

sponsored Lebanon First option, in which Israel would withdraw in stages from Southern Lebanon, prior to achieving an agreement with Syria regarding the Golan Heights, if Hizballah was disarmed, the Lebanese army deployed to the international border with Israel, and protection guaranteed for the Israeli-sponsored South Lebanese Army (SLA).¹⁰¹ On 8 August, the Israeli Air Force attacked the Ba'albak area in Lebanon, close to Syrian forces, aiming to show Israel's unhappiness at Syrian support for, and Lebanese government inaction against anti-Israeli paramilitary organizations. The same day, Asad issued a statement rejecting Israeli offers to renew negotiations.¹⁰² On 18 August, Israel appointed a steering committee to deal with Syria which included Netanyahu, Foreign Minister Levy, and Defense Minister Yitzhak Mordechai. Israel was prepared to renew negotiations with Syria, it said, "without preconditions." For the moment, Israel dropped its idea of Lebanon First. By the end of August, Syria redeployed troops in Lebanon away from Beirut to the Bijaq valley and sent its prime minister to Iran, moves which Israel saw as highly worrisome, if not potentially hostile. Apparently, Syria read Israeli air attacks near its troops as a change in the rules of the game as Syria, Hizballah's patron, might be fair game for Israeli retaliation. Israel also interpreted Syrian troop movements in Lebanon in the context of a show of local Syrian power aimed at influencing the coming Lebanese general elections.

Syria still wanted resumed negotiations based on where they were left off at the Wye Plantation; Israel wanted to restart negotiations, but not based upon preconditions, such as earlier conditional statements which Asad interpreted as commitments. On 12 September, Netanyahu confirmed an Israeli newspaper report that President Asad had given the late prime minister Yitzhak Rabin, via Clinton, oral assurances that Syria would agree to all of Israel's security demands. In return for those security requirements, according to the report, Rabin secretly promised Clinton that Israel would give back all of the Golan Heights, withdrawing to the 4 June 1967 border. ¹⁰³ Though the US intended to tender a plan to Damascus for resuming the talks with Israel, American officials were not invited to Syria in mid-September, apparently because they lacked any new substantive Israeli ideas or concessions to be presented to Asad. Israeli armed forces were still only 60 km. from Damascus; Asad still wanted total withdrawal if he were to consider giving total peace; if the Egyptians had received all of Sinai, he demanded all of the Golan Heights. By the end of the month, the Syrian-Israel track was overshadowed by the outbreak of Palestinian-Israeli violence.

In the meantime, Damascus continued its verbal war against Israel which included Radio Damascus likening Netanyahu's character to Hitler, and a repeated appeal to Arab states to freeze the process of normalization with Israel. ¹⁰⁴ Harsh Israeli feelings toward Asad at this time were reflected by the comments of Israel's Agricultural Minister Rafael Eitan. "You cannot trust a dictator," he declared. "If we think the 1973 Yom Kippur War was something, what will take place following an Israeli pullout from the Golan Heights will make [that] war look like a game." ¹⁰⁵ In October, the Israeli press was full of analyses still worrying about a "dangerous spark" that could ignite a Syrian-Israeli conflict.¹⁰⁶ Subsequently, it became known that US diplomacy had helped defuse a potential crisis in September.

Syrian officials unsuccessfully tried to persuade other Arabs not to participate in the Cairo economic summit in November. In the aftermath, Syria stated again that it was ready to resume negotiations with Israel from the point at which they were suspended, but not start again from scratch. This position was deemed completely unacceptable by Israel.¹⁰⁷ Thus, with the diplomatic focus now on Hebron, Syrian- Israeli negotiations were placed on the backburner. To be sure, some low-level Syrian-Israeli exploratory contacts were reportedly held on 20 November and 6 December in Washington. The possibility of drafting a paper outlining each side's understanding of what had been achieved to date was discussed via EU and US intermediaries as a starting point for the resumption of talks. Such a format would thereby allow both Israel and Syria to maintain their positions.¹⁰⁸ The apparent inability to agree on the composition by a third party of a summary position paper indicated the reluctance in both Damascus and Jerusalem to renew serious discussions. By the end of the year, Israeli-Syrian tensions were still present, but at a lower level than during the summer and fall. In December, Damascus blamed Israel for responsibility for two bus bombings, one in Lebanon on December 18 and the other in Damascus on the last day of the year (see chapter on Syria).
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One consequence of the lack of progress on the Syrian-Israeli track was that the Lebanese-Israeli negotiating track was utterly dormant. Key issues were whether the Lebanese central government was able to secure and police all of Lebanon, including that controlled by the SLA

and Hizballah in the south, and future control of the water sources of the Jordan River in Lebanon and Syria.

Whether related to the breakdown in Syrian-Israeli talks or timed to coincide with the four Hamas suicide bombings in Israel, in February-March 1996, Hizballah stepped up its attacks in Southern Lebanon against Israeli forces and its SLA ally. On 24 March, Syria rejected an Israeli precondition for resumption of the Syrian-Israeli talks, which demanded that Syria halt Hizballah operations in Southern Lebanon. Syria maintained that it did not have the ability to contain Hizballah. On 30 March, Israel retaliated for Hizballah's firing of rockets into Israel, which in turn was said by Hizballah to be a retaliation for an Israeli attack that killed several Lebanese civilians.¹¹⁰ On 10 April, the Israeli Air Force shelled Hizballah targets, commencing a week of intensive bombing and shelling in what Israel termed Operation Grapes of Wrath. In the previous weeks, Israeli forces in Southern Lebanon had sustained a number of casualties. Israel's civilians in northern towns like Qiryat Shmona endured more than three-quarters of a million dollars in damages. Concurrently, Peres was ridiculed by the Likud election campaign for not employing a military option against attacks on Israeli civilians living in the northern border areas.¹¹¹

Sporadic exchanges of fire between Hizballah and Israel thus spiraled into a major confrontation. Israel struck at the outskirts of Beirut for the first time since Operation Peace for Galilee in 1982. By 17 April, Israel had pounded Lebanon with air strikes and closed Lebanese ports. Operation Grapes of Wrath was Israel's fourth major military foray into Southern Lebanon within 20 years. The "Litani Operation" (see MECS 1977-78, pp. 187-95) and "Operation Accountability" (see MECS 1993, pp. 433, 527-28) had likewise been aimed at removing militant anti-Israeli forces, Palestinian or Iranian-backed Hizballah, from the Lebanese south, or at least crippling them sufficiently so that their Syrian and Iranian sponsors would desist from providing them with logistical, training, and military support. In 1978 and 1982, Israel's target was the PLO, in 1993 and 1996 it was Hizballah. Israel's use of protracted military force in April 1996 was specifically designed to cripple Hizballah because its actions were causing intolerable casualties to Israeli forces in Southern Lebanon and undermining the morale of Israel's northern towns; to weaken Syria's client and disturb the existing cooperation and understanding between Iran, Syria, and Hizballah; and, if possible, make life for Lebanon and Syria so difficult that they would be forced to rein in the militants.¹¹²

Damage to the civilian population on both sides was enormous. The most tragic single incident was an Israeli artillery salvo landing on a UN base in the village of Qana, which inadvertently killed over 100 Lebanese civilians who had taken refuge there.¹¹³ Hundreds of thousands of Lebanese fled the south, many fleeing as far north as Beirut. On 18 April, Katyusha rockets continued to land in Israel (Qiryat Shmona, with 20,000 inhabitants, was a virtual ghost town with less than 5,000 remaining as its inhabitants fled south from the rocket onslaught). From 10 to 20 April, almost 500 Katyusha rockets were launched against Israel, causing \$7m. damage in property and \$13m. damage indirectly, to business and tourism.¹¹⁴ In Lebanon, hundreds of thousands of persons had fled their homes for safety.

The tragedy at Qana generated enormous Arab anger toward Israel and undergirded support for Hizballah. It also galvanized American diplomacy into action to bring a halt to the fighting.

Hammered out by Secretary of State Christopher after a week of nonstop shuttling between capitals, an agreement was reached on 26 April which brought a halt to the fighting and reasserted, this time in written form, an unwritten 1993 Hizballah-Israeli understanding which included a Hizballah undertaking not to attack Israeli civilian targets. Israel, Syria and Lebanon were committed to limiting future skirmishes to military targets inside the 440 sq. mi. enclave occupied by Israel in South Lebanon. The written "understanding" also established a committee, made up of representatives from Lebanon, Israel, Syria, the US and France, to monitor adherence to complaints of violations. Any party to the agreement was allowed to raise a complaint. Subsequent to the agreement's signing, France and the US rotated the committee chairmanship every four months. The panel reviewed American satellite photographs and information gathered by personnel on the ground in an effort to evaluate responsibility for alleged violations and determine the location of possible future confrontations and thus head off military responses that could result in another round of escalating hostilities. The five-nation committee based its monitoring operations in Cyprus, with meetings taking place at the Unifil base in Southern Lebanon. They met for the first time on 8 August and periodically

Communication through the monitoring committee and through European intermediaries made it possible, in July, for Hizballah and Israel to exchange the remains of two IDF soldiers held by the group since 1986 for the bodies of 123 Hizballah guerillas. The deal also secured the release of 45 Lebanese imprisoned by the SLA and the return of 17 SLA militiamen held captive by Hizballah. The newly established committee became the only official mechanism through which Syrian and Israeli officials met face-to-face on a semiregular basis after the cessation of the Wye Plantation talks in February. The French and US delegations were led by diplomats with military advisers, while the Syrians, Israelis, and Lebanese were headed by military officials. By early 1997, the monitoring group, according to Israel's representative, Brig. Gen. David Tzur, had prevented "explosive tensions from escalating."¹¹⁶ At the same time, the situation on the ground remained fragile, as Hizballah and Israeli forces resumed their ongoing low-intensity conflict. By the end of the year, Hizballah had once again proven its resilience and imperviousness to Israeli efforts to drive it from the Lebanese south. Moreover, Syrian steadfastness in continuing its support of Hizballah reaffirmed that any solution for Lebanon would have to pass assent in Damascus.

CONCLUSIONS

When the year started, Shimon Peres was in control of political events. However, he grossly underestimated the ramifications of liquidating the Palestinian bombmaker 'Ayyash and overstated the relevance of delaying Israeli elections in favor of Palestinian ones. He forgot that the Palestinians were not his primary constituency. In that assessment, the peace process and his political career suffered similar blows. The Likud's cogent election campaign graphically depicting Peres as 'Arafat's political bedfellow succeeded. Emotional issues of personal security, Jerusalem's future, and the Palestinian covenant's amendment generated sufficient public doubt about Peres's competence to lead the Israeli people. The Oslo process, as Peres defined it, was on trial; the Israeli public, if only by the narrowest of margins, found it, and Peres, "guilty" of undermining personal security. At bottom the wave of Hamas suicide bombings in February and March had the most profound impact on the Israeli elections' outcome.

By the end of May, Yasir 'Arafat had lost his two Oslo partners: Rabin had died from a bullet; Peres had been removed through the ballot. Responsibility for the Oslo process had been transferred from Labor to Likud hands. A new Israeli government with overt dislike for the Oslo accords and the Palestinian leadership was now charged with managing the peace process. The result was a rapid decline in substantive negotiations. After the Israeli elections, the peace process seemed to be reduced to planning occasional meetings between Palestinians and Israelis while discussing little, while Netanyahu and 'Arafat voiced their disgust toward each other with regularity. Nonetheless, by the end of the year, the Oslo accords remained the blueprint for Israeli-Palestinian sharing of the West Bank and Gaza areas; it remained an operational framework for internal Palestinian self-governance surrounded by external Israeli security prerogatives, and mandated a series of interconnected mechanisms for dispute resolution which were used and then abused. The Netanyahu election did nothing to endanger 'Arafat's control over the Palestinian national movement or its newly established PLC. While Arab states' diplomatic relations with Israel soured after the Netanyahu election, uniform Arab dismay did not translate into united Arab policy toward Israel. Carping at Netanyahu became an editorial and policy art form. At the same time, no substantive mechanism was available to them for applying meaningful pressure on Israel under Netanyahu. At the end of the year, the Arab-Israeli peace process was centrally, if not sometimes exclusively focused on the actions and policy choices of the newly elected Israeli prime minister. Control over the pace and substance of the peace process was Netanyahu's, in part because Washington preferred a policy of only sporadic diplomatic engagement. For Netanyahu, that meant downshifting the "Oslo car" to first gear.

In 1996, the Arab-Israeli peace process faltered and stumbled. At the end of the year, the Arab-Israeli conflict had not been renewed in all of its previous intensity; conversely, the peace process steamroller had ground to a halt. Those who benefited the most from the prevailing anger and frustration, and stagnation in the peace process were those Arabs and Israelis who had rejected what 'Arafat and Rabin had signed in 1993.

The United States understands that after discussions with the governments of Israel and Lebanon, and in consultation with Syria, Lebanon and Israel will ensure the following:

(1) Armed groups in Lebanon will not carry out attacks by Katyusha rockets or by any kind of weapons into Israel.

(2) Israel and those cooperating with it will not fire any kind of weapon at civilians or civilian targets in Lebanon.

(3) Beyond this, the two parties commit to ensuring that under no circumstances will civilians be the target of attack and their civilian populated areas and industrial and electrical installations will not be used as launching grounds for attacks.

(4) Without violating this understanding, nothing herein shall preclude any party from exercising the right of self-defense. A Monitoring Group is established consisting of the United States, France, Syria, Lebanon and Israel. Its task will be to monitor the application of the understanding stated above. Complaints will be submitted to the monitoring group. In the event of a claimed violation of the understanding, the party submitting the complaint will do so within 24 hours. Procedures for dealing with the complaints will be set by the monitoring group. The United States will also organize a Consultative Group that consists of France, the European Union, Russia and other interested parties for the purpose of assisting in the reconstruction needs of Lebanon. It is recognized that the understanding to bring the current crisis between Lebanon and Israel to an end cannot substitute for permanent solution. The United States understands the importance of achieving a comprehensive peace in the region. Toward this end, the United States promises the resumption of negotiations between Syria and Israel and between Lebanon and Israel at a time to be agreed upon with the objective of reaching comprehensive peace. The United States understands that it is desirable that these negotiations be conducted in a climate of stability and tranquillity. This understanding will be announced simultaneously at 1800 hours, 26 April 1996, in all countries concerned. The time set for implementation is 0400 hours, 27 April 1996.

APPENDIX II- DECLARATION BY THE EUROPEAN UNION ON THE MIDDLE EAST PEACE PROCESS 118

LUXEMBOURG, 2 OCTOBER 1996

The Council of Ministers of the European Union is appalled by the recent violence and the resulting casualties in Jerusalem and throughout the West Bank and the Gaza Strip. It offers its sincere condolences to the families of those Palestinians and Israelis who have lost their lives, and its sympathy to the injured.

The European Union strongly calls upon both parties to abide by UN Security Council Resolution 1073 of 28 September 1996. The European Union calls upon both the Israeli authorities and the Palestinians to exercise the utmost restraint and to refrain from any actions or words which might lead to further violence. It urges both sides to avoid resorting to disproportionate force, in particular the use of firearms, tanks and helicopter gunships. It calls on the Government of Israel to prevent its forces from reentering autonomous areas in Zone A, contrary to the spirit and the letter of the interim agreement. It further calls on the PA to exert full control over Palestinian forces and to maintain calm in the autonomous areas.

The Troika has discussed the Union's concerns at meetings in New York with Israeli Foreign Minister Levy and in Luxembourg with President 'Arafat.

The European Union recognizes that the recent incidents were precipitated by frustration and exasperation at the absence of any real progress in the peace process and firmly believes that the absence of such progress is the root of the unrest. It calls on Israel to match its stated commitment to the peace process with concrete actions to fulfill its obligations, as well as to refrain from any action likely to create mistrust about its intentions.

The Union notes that the particular events which triggered the current crisis concerned the fears of Palestinians that their position in Jerusalem was being further eroded. The Union recalls that parties have agreed, under the terms of the Declaration of Principles, not to take

any action which would prejudice the outcome of the permanent status negotiations. It will work to ensure that this commitment is implemented by both sides. Following Security Council Resolution 1073 of 28 September 1996, the Union believes that it would help greatly to restore calm and confidence if the Hasmonean Tunnel in Jerusalem were restored to its original state. It furthermore calls for the cessation and reversal of all acts that may affect the status of the Holy Places in Jerusalem.

The European Union reaffirms its policy on the status of Jerusalem. East Jerusalem is subject to the principles set out in UN Security Council Resolution 242, notably the inadmissibility of the acquisition of territory by force and is therefore not under Israeli sovereignty. The Union asserts that the Fourth Geneva Conference is fully applicable to East Jerusalem, as it is to other territories under occupation.

The Council stresses the importance of the Euro-Mediterranean Association Agreement which is based on a common commitment to the peace process. In this context it calls on Israel to give clear practical demonstration of its confirmed intention to implement fully the agreements already reached with the PLO.

The Union believes that urgent progress in the following areas is crucial to the peace process:

Timely implementation of the agreements reached, including completion of the first phase of Israel's troop redeployment, notably from Hebron, and the release of Palestinian prisoners.

Positive steps to alleviate the economic plight of the Palestinians, including the early lifting of the closures, guaranteeing safe passage between Gaza and the West Bank, and the lifting of obstacles to international aid efforts and the realization of infra-structural projects (e.g., Gaza Airport, Gaza Harbour, Industrial Zones). For its part, the Council responded favorably to the request of President 'Arafat for an additional 20m. "EEUS" assistance from the European Union in response to the budgetary problems of the PA.

Resumption of full cooperation in order to ensure internal security both in Israel and the areas under PA control.

Refraining from measures that prejudice the outcome of the final-status negotiations, including annexation of land, demolition of houses, new settlement construction and expansion of settlements.

Engagement of the next stage of negotiations as set down in the Declaration of Principles.

The Union welcomes the initiative to host a meeting in Washington between the parties. It hopes this meeting will lead to the recommencement of constructive negotiations on the basis of the principles of Madrid and the terms of the Declaration of Principles.

The security partnership which was created between Israel and the Palestinians has been one of the main achievements of the peace process. We call on both sides to dedicate themselves to recovering this trust and cooperation which epitomized the spirit of the peace process. Now more than ever the Union encourages the Government of Israel and the PA to cooperate at all levels. Good neighbourly policies are and dispensable to Israel's security in the long term. That security can be found only on the basis of a renewed partnership between Israel and its Palestinian neighbors.

As it declared at the Florence European Council in June 1996, peace in the Middle East is a vital interest of the European Union. Accordingly, the European Union is ready to play an active part in efforts to recommence the negotiations, commensurate with its interests in the region, and on the basis of its major contribution to the peace process so far, the Union is currently preparing a ministerial troika visit to the Middle East for talks with the main parties in the peace process.

NOTES

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