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**"The Arab-Israel Peace Process- 1997"**

**By Kenneth W. Stein**

"The peace process ... is ... a process less peace. The process includes exhausting, high-strung, and tense negotiations - at best. At worst ... there are negotiations on negotiations." 1

On a macro-level, in 1997, Israel and much of the Arab world spent the year carping at each other, meeting, and struggling to define structures that would determine present and future relationships. The final-status deadline of May 1999 for completion of Palestinian-Israeli negotiations influenced virtually all policy choices, diplomatic contacts with one another, and the degree of their frustration levels. Typical of the atmosphere surrounding Arab-Israeli relations in general, were the virtually nonexistent anniversary celebrations in the ME of former Egyptian president Anwar al-Sadat's historic visit to Jerusalem 20 years earlier. The peace process was a medicine that one had to take, but did not have to like. Arab states and Israel remained emotionally and physically far apart. The barbed wire and no man's land that divided Jews and Arabs in the city of Hebron characterized the jagged and sharp lines that personally and diplomatically separated them. In the four intervening years since the 1993 Palestinian-Israeli Declaration of Principles (DoP) was signed, Israelis and Arabs were still, at best, grudgingly accepting the notion of mutual coexistence. For a vocal, potentially ominous, and significant Arab minority, Israel remained anathema, its policies vilified, its territories preferably truncated, its legitimacy nonexistent. In the West Bank and Gaza areas, it was estimated that since Oslo was signed, the economy dropped an average of 8% in gross domestic product (GDP) per capita per year, 2 adding fuel to the fire of the Arab opponents of Oslo, and undermining its supporters. To be sure, more Arab states and publics did not trust Israel, its leaders, or its policies. However, that did not mean that they were working feverishly to wage war and destroy the Jewish state. For some Israelis, the Arab world could never do enough to satisfy Israeli security requirements. With the expense of great emotion and frustration, the Arab-Israeli conflict was becoming a series of still not clearly defined Arab-Israeli relationships. The peace process was an arduous work in progress; it climbed a slippery slope. The Palestinian-Israeli relationship was in the incubation stage; it was still half-pregnant. During the year, American involvement in the peace process changed from an essential intermediary to an engaged mediator, active broker, umpire and subtly to quiet referee.

By any objective analysis of the Arab-Israeli peace process, the year was a bad one. It ended much worse than it began. Except for the Hebron agreement signed between Israel and the Palestinian Authority (PA) in January involving the transfer of 80% of the city from Israeli to Palestinian jurisdiction, little progress and a large amount of ill will characterized Israeli-Arab relations. Palestinian-Israeli discussions were intermittent; they were repeatedly shut down, reopened, suspended, and then rejoined.

Preemptive or unilateral actions by one side or the other to implement commitments previously made filled the diplomatic road with sometimes impassable potholes. Israel suffered more army deaths in Lebanon than at any time since its withdrawal from the bulk of Lebanese territory still under its control in 1989. Syrian-Israeli and Lebanese-Israeli negotiations remained in a deep freeze for the second year running. Throughout the year, Israeli-Jordanian relations wobbled under duress that included the killing of seven Israeli school children by a Jordanian soldier, and an Israeli assassination attempt on a Hamas leader in Amman. King Husayn's periodic anger with Israeli Prime Minister Binyamin Netanyahu did not, however, halt regular diplomatic communications at the highest levels. Egyptian-Israeli relations were rancorous as Cairo did not hide its disdain for the Israeli prime minister and his policies. From May through July, Cairo made a concerted though unsuccessful effort to jump-start Palestinian-Israeli discussions. By November, exasperation with Israeli policies resulted

in Egypt taking a course of action, in direct opposition to American wishes - leading the boycott of the fourth annual ME and North Africa (MENA) Economic Conference, in Doha, Qatar. Israeli relations with noncontiguous Arab states suffered directly from a lack of any substantial progress on the Palestinian track.

If there was any consensus about the state of the peace process at the end of 1997, it was its hapless condition. Commentators and politicians of all hues and stripes described the negotiating process as unsatisfactory, listless, or in a coma. When the year started, a consensual Arab view existed that "Israel had reneged on its promises, confiscated more Palestinian land and is killing the hope for peace." 3 When the year ended, a Gulf Arab paper noted, "The current peace negotiations are useless." 4 An editorial in Israel's Haaretz the same month declared that "the peace process has been frozen, Palestinian frustration is growing, the US Administration is tired of Israel's procrastination, and Israel's status in the international community is deteriorating." 5 In describing the condition of the Arab-Israeli negotiating process in 1997, US Secretary of State Madeleine Albright noted that it had been the most disappointing since the Oslo accords was signed in 1993. "They were," she said, "stalled,...at risk," facing a "crisis of confidence," with "optimism replaced by a sense of fatalism and helplessness about the future." 6 An exhaustive analytical assessment of dozens of variables associated with peaceseeking, peacekeeping, and peacemaking categorized the peace process at the close of 1997 as being in dire straits. 7 Three-quarters of Israel's Jewish public were convinced that the peace process had stopped. 8

Israelis were chagrined by what they heard and saw. 'Arafat's PA took no steps to curb the verbal venom directed at them. In September it reached unprecedented proportions. The PA's official newspaper offered that "the racist Zionist entity has been implementing various forms of terrorism on a daily basis which are a repetition of the Nazi terror." 9 Then PA television presented an interview where the Palestinian interviewed suggested that it is "well known that every year the Jews exaggerate what the Nazis did to them. They [the Jews] have profited materially, spiritually, politically and economically from the talk about the Nazi killings. This investment is favorable to them and they view it as a profitable activity so they inflate the number of victims all the time." 10 These were not confidence-building statements. In addition, Israelis saw a weakening of their country's external relationships. With Netanyahu making delay in negotiations into an art form, by the end of the year his personal relationships with President Clinton and Secretary of State Albright were steadily sinking, while those with Egypt's Mubarak and Jordan's Husayn, equally estranged. Netanyahu's problematic relationship with American Jewry was confirmed by his cool reception at a November meeting of the General Assembly of Jewish Federations in Indianapolis. In the ME, Iraq and Iran, though contained, were problematic for the collective Israeli national psyche. Though Iraqi adventurism was curbed by the international community, each time a physical confrontation loomed, Israelis gulped breathlessly, thinking back to the Iraqi Scud missile attacks of early 1991. Syrian acquiescence to Iranian-supported Hizballah attacks from Lebanon provided no indication to Israelis that Damascus might truly be interested in restarting Golan negotiations.

But the negotiating process was not dead. Given the general steady decline in Palestinian personal income and lapse of external investment, especially in the population-dense Gaza Strip, it was perhaps astonishing that no prolonged period of civil unrest erupted in the West Bank and Gaza territories. Throughout the year, a majority of Palestinians in the territories remained committed to upholding the Oslo accords, which meant living alongside Israel as long as they could eventually obtain an independent Palestinian state. 11 The Oslo accords, like Israel's treaty relationships with Jordan and Egypt, bent severely and were tested thoroughly. They did not break.

Five factors contributed to the widely held consternation and regular predicaments on the Palestinian-Israeli negotiating track. There was the profound mutual distrust between PA leader Yasir 'Arafat and Israeli Prime Minister Netanyahu. 'Arafat and Netanyahu met but a few times during the year; they disliked each other with a passion.

Second, 'Arafat and Netanyahu possessed different visions of the upcoming "end game" of Palestinian-Israeli negotiations. 'Arafat, as he had hoped when the DoP was signed in 1993, still insisted that Israel ultimately withdraw from the West Bank, Gaza, and East Jerusalem areas taken by Israel in the June 1967 war, where an independent Palestinian state would be established. Netanyahu, though having staunchly opposed the accords in the electoral campaign for prime minister which he narrowly won in May 1996, adhered to them, albeit with

extraordinary reluctance. He remained unalterably opposed to the creation of a fully independent Palestinian state. During the year, they did not move to narrow their differences about the shape of the "end game," rather they spent the year bolstering their widely divergent strategic objectives. In doing so, anger and frustration were compounded. Throughout the year, policy choices made by 'Arafat and Netanyahu were dominated by one factor alone: how to influence the outcome of final-status talks, destined to be completed by 4 May 1999.

Third, in consequence, neither 'Arafat nor Netanyahu were happy with the mutual obligations contained in previous agreements, and both violated their spirit and letter with relative impunity. There was no fulfillment of commitments previously undertaken and mutually agreed upon. Understandings and agreements were deemed binding as long as they suited one side or the other; otherwise, they were violated or not enforced. The negotiating process was designed to move forward according to a prearranged timetable, which in itself was not met. Palestinians wanted results gauged by ticks of a clock; Israelis believed dates on a calendar were merely suggestive. Yesterday's promise to complete a promised action was often incompletely fulfilled or summarily violated. Whatever current negotiations there were, they were predicated upon a foundation of soft cement.

Fourth, disputatious verbal volleys were exchanged all year round; the negotiating atmosphere was almost always polluted with antagonism and recrimination. Finger pointing was the norm of behavior; handshakes were rare fleeting moments. Each side recruited support from ME, European, and American supporters for their respective positions. The media and press on both sides of the divide were especially unrestrained in castigating the other.

And fifth, preying on the attention of both Netanyahu and 'Arafat were respective domestic issues and controversies. These included the frequent harsh criticism directed at their respective autocratic management styles, carping and resignations from long-time political allies, and a need to dexterously sidestep a variety of governmental and political scandals. Each confronted deep opposition to even the meager direct or indirect diplomatic contacts they had with the other. Their respective political antagonists came from both extreme religious elements that used violence to attempt to avoid compromise with the other, and from secular elements whose views were opposed to each of them personally and to the spirit and content of the Oslo accords.

In order to move negotiations forward, one faced a number of daunting tasks: to interlock the resolution of previously unresolved issues (subcommittee talks); to halt the negative dynamics stimulated by actions such as Palestinian violence - e.g., Israeli closure of the territories - and Israeli settlement activities, e.g., the heightening of Palestinian bitterness; to arrange the content and timetable for the next interim redeployment; and to include substantive discussion of final-status issues.

While several pivotal events adversely affected the peace process, no single event or person had more of an impact on the content and pace of the peace process than did the Israeli prime minister. He was primarily responsible for determining the slow pace of the Oslo accords' implementation, Israel's relations with Arab states and the international diplomacy associated with the peace process. Neither Netanyahu's domestic opponents, the Palestinian community, Arab leaders, European states, the UN, or American leaders succeeded in forcing him to alter his policies.

A number of events damaged efforts at building confidence between Israel and its Arab neighbors. As in the previous year, Palestinian suicide terrorist attacks against Israeli civilians adversely affected Israeli attitudes toward 'Arafat's willingness or ability to contribute to Israeli security. In 1997, there were 463 acts of terrorism against Israelis as compared to 269 in 1996. <sup>12</sup> Early in the year, Jordan's King Husayn lent his weight and intervention toward the conclusion of the Hebron agreement. Resilience of the Jordanian-Israeli relationship was tested throughout the year; the peace-treaty relationship held firm, not in the least due to the unshakable commitment of King Husayn and his brother and would-be successor, Crown Prince Hasan. Cairo worked mightily against Arab participation in the American-endorsed Doha economic conference in November. The Arab world viewed limited attendance as a statement against Israeli policies on the Palestinian-Israeli track. The environment of mistrust and lack of movement on the Palestinian-Israeli track imposed on already frosty Egyptian-Israeli relations, and on the more resilient Jordanian-Israeli relations as well. Perhaps least

influenced by the lack of progress on the Palestinian-Israeli track was Syrian President Hafiz al-Asad, who, for his own reasons, did little to rekindle the Syrian-Israeli track that was moribund by midyear 1996. Israel made noises on several occasions to restart negotiations with Syria. But Asad wanted a prior commitment to a full Israeli withdrawal from the Golan Heights, which he claimed the previous Israeli Government had given him (see chapter on Syria). By not reentering negotiations with Israel, he reinforced Syria's active opposition to normalization of Arab-Israeli relations. In the proverbial sense, the Syrian leader wanted to have his cake and the ability to eat it too.

Against the background of the Syrian-Israeli stalemate, the Israeli public debated the withdrawal of its forces from Southern Lebanon. While in February, 70% of the Israeli public opposed a unilateral withdrawal from Lebanon, serious discussion of the matter continued throughout the year and into 1998. 13 Lebanese-Israeli tensions remained high; no public diplomatic contacts emerged apart from the Lebanese-Israeli military coordination committee set up after Israel's shelling the village of Qana in April 1996 (see MECS 1996, pp. 381-82, 481). Intermittent clashes between Israeli forces and Lebanese Hizballah guerillas in Southern Lebanon and northern Israel punctuated the year, as soldiers and civilians on both sides of the border were killed and wounded. The multilateral track of Arab-Israeli negotiations (arms control, economic development, environment, refugees and water), which had had initial broad support following the October 1991 Madrid peace conference and was somewhat productive through 1995, remained at a virtual standstill, as had been the case since Israel's May 1996 elections. Formal suspension of the multilateral talks was endorsed by the Arab League as punishment against Israeli policies.

Recriminations abounded among Israelis, Palestinians, and in other Arab countries over the nonimplementation of the second Israeli withdrawal from territories. Doubts about the viability of the Oslo accords and the diplomatic scaffolding erected upon it increased as the year progressed. Specifically, Arab leaders blamed Israel for applying the Oslo accords in a tardy and tawdry manner in order to solidify its control over West Bank territories. Expansion of Israeli settlement activity in the territories, Israeli construction around Jerusalem, house demolitions, land confiscation, impounding Palestinian funds, and imposing work restrictions on Palestinians seeking employment within Israel generated a host of nasty responses. Official Arab circles, the Arab media, and the "Arab street," constantly ridiculed the Oslo accords for either not bringing the Palestinians any closer to full control over their own destiny or for failing to ring up an economic peace dividend. Calls by Arab leaders and the Arab media for the complete abandonment of the Oslo process were omnipresent. Palestinians ardently opposed to Arafat's rule and to the Oslo process vilified them both. Arafat, by contrast, became a staunch defender of the Oslo accords, but only as he defined them. In most Arab capitals, disappointments evolved into disillusionment and reached unprecedented levels of disdain for Israeli policies. Inevitably, the painstakingly long process of Arab state normalization of diplomatic relations with Israel suffered. Likewise, many of Israel's budding economic ties with Arab states were either abandoned or suspended because of the moribund condition of the Palestinian-Israeli track.

With other issues already causing consternation among American Jews about their relationship with Israel, most prominently the issue of Orthodox religious coercion on Israeli civil procedure and the definition of "Who is a Jew?," the slowness of the diplomatic process caused a continued decline in American Jewish support for Israeli negotiation policies. More and more American Jews wanted Israel to do more to move the negotiating process forward. Nonetheless, overall American Jewish support for Israeli security needs remained at a very high level.

Beyond influencing Israel's relations with contiguous neighbors, the slowness and nastiness on the Palestinian-Israeli track affected coalition dynamics in Israel and the domestic politics of Egypt, Jordan, Israel, and the Palestinian community. Israeli decisions about the peace process were influenced by the knowledge that both 'Arafat's and King Husayn's personal health status and thus their political longevity were in question. In Egypt, President Husni Mubarak allowed sharp criticism to be levied regularly at Netanyahu, much of it coming from Foreign Minister 'Amru Musa and the media. In Jordan, the general public remained disillusioned over the failure to reap an economic dividend from the normalization of relations with Israel. During the second half of the year, the government of Prime Minister 'Abd al-Salam al-Majali was ridiculed in parliament and in the press for continuing to support normalization. In Israel, two ministers resigned because they could not countenance either Netanyahu's style of

governance or his slow pace in the peace process. Some, like Infrastructure Minister Ariet Sharon and Foreign Minister David Levy, remained in the government but regularly leveled criticism at Netanyahu.

Further afield, the Europeans tried to cook at the peace process stove. While they could not be chief chef, they tossed in their political spices. The European Union (EU) sought to punish Israel economically for a lack of sufficient diplomatic progress. It also gave more explicit support than ever before to the Palestinian side. At the close of its meetings in Amsterdam in mid-June, the EU declared that "the creation of a viable and peaceful sovereign Palestinian entity is the best guarantee of Israel's Security." 14 In July, the EU renewed the mandate of its special representative to the ME until November 1998.

Though relations with one another were predominantly contentious, Arabs and Israelis nevertheless maintained intermittent contacts. Periodically, although not systematically, Israelis met with counterparts in Egypt, Jordan, and the PA to try to untie knots in the negotiations. By the end of the year, a certain reluctant pragmatism emerged from Israeli and Palestinian leaders as they realized the necessity of separating politically from one another, while being unable to totally divorce their populations from each other. Though discomfort typified the attitude of Israeli and Arab publics with one another, by year's end, 59% of Israelis and 68% of Palestinians still wanted the negotiations to continue and according to the terms of the Oslo accords. 15 In economic matters, Israelis increasingly embraced the Palestinian view that repeated closure of the territories to Palestinian workers was counterproductive to mutual long-term Israeli and Palestinian interests. Both Netanyahu and 'Arafat concurred that the Palestinian population in the territories required their standards of living upgraded, incomes increased, and the unemployed numbers reduced. Each day of closure cost the 100,000-plus Palestinians working inside Israel proper \$9m.-\$ 10m. in lost wages. Responding to this common understanding of the economic needs, during November and December, Palestinian and Israeli negotiators outlined a plan that would allow thousands of Palestinian workers from the West Bank and Gaza Strip to work in Israel even during times of closure. 16

Egypt and Jordan occasionally competed over the role of facilitator of the peace process during the year. President Mubarak and King Husayn, on a number of occasions, urged Israel to do more to accommodate Palestinian demands. Despite American efforts to the contrary, the November MENA Economic Conference in Doha was boycotted by most Arab states. Though few official Arab delegations showed up, the fourth annual economic development conference, which had become an integral element of the multilateral economic track, was attended by more than 1,000 businessmen and government officials. Even with the prevailing antagonism in the negotiating environment, commercial agreements and business deals were struck. However, no Arab state stepped forward with an offer to host the 1998 meeting, and its convocation was placed in doubt.

Among Arab states, there was no uniformity in the levels of contact or condemnation of Israel. The Arab League issued a toothless resolution in April against Israeli policies, another indication that individual interests of Arab states were of greater priority than concerted action. At the same time, Syrian-led insistence on the freezing of the normalization process was increasingly effective (see chapter on inter-Arab relations). By the end of the year, there were no less than six categories of Arab state relations with Israel: those with treaties (Jordan and Egypt); those with low-level liaison offices or economic trade mission representatives in Israel - either open or shut temporarily (Qatar, Oman, Tunisia, Morocco, and Mauritania); those who had participated in earlier multilateral discussions but suspended contact with Israel when those talks were halted (some Arab Gulf states and Yemen); those with active or moribund negotiations with Israel (the PA, Syria, and Lebanon); rejectionist countries (Libya, Iraq, Sudan), and Algeria, which was so engulfed in its own domestic matters, that there was little time or inclination to define an independent policy. Six Arab states attended, mostly on a low level, the Doha economic conference, again demonstrating the lack of Arab uniformity in dealing with Israel.

Also evident throughout the year was an inability of Arab leaders to pressure or force a change on Netanyahu. Some argued that pressure would not work; others demanded it. Some stridently put the blame on Washington and the Clinton Administration. In April, Egypt's Usama at-Baz noted that "the US cannot force the Israeli Government to take any particular position." 17 The day before, a Cairo radio commentary claimed the opposite, that the problem was with "Washington avoiding pressure on the Israeli prime minister." 18 The Palestinian analyst, Bital

al-Hasan, took Baz's view, noting that there was little "Arab governments could do directly to force Israel to moderate" its positions. 19 Commentary in the London-based anti-Saudi al-Quds al-'Arabi blamed a fear of Arab state antagonism of the US for not acting in concert against Israel and Israeli policies. 20 In May, Syria's al-Ba'th claimed that the US was more responsible than Israel for delays in the peace process. 21 Others claimed the nonexistence of unified Arab action against Israel was due to the desire to include "rogue states like Iraq, Libya, and Sudan ... in a proposed inter-Arab entente" 22 against Israel. In July, al-Sharq al-Awsat chided the US, claiming that Washington's credibility among Arab peoples had been completely undermined by its total bias toward Israel. 23

Arab media outlets lashed out at their own leadership as well for weakness, political ineptitude, and disunity. Arab politicians and commentators recognized Arab impotence at changing Israeli policies. With a sense of frustration, powerlessness, and remorse, several Arab writers noted their own inadequacies. Said Jordan's Tariq Masarwa, in April, "Israel alone will continue deciding the course and scope of the peace process." 24 In June, 'Abd at-Wahhab Badrakhan lamentingly decried the Arab world's surrender to Israel, remarking, "the present balance of power leaves the Arabs on the margins. No Arab country can count on any other Arab country ... the Zionists build on their victory with full Western approval." 25 In a retrospective commentary comparing Arab state strength 30 years after the June 1967 war, the editor of al-Quds al-'Arabi, 'Abd al-Bari 'Atwan, noted that the situation in 1997 was much worse than in 1967, saying it was "calamitous then ... [but] a blessing compared with the present Arab situation" because the Arabs now offered Israel "recognition, capitulation, and 80% of the land of Palestine." 26 He went on to cynically thank Netanyahu for offering the Palestinians 40% of the West Bank as a final solution to their problem. Writing in July, Clovis Maksud, the Arab League's former ambassador to the UN and articulate advocate of Pan-Arab thinking, lamented, "We Arabs ... given our disunity ... must start acting collectively and assertively instead of an array of introverted bickering rival entities." 27 Syrian Vice President 'Abd al-Halim Khaddam lamented, "Which side has won, Israel or the Palestinians? Israel used to live in a state of international siege. The Oslo agreement broke that siege." 28

## THE NETANYAHU VARIABLE

From its inception, Netanyahu had made no bones about his dislike for the 1993 DoP and its various implementation agreements. Upon taking office in June 1996, he applied the brakes to its application. Netanyahu's negative attitude and resulting policies were unparalleled by other factors in shaping the Arab-Israeli negotiating process for 1997. To be sure, Netanyahu negotiated and implemented Israel's withdrawal from most of Hebron, the last major West Bank Palestinian city under Israeli control. This was a singularly important act for the Likud Party, whose previous prime ministers, Yitzhak Shamir and Menachem Begin, had refused to make any territorial accommodation to Palestinians in what Likud ideology regarded as the Jewish people's indivisible historic homeland, the Land of Israel. Indeed, Netanyahu neither abrogated, nor abandoned the central Oslo concept of sharing the West Bank with the PA. Having reluctantly accepted the Oslo accords, Netanyahu interpreted them his way. His goal was to virtually freeze the return of additional land to Palestinian control. Unlike Yitzhak Rabin and Shimon Peres, he was bent on insuring that the Oslo accords would not constrain his government from enlarging settlements, appropriating land, or establishing new neighborhoods around Jerusalem. Support for freezing the transfer of additional West Bank land to the PA's control came from within the Likud, the settler movement, and coalition partners. For example, Israel's Internal Security Minister Avigdor Kahatani, of the Third Way Party, described Oslo as a "mistake," while insisting that Israel hold half of the West Bank in any permanent agreement with the Palestinians. 29

Throughout the year, Netanyahu remained steadfast in pursuit of six objectives, notwithstanding the difficulties encountered:

(1) Maximizing his chances to remain in office and positioning himself favorably for the next scheduled general elections in 2000 - his government faltered on several occasions but it was not toppled.

(2) Seeking to insure for all Israelis personal and national security - as in 1996, Netanyahu could not eliminate physical violence as Palestinian suicide bombs indiscriminately took dozens of Israeli lives.

(3) Demanding accountability and reciprocity from the PA in implementing the Oslo accords - though not proscribed from building new settlements, Netanyahu's decision in February to build a new neighborhood in Har Homa/Jabal Abu Ghanayim, on Jerusalem's southeastern edge, reflected Israel's unwillingness to halt unilateral acts that would enrage the Palestinians.

(4) Limiting and delaying Israeli withdrawals from, and creating facts in, West Bank territories, in order to enhance Israeli leverage in shaping the outcome of Palestinian-Israeli final-status talks, scheduled for completion by May 1999.

(5) Ensuring conditions that allowed Israelis to continue to expand Jewish presence in the territories, especially in and around Jerusalem and in certain specific settlements - Netanyahu was committed not to allow the Palestinians to have anything but a very limited presence in Jerusalem, and only on its municipal outskirts.

(6) Netanyahu's goal was to accelerate the final-status talks and/or fold two or three promised interim withdrawals from West Bank territories into one diplomatic act preventing the establishment of a territorially contiguous and fully independent Palestinian state, which meant reducing Palestinian expectations for a full return of all the territories taken in the June 1967 war.

In dealing with the Palestinian negotiation track 'Netanyahu's core strategic premises were not dissimilar to former prime ministers Rabin's or Peres's established priorities: maintaining exclusive management of crossing points from neighboring countries into PA areas, insisting that violence against Israelis be terminated, and retaining exclusive Israeli control on all matters related to security on Israel's borders. 30 Netanyahu's precondition for any additional redeployment of Israeli forces was predicated not on promises but in actual performance in the security realm. Reciprocity was Netanyahu's core concept; it became his mantra for the year. If the Palestinians wanted to achieve control over more land, violence against Israelis had to be eliminated, not just reduced. 31 'Arafat's choice was to either respond to and crack down openly and continuously on Palestinian opponents of Oslo in line with Israeli demands, or to coddle those who favored continuing armed struggle against Israel and thus forgo the possibility of Israel agreeing to return additional land to PA control. This was a repetition of one of 'Arafat's historic policy choices: if he arrested opponents of Oslo, he would alienate a minority but significant vocal portion of the Palestinian community; not doing so meant distancing himself from an Israeli public already skeptical about his ability or willingness to keep his end of the security bargain. Ever since signing the original DoP in September 1993, this was the main policy dilemma faced by 'Arafat. 32 Put differently, what was more important for him at any given moment? Retaining a minimal consensus within the disparate elements of the Palestinian political community and angering Israeli sensibilities, or performing functions as Israel's subcontractor (reminiscent of Gen. Antoine Lahad of the pro-Israeli South Lebanese Army militia) and thus risk generating deeper cleavages in an already fragmented Palestinian political community?

Discussions on the second further redeployment (FRD) were held intermittently but without producing results; they continued into 1998. The Netanyahu government proposed, on several occasions, acceleration of the pace of final-status negotiations and suggested a new geographic outline for a final settlement known as "Allon Plus" (see below). The PA overwhelmingly was unalterably opposed to this plan, fearing that Netanyahu's proposals were designed to bypass the commitment to three FRDs as stipulated in Oslo and lessen the total amount of land given up.

By the end of 1997, it appeared that the Netanyahu government had geographically reoriented Israel's negotiating priorities. The Rabin-Peres team had used the Oslo accords for a dual purpose: to reach a workable accommodation with the Palestinians and simultaneously increase commercial and diplomatic relations with noncontiguous Arab and Muslim states. Netanyahu's priority was his immediate geographic back- yard, to limiting the size and constraining the prerogatives of a future Palestinian entity, and only secondarily what was going on at the end of the street. In early January 1998, he said, "Contrary to the rest of the world, I don't recognize the concept of a [Palestinian] state. If a sovereign Arab state is established west of the Jordan River, then ... we will be instantaneously forgoing all the defenses necessary for ensuring Israel's existence. I am unwilling to give the Palestinians unrestricted self- determination .... I will not compromise on this issue." 33 Throughout 1997

his political dialogue with the Palestinians was dominated by Israel's future security relationship with them. It took precedence over all other issues associated with the Palestinian track and other foreign policy priorities as well. Netanyahu's sense of territorial entitlement in the West Bank and slow pace in achieving a second redeployment frustrated the American Administration, angered the Europeans, and distressed the Arab world. It resulted in Netanyahu facing a daily barrage of verbal attacks from all quarters, domestic and foreign. The severity and consistency of the criticism did not abate during the year. The Israeli press was as merciless and condemnatory as the Arab media in describing Netanyahu's management of the peace process and particularly the Palestinian track. Though stumbling through several domestic and foreign crises, including those related to key cabinet resignations, relations with diaspora Jewry, a major flap in relations with Jordan, and unprecedented disagreements with Israel's military services, Netanyahu remained publicly unshakable and resilient. Netanyahu's outlook remained steadfast, his policies concretized in a definite pattern of behavior. He established his line in the sand and did not allow anyone to cross it. The Israeli prime minister proved unflappable. He resisted all lures to alter his avowed political course of slowing the implementation and hollowing the content of the Oslo accords. No amount of complaints, threats or pressure changed the content or his control over the essence of Palestinian-Israeli negotiations. His American, Arab, European, and Israeli detractors often found themselves waiting like passengers in line at a bus stop; they all wanted to influence a change in his route. But the Netanyahu-driven vehicle rarely came around to pick up these passengers, often ignoring them completely, or arriving late. And when he did stop for them and they got on his bus, they did so only briefly. As driver, Netanyahu always told them where and when to get off, or to remain in the back of the bus. He persevered easily against criticism from a weak Labor Party leadership; he ultimately withstood censure from Likud Party members and survived political storms created by cabinet resignations and the departure of close advisers. Deteriorating diplomatic relations with Arab states did not deter him from his course, variously described by his opponents as procrastination, obstruction, or arrogance. Palestinian politicians who opposed either the Oslo accords or 'Arafat's leadership used every opportunity of negotiating difficulties during the year to chastise them, Netanyahu, and Israel alike.

Individually and collectively, countries of the EU and its hardworking special ME envoy, Miguel Moratinos, appointed the previous October, did little to alter Israeli policy directions. At the UN in April, July, and November, the General Assembly passed a series of resolutions criticizing Israel's expanded settlements policy, but these nonbinding resolutions were all but ignored by the Netanyahu government. In lieu of substantive progress, and because of its absence, a plethora of unofficial and nongovernmental efforts emerged to sustain the content and spirit of the Oslo accords. Some called for greater people-to-people contact, others proposed solutions for Jerusalem, Lebanon, and other multilateral or bilateral track issues.

## THE PALESTINIAN-ISRAELI TRACK: FINAL-STATUS JOCKEYING

Netanyahu was uncompromising in applying collective penalties when Palestinians caused Israeli deaths. There were three major bombing incidents: in Tel Aviv on 21 March, and in Jerusalem on 30 July and 4 September. All three incidents involved suicide bombers claiming membership in Hamas's military wing, the 'Izz al-Din al-Qassam brigades. Respectively, initial casualty figures in each incident were: one suicide bomber and three Israelis killed, and 47 wounded; two suicide bombers and 13 Israelis killed, and 170 wounded; and three suicide bombers and four Israelis killed, and 192 wounded. After each attack, the Israeli Government followed a similar line of action: it immediately imposed external and internal closure on the territories; political negotiations were suspended; and financial assets such as taxes or foreign aid assistance flowing to the PA administration were temporarily severed. Netanyahu repeated his mantra: for there to be progress, the PA had to curb all terrorist activity, which included rooting out the sources of terrorism, arresting suspects, and closing institutions that fomented anti-Israeli action. Closure was usually followed by some degree of Palestinian unrest. Typically, Palestinian youths threw stones, participated in demonstrations, held rallies of protest, and burned Israeli and US flags. Palestinian commentators and officials posited the likely eruption of another intifada. Often Israeli soldiers responded with tear gas and rubber bullets, sometimes causing deaths and injuries. After several weeks of intermittent unrest with stern requests made by American and other foreign officials to curb unilateral acts and return to negotiations, closure was lifted, American mediation restarted and talks resumed. The cycle was repeated after each suicide blast claimed lives. Netanyahu or one of his advisers periodically issued "lists" stimulating a code of conduct for Palestinian behavior, chiding them as if a school teacher were telling the pupil what would and would not be tolerated. Every



opportunity was used by the Netanyahu government to show to the US, the media, and anyone interested, that the PA's failure to do its utmost in assuring the personal security of Israelis was the cause for an Israeli slowdown in Oslo's implementation. For Netanyahu, this meant suspension of further territorial withdrawals and final-status talks, and delay in implementing previous understandings. These included Israeli commitments for Palestinian prisoner release, opening of a Palestinian port and airport in Gaza, and establishment of a "safe-passage corridor" between Gaza and the West Bank. Netanyahu also lost no occasion to hammer the PA for its failure to amend unequivocally the PLO charter, which was first only partially done in April 1996 (see MECS 1996, pp. 43, 151-53).

## THE HEBRON AGREEMENT

Following Palestinian suicide bombings in March 1996, Prime Minister Shimon Peres postponed plans to withdraw from most of Hebron, in line with the Oslo II accord of September 1995, until after the May 1996 Israeli elections. Upon coming to power, the Netanyahu government delayed the withdrawal further. Eventually, talks to implement the withdrawal were resumed in October following the eruption of violence in the aftermath of the Hasmonean tunnel opening near Jerusalem's Temple Mount (see MECS 1996, pp. 49-50, 156-57). The talks reached an impasse by mid-November, prompting American mediation led by America's special envoy for the peace process, Ambassador Dennis Ross. Ross and other Washington officials offered bridging proposals to Palestinian and Israeli leaders in Washington in November and December 1996, and they engaged in shuttling between the parties and convoking joint meetings from 21 December 1996, until 15 January 1997. Central to Israeli concerns was the protection of the 450 Israeli residents of Hebron among the 120,000 Palestinians residing there.

Netanyahu and 'Arafat met on 24 December 1996 and completed a draft implementation agreement on 2 January 1997. At the December meeting, 'Arafat, having doubts about Netanyahu's commitment to implement the Oslo II accord in detail, insisted that side letters be included with the Hebron implementation agreement providing assurances on the resumption of final-status talks, FRDS, and completion of other issues outstanding from Oslo II.

On New Year's Day, an Israeli soldier with a record of mental problems wounded six Arabs in the Hebron city market. Unlike the violence that had erupted following the tunnel opening in September 1996, 'Arafat and Netanyahu quickly moved to contain tensions. On 9 January, two pipe bombs exploded in Tel Aviv, wounding 13 people. American-led negotiations over Hebron continued despite the incident. This was symbolic of the negotiating year: acrimony and bad feeling stimulated by violence or other unilateral acts; and yet, Palestinians and Israelis continued to negotiate, prodded on by American intervention.

The Hebron agreement was signed on 15 January 1997, with the PA Executive Authority ratifying the protocol the same day. Beyond its specifics, the central questions were how it would affect future withdrawals and their timing, influence implementation of previous understandings not yet fulfilled and final-status talks which had yet to recommence. Especially important were an accompanying "Note for the Record" and letter of assurance sent by outgoing Secretary of State Warren Christopher. (For the texts of the agreement, "Note" and Christopher letter, see appendix.) Under the Hebron agreement, Israel was given 10 days to withdraw from 80% of Hebron, 5% less than had been agreed under Oslo II. Israel agreed to turn over a dozen spheres of civil control to the PA. However, Israel retained control of civil powers and security control in the zone of the city where Jewish settlers resided for the duration of the interim period or until final-status talks were completed. A buffer zone between the Israeli and PA-controlled zones of the city was established, with joint Palestinian-Israeli mobile units and joint patrols operating along roads used by Israeli settlers.

The day after the signing, after a tumultuous 12-hour Israeli cabinet session which witnessed the resignation of Science Minister Binyamin Zeev Begin, the son of the late prime minister, the cabinet voted 11-7 in favor of the accord. Former Israeli prime minister Yitzhak Shamir accused Netanyahu of abandoning "all [the] ideals of his [political] movement" in order to please the US. Shamir continued, "I don't know who invented the principle that the decisions of the previous government have to be fulfilled ... that is inane and malicious."<sup>34</sup> On Netanyahu's ability to govern as prime minister and particularly his decision to withdraw from Hebron, Ariel Sharon, the Israeli infrastructure minister, said that Netanyahu "is a dangerous man for the State of Israel. I do not believe one word that leaves that man's mouth."<sup>35</sup> Also on 16 January

the Israeli parliament ratified the agreement by an 87-17-1 vote.

Prior to the agreement's signing, the pace of Israel's normalization of relations with Arab states had been slowed due to the lack of progress on Hebron. Once the agreement was signed, the United Arab Emirates (UAE) renewed discussions with Israel regarding the exchange of tourism delegations; the Moroccan national airline opened discussions about nonstop flights between Tel Aviv and Rabat; Oman announced the opening of its trade office in Israel at the end of January; and Tunisia renewed its contacts with Israel. The US Note for the Record finalized an earlier commitment made under Oslo II. In that Note, Israel was required to implement the first stage of FRD during the first week of March 1997 and release Palestinian prisoners as agreed in Oslo II. The PA was to revise the PLO charter, prevent violence, and keep all official PA offices and activities within the areas specified in Oslo II. Issues for continued negotiation by subcommittees included civilian affairs, cooperation, economic and financial matters, Gaza port, international crossings, the Rafah airport, safe passage, and security affairs. The Note also stressed the commitment made by the PA and Israel to implement Oslo II on the basis of "reciprocity," Netanyahu's buzzword for management of relations with the PA. The Note therefore allowed Israel to halt negotiations on a final settlement or implementation of any existing agreements if the PA failed to uphold its responsibilities. 36 But the term "reciprocity" cut both ways, requiring Israel to fulfill incomplete obligations such as implementing a safe-passage corridor between the West Bank and Gaza.

For Israelis and Palestinians alike, the Hebron agreement was significant, for it contained dual, though unequal obligations. Of particular significance was that it marked the first agreement between a Likud government and the Palestinians. The concept of territorial compromise originated after the June 1967 war from within the Israeli Labor Party; it was abhorrent to Israel's rightwing, previous Likud prime ministers, and the settlement community. The Hebron agreement indicated the Likud's willingness to divide or partition the West Bank, thus establishing a new bipartisan Israeli political position about application of UN Security Council Resolution 242's core concept exchanging land for peace to the biblical heartlands of Judea and Samaria (the West Bank). Strikingly, Netanyahu agreed to withdraw from most of Hebron, the city of the Jewish patriarchs and matriarchs. Israel retained exclusive prerogative to determine how much land should be returned in the additional FRDs and over what period of time. Additionally, from Israel's vantage point, the agreement improved security arrangements for Israeli settlers, imposed restrictions on Palestinian firearms, increased the buffer zones between Palestinian and Israeli zones, and enhanced joint security efforts. It affirmed Israel's right to retain a Jewish presence in Hebron, a point that Netanyahu was likely to remake during final-status talks. And Israel brought the PLO charter revision issue back to the center stage of the negotiations, validating the Likud view that the revision of the charter undertaken the previous May was not yet complete, and still required the specific elimination of those articles objecting to Israel's existence and legitimacy. Most critical for 'Arafat, he received a grudging commitment from Netanyahu and his Likud government to carry out the two additional FRDS, as required by the Oslo II accord. They were to commence on 28 February and 31 October 1997, respectively. Christopher's letter of assurances to Netanyahu and 'Arafat stipulated that all three stages of redeployment were to be completed "no later than mid- 1998," which was interpreted by the US as 31 August 1998. After the agreement was signed, 'Arafat stressed the necessity of Israel carrying out the subsequent withdrawals and "the precise and honest implementation of the agreements." 37 At the end of January, the PA and Israel exchanged lists of the delegations assigned to the eight joint subcommittees that were to engage in discussions simultaneously. Though those committees were supposed to meet twice weekly, only two meetings were held through May.

## Har Homa

For a brief moment, it seemed that the Hebron agreement might lead to an improved negotiating climate. However, Palestinian-Israeli relations quickly took a turn for the worse, as each side husbanded its own prerogatives to undertake unilateral actions. Israel's Foreign Minister David Levy said that Israel would not hold FRD talks with the PA since it was a "decision that only we will make." 38 In seeking to create facts, both Israelis and Palestinians sought to influence the dimensions and scope of the upcoming final-status negotiations. Nowhere was this more sensitive a matter than in Jerusalem. While signing the Hebron agreement, Israel drafted plans to build infrastructure needs linking East and West Jerusalem; the PA responded by announcing the construction of 600 new housing units in Jerusalem with money provided by Saudi Arabia. 39 On 19 February, Israel announced a decision to construct

6,500 housing units for 30,000 Israelis at Har Homa, Jerusalem's southeastern edge beyond the pre-June 1967 cease-fire lines. The area was a total of 1,850 dunams (about 460 acres) expropriated by the Israeli Government; 1,400 dunams came from Jewish owners and 450 dunams from Arab owners, all apparently financially compensated. Much of the Jewish-owned land had been acquired before 1948. The area of land was situated between Bethlehem and Abu Dis. An Israeli ministerial committee approved the construction plan, which included provisions of 3,000 housing units for Arabs, though it noticeably did not approve the funding for the Arab units. Development of Har Homa had been considered by previous Israeli governments but postponed because of the fear of political repercussions (for the Rabin government's about-face on the issue, see MECS 1995, pp. 67-68, 361-62). The housing project would complete a ring of Jewish settlement around southern Jerusalem and cut off Arab East Jerusalem from Bethlehem and other Palestinian areas to the south. Consolidating greater Jerusalem under Israeli control was one of Netanyahu's central goals in advance of final-status talks. When the Israelis broke ground on the site on 18 March, scattered Palestinian protests turned more intense. The Israeli press accused 'Arafat of whipping emotions into a frenzy and cautioned that violence would consequently occur. 40

Concerted efforts were made by Palestinian police forces to curb the disturbances after the suicide bombing, while Israeli tanks and armored personnel carriers took up positions on the approaches to Nablus, breaching the Palestinian areas under full Palestinian control. In reaction to the building plans and initial preparation of the land, the PA suspended negotiations with Israel. Following the suicide bombing in Tel Aviv, all contacts, except low-level security meetings between the PA and Israel, were suspended by Israel.

Arab and international reaction to the Israeli decision to build at Har Homa was uniformly critical. Secretary of State Albright requested that Israel suspend its construction work; nonetheless on 25 April, Washington vetoed a UN Security Council resolution which condemned the Israeli action and found itself with Israel and Micronesia on the short end of a 134-3 vote in a UN General Assembly. Israel's relations with Arab states were damaged by the Har Homa decision. On 25 February, Jordan's Crown Prince Hasan canceled a planned visit to Israel as a protest against the planned building. At the end of March, the Arab League recommended halting normalization and strengthening of the Arab boycott of Israel,<sup>41</sup> except for Jordan and Egypt owing to their peace agreements with Israel. As soon as the sessions were completed in Cairo, the Syrian and Egyptian foreign ministers disagreed in public about whether the Arab League's proposed sanctions were binding on all Arab states or excluded Arab states that had treaties with Israel. <sup>42</sup> Egypt's President Mubarak was only willing to have a minisummit of Jordan, the PA, Egypt, and Syria, while Asad wanted a larger if not full-scale Arab summit meeting. Mubarak wanted to give the US time to restart PA-Israeli negotiations, while Asad wanted a quicker response to Israeli actions. In the event, no Arab summit meeting was held; the ineffectiveness of Arab states to respond to Israeli actions, other than through rhetorical statements, was evident. Nonetheless, the normalization process had ground to a halt (see also chapter on inter-Arab relations).

## TENSION AND DIALOGUE

In between the announcement to build at Har Homa and the Tel Aviv suicide bomb attack, on 21 March, the Israeli cabinet approved the first redeployment covering a total of 9% of the West Bank. Since 7% was moved from Area B, already under Palestinian jurisdiction, to Area A, only 2% of new land was to be transferred to the PA. Like previous transfers, the new transferred areas were not contiguous. Israel retained control of roads and lands adjacent to its own settlements, thereby continuing to prevent the formation of large blocs of PA-controlled areas. The PA rejected Israel's 9% redeployment as insufficient and unacceptable. Throwing its verbal hands in the air, an Israeli editorial in Ma'ariv noted that if Israel had offered to withdraw from 18% and not 9%, the Palestinians would have not agreed, "because that is their job. No Israeli concession will ever satisfy them."<sup>43</sup> Palestinians still wanted full Israeli withdrawal from the West Bank, not merely noncontiguous territorial areas.

On 19 March, two days prior to the Tel Aviv bombing, Netanyahu proposed that Israel and the PA scrap the three agreed-upon redeployments, meet in a Camp David-style environment, and conclude final-status talks in three to six months. He discussed this idea with King Husayn during their talks that day. However, the moment was not ripe for an intense Camp David-type interchange because there was no aspect or outline between 'Arafat and Netanyahu as there had been between Begin and Sadat on the "endgame" or final territorial outcome. Sinai could

be returned for a peace treaty; its sovereignty was not in doubt. Unlike the Egyptian-Israeli relationship prior to Camp David, the respective sides were intruding into the day-to-day life of each other.

The idea of accelerating the talks had some merit. There was a need to focus on final outcome. The working axiom of stretching out negotiations in order to create trust between the sides had proved wanting during the preceding four years. The Palestinian-Israeli relationship was fiercely adversarial. Every Palestinian and Israeli utterance about the other was summarily critical. Continued step-by-step negotiations did not change Palestinian expectations for their independent state or mollify Israeli anxieties about its security requirements. The step-by-step approach was not creating confidence, rather the opposite. Both 'Arafat and Netanyahu repeatedly catered to domestic opponents who obstructed additional Palestinian-Israeli accommodations. What reason then to draw out the length of the negotiating period until May 1999 and sustain the life and activity of nay-sayers? They were going to be there anyway after May 1999. Moreover, the longer the negotiations were drawn out, the more external actors wanted to intrude.

The PA called the idea of accelerated talks a "media trick." 44 Egyptian Foreign Minister Musa considered the notion a game and deception. 45 After announcing the idea, Netanyahu's adviser on security affairs, Dore Gold, went immediately to Egypt to enlist Mubarak's support for the acceleration of negotiations, but to no avail. Gold believed that the entire Oslo agreement was "badly structured ... rather than build trust," he said, "we have an erosion of trust." 46 By September, Secretary of State Albright and Martin Indyk, the US assistant secretary of state for Near Eastern affairs and former ambassador to Israel, endorsed the idea for accelerated final-status talks. 47 However, the merits of accelerated talks were lost in the negotiating malaise that characterized the last four months of the year.

Following the 21 March bombing, 'Arafat condemned the act; Israel imposed closure on the territories, partially lifted it on 13 April, and reinstated it for the eight-day Passover holiday which began on 21 April. Netanyahu demanded that the PA meet six criteria if the negotiations were to continue: arrest and punish all "terrorists"; crack down on Islamists and dismantle the "guerrilla groups"; prevent all violent and hostile propaganda against Israel, especially that coming from the Palestinian press; resume full security coordination; review Israeli extradition requests; and confiscate all unlicensed weapons. 48 Different efforts were made but failed to restart the negotiations. American Special ME Coordinator Dennis Ross tried, in three separate trips in March, April and May, to encourage Israel to make gestures toward the Palestinians; but since Israel would not rescind its plans for Har Homa, the PA would not consider resuming talks with Israel. The idea of an Egyptian-Israeli-Jordanian-PA summit was proposed to revive talks, but Israel clearly did not want to meet Arabs in conference and be ganged up against. In late April, Labor Member of Knesset (MK) Yossi Beilin approached 'Arafat and devised his own formula for restarting the talks, which included both sides committing themselves to avoid unilateral acts; Israel would carry out the next redeployment immediately; the PA would make every effort to prevent violence; and final-status talks and security coordination would begin or resume immediately. 49 It was reported at the end of May, that Beilin, in talks with 'Arafat's deputy, Mahmud 'Abbas (Abu Mazin), held under the auspices of the Israel Democracy Institute in Jerusalem, were engaged privately in defining final-status arrangements. 50 'Arafat continued to engage Israeli Labor Party leaders in an effort to keep pressure on Netanyahu; toward the end of July, he met with Ehud Barak, the recently elected new Labor Party leader.

In the spring, Palestinian Airlines made its first landing in Amman and first regular flight from Amman to Morocco. Funds continued to flow from Arab and European sources for infrastructure needs in the Palestinian areas - housing, hotels, electricity, social welfare. Most notable was a donation of \$100m. to the PA from the UAE, its first major financial contribution to the Palestinians in the West Bank since the 1991 Gulf War. These small advances for the Palestinian economy barely masked the harsh economic realities in the four years since the signing of the DoP. There had been 350 days of closure; private investment in the territories under the PA's control declined from 26% of the gross national product (GNP) in 1992 to 12% in 1996. In 1995, the territories as a unit imported \$2.2bn. worth of commodities, 94% of which came from Israel, while its total export volume amounted to \$375m. 51 By November, though donor commitments to the PA amounted to \$845m., only \$116m. had been received. 52 Palestinian dependence upon external financial assistance and upon Israel for jobs was unquestioned; both realities would play instrumental roles in defining the final relationships

between the two peoples.

By early May, several independent attempts had been made to reignite Israeli-PA security meetings, which had been suspended since the March suicide bombing. They included efforts by Israeli President Ezer Weizmann, Special ME Coordinator Ross, EU special envoy Miguel Moratinos, Austrian Foreign Minister Wolfgang Schuessel, and others. As a result, the PA and Israel resumed informal meetings on 13 May at the home of the US ambassador to Israel. Ross returned to the US in mid-May; the role of mediator was taken up temporarily by Usama al-Baz, political adviser to Egypt's Mubarak. Baz met with Netanyahu and PA officials in May and June. His initiative, which included meetings in Israel, the Palestinian areas, and Cairo, failed to convince Netanyahu to promise to suspend construction at Har Homa. However, Baz's inter-cession contributed to the PA decision on 1 July to resume full security cooperation with Israel.

Frustration with the US for not putting more pressure on Netanyahu was expressed by a variety of quarters. Yossi Beilin, the Israeli Labor MK, called for a "greater American role" in the stalled negotiations; 53 the French newspaper *Les Echos* called the Clinton Administration to task for its "timidity" in the face of the Israeli Government's behavior; 54 Egypt's foreign minister wanted the EU to influence the US to exert pressure on Israel to alter its policies toward the Palestinians. 55 Said an editorial in the *New York Times*, criticizing both leaders, "Netanyahu has done his part to erode that [Oslo] spirit by humiliating Mr. 'Arafat ..... Arafat has countenanced violent demonstrations ... and indulged leaders of Hamas and Islamic Holy War (Jihad) who urge suicide bombings." 56

While Baz initiated an effort to resurrect the stalled negotiations, the PA sought to apply the death penalty and otherwise punish those Palestinians who sold land or were engaged in land sales to Jewish buyers, practices imposed as far back as the early 1930s by earlier Palestinian national leaders on those who compromised the national interest. 57 In May, several Palestinians engaged in land sales were found dead, "further tainting the PA's image in Israeli eyes." 58 Shaykh al-Azhar Muhammad Tantawi was more extreme than the mufti of Jerusalem in 1934 and 1935, when he endorsed the death penalty for those who sold land to Jews. 59 By mid-August, more than 20 Palestinians who had been engaged in land sales going back to the 1980s were arrested on suspicion of selling land to Jews. 60

At the end of May, Netanyahu presented his cabinet with final settlement ideas under which Israel would retain key areas of the West Bank, including East Jerusalem. Known as the Allon Plus plan, it suggested that Israel would retain more land than what was proposed by then-Israeli labor minister Yigal Allon originally in 1967 and revised in subsequent years. The original Allon plan, first drawn up by an Israeli statesman after the June 1967 war, focused on a possible territorial compromise between Israel, the Palestinians and Jordan. Among its items was a call for densely Palestinian-populated areas to be returned to a Jordanian-Palestinian state while Israel would control the Jordan Rift Valley and the first mountain ridge to the west. Jerusalem, Gush Etzion, and Kiryat Arba were to be under Israeli sovereignty. The West Bank area was to be returned to Arab sovereignty, linked by a corridor around Jericho; while the Gaza Strip would be connected by a highway. The areas which Netanyahu proposed to retain were less than what members of his coalition wanted, but more than the Labor Party and other parties of the left felt was necessary. Netanyahu presented principles rather than a map: Jerusalem would remain the united capital of Israel with Israel holding extensive access to the Jordan Valley; a buffer zone between Israel and PA areas would be established; the Jordan Valley and other areas with security significance in the Judean Desert would remain under Israeli sovereignty; large Israeli settlement areas and isolated settlements would be made contiguous; and finally, Israel would retain control of all areas surrounding the Palestinian self-rule areas. None of the land in the territories remaining under Israeli control would be annexed to Israel, and the decision on their future would be left to future generation. 61 Some in his coalition criticized him. Foreign Minister Levy criticized the imperious manner in which he presented the plan, saying that Netanyahu "is not a dictator, and he cannot by himself put together maps of retreat that decide the outcome of the Oslo agreement." The National Religious Party paper, *Hatzofe*, said that Netanyahu's government "should faithfully represent the national interests ... which command it to maintain the nation's religious and historical right to all parts of Eretz Yisrael. God forbid that we should withdraw from areas of Eretz Yisrael only to allow Yasir 'Arafat and his accomplices to establish the sovereign Ishmael state there." 62 The proposed Allon Plus plan would leave the PA with three or four noncontiguous areas totaling as much as 40% of the West Bank and containing most of the Palestinian population.

Despite frequent rancor expressed by Palestinians against Israelis and vice versa, the two sides continued to meet at least periodically. The silver lining in the 'Arafat- Netanyahu rift was that their advisers and ministers met irregularly, establishing candid working relationships. Such talks took place despite offensive unilateral action by each side toward the other. They helped cope with these impasses djour. Briefly, on 16 June, Infrastructure Minister Ariel Sharon and Abu Mazin discussed positions about final-status issues and resumption of talks aimed at implementing outstanding issues in previous agreements. Talks took place and progress was made on defining the operations of the not-yet-opened Palestinian airport at Rafah, construction of the Gaza port, and establishing the safe passage between the West Bank and Gaza areas. Those discussions led to a resumption of talks on 20 July aimed at resuming the eight subcommittee meetings suspended since March. In mid-June, the PA and Arab states reacted with anger and distress at the US House of Representatives resolution, approved 406-17, despite opposition by the Clinton Administration, recognizing Jerusalem as the undivided capital of Israel. Speaker of the PA's Legislative Council Ahmad Quray'(Abu 'Ala) said the resolution was "contrary to the peace process."63 In a related move, in July, the Israeli parliament passed a draft resolution designed to make it more difficult for Israel to give up the Golan Heights. Israeli Foreign Minister Levy believed the Golan legislation to be unwise, in addition to opposing the meeting which Sharon had with Mahmud 'Abbas. Another layer of disagreement between Foreign Minister Levy and Prime Minister Netanyahu was thus added. For the remainder of the year, and until Levy resigned his post in January 1998, Levy publicly criticized the prime minister's failure to consult with him on peace process policies, and the actual policies themselves which Levy viewed as too extreme and not conducive to promoting successful negotiations with Arab interlocutors. In late June, the Israeli parliament passed the first reading of a bill that would apply Israeli law to all of the West Bank and Gaza settlements under Israeli jurisdiction. In mid-June, the head of Israel's General Security Services, Ami Ayalon, noted that 'Arafat's status in the territories was weakening, which prevented him from being decisive in cracking down on militant Palestinian political elements. 64 It seemed that when 'Arafat sensed a decline in either Palestinian or Arab support for him or a short lull in negative statements about Netanyahu, he lashed out at Israeli policies. In early July, 'Arafat attacked Israeli procrastination in general and Israel's efforts to change the spatial and demographic character of Jerusalem in particular, characterizing the "Judaization of Jerusalem" as a "conspiracy against Arabs, Muslims, and Chris- tians."65 Smoldering feelings of anger flickered in the territories. In Ramallah, at midmonth, demonstrations continued, protesting expansion of Israeli settlements. The PLO Executive Committee members were present as the Israeli flag was burned. 66 As soon as it appeared that Israel and PA officials would resume talks in earnest, and that efforts were being taken to reduce Palestinian violence against Israelis, violence intruded.

In early July, it was reported that the head of the Israeli army intelligence branch, Gen. Moshe Ya'alon, told a Knesset committee that Hamas had called a halt to suicide terrorist attacks out of concern for their popularity in the territories. 67 However, on 30 July, two suicide bombers detonated two devices several minutes apart in the crowded Jerusalem Mahane Yehuda vegetable market. Again, Hamas's military wing took credit for the attack. Immediately, Israel froze all security contacts and imposed a closure on the territories. It forbade movement between Palestinian cities, stopped shipment of produce from the territories, closed entry into the PA from Egypt and Jordan, and froze the transfer of \$40m. in tax money owed to the PA. This forced the PA to borrow to pay the salaries of the more than 70,000 people on its payroll. 68 Ross postponed a return visit to the region because of the bombings. An Israeli newspaper summed it up well by saying, "terrorism pays."69 Writing in Haaretz, the veteran reporter on Palestinian affairs, Dani Rubinstein doubted "whether there was such an attack in the past which aroused such a sense of admiration among the [Palestinian] public in the territories [due] to the accumulation of bitterness and rage among all strata in the population ... against the Netanyahu government."70 Debate then followed in the Israeli press and among politicians about whether economic sanctions on the Palestinian population might not be counterproductive, for in the end, "the infrastructure of terrorism will not be destroyed but strengthened" if the population becomes more desperate.71 When Ross returned in early August, his focus was aimed at renewing security coordination and not wholly concentrated on moving the discussions forward toward the next redeployment or implementation of prior agreements. Ross's efforts resulted in the establishment of a tripartite security panel of US, PA, and Israeli representatives, headed by the CIA station chief in Israel.

On the heels of this security understanding, Secretary of State Albright visited the region in

early September, but came away exasperated over the inflexibility of PA and Israeli positions (see below). Just prior to her visit, on 4 September, four Palestinian suicide bombers detonated three separate explosives in the Ben Yehuda pedestrian mall in Jerusalem. The four were identified as having escaped from a Palestinian prison in September 1996 and were on the list of Hamas operatives submitted by Israel to the PA for arrest during a trilateral meeting with Americans on 30 July. Immediately after the September bombings, the Israeli army reinstated closure over the West Bank and Gaza. In a typical reaction, the day after the bombing, the Israeli cabinet declared it would not hand over any more territory to the Palestinians. The closure was partially lifted within a fortnight, but not totally removed until 12 November. Within Israel, there was governmental and media debate about whether or not 'Arafat was behind the suicide attacks.

PA and Israeli officials kept meeting nonetheless. At the end of September, Foreign Minister Levy and Abu Mazin met at the UN to try once again to restart negotiations. They succeeded. It led to the second 'Arafat-Netanyahu meeting of the year on 8 October, the day after implementation subcommittee talks resumed. Much of the 'Arafat-Netanyahu meeting was devoted to the consequences of the release of the Hamas leader, Shaykh Ahmad Yasin, as a result of Israel's botched assassination attempt in Amman two weeks earlier of a Hamas official (see chapters on Palestinian affairs, Israel, and Jordan). 'Arafat did not accept Netanyahu's proposal to forgo further redeployments and commence final-status talks. At the end of the month, Israel's Defense Minister Yitzhak Mordechai met with 'Arafat to renew security cooperation, suspended since the PA's reaction to Israel's decision to build at Har Homa. Additional negotiations between Levy and Abu Mazin were delayed until early November. Levy wanted a full mandate from the Israeli Government to negotiate; he instead was handed limitations on what he could discuss. The PA wanted to talk about FRDs, while Israeli negotiators wanted to focus on incomplete Oslo issues, such as the Gaza port, and airport, and safe passage. There were only two days of meetings in Washington in November with the topics of FRDs and the future of the settlements remaining deadlocked.

Still by November, there was no dire urgency for 'Arafat to change the pace of negotiations. Sustaining a relative negotiating impasse (motion but not movement and no break in negotiations) contributed to his objective of seeking greater external pressure on Israel and hoped-for American pressure on Israel. Palestinian committee experts were prodded by the US State Department to renew their discussions with their Israeli counterparts. Agenda items included the nature and duration of a "time-out" in Israeli settlement activity, the time frame and structure of permanent-status arrangements, ongoing and planned efforts to combat terrorism, Palestinian prisoner release, details surrounding security responsibility in the opening of Gaza port and Rafah airport, and the proposed opening of an industrial park. For some of the nine joint Palestinian-Israeli committee heads that did meet, these were the first such meetings in nine months. Major issues were not resolved. The only substantive decision was the establishment of a joint legal committee to negotiate the release of Palestinian prisoners. 72 Indicative of the year in Palestinian-Israeli relations were two events in December: Netanyahu's meeting with Secretary of State Albright in Paris, and the completion of a Palestinian-Israeli security understanding in late December. Prior to his meeting with Albright on 17 December, Netanyahu's cabinet "prevented" him from bringing any maps or plans to Paris that would outline the depth of the long-postponed second redeployment. Rather, he took a list of demands for the Palestinians to fulfill. On the same day, a 16-point security understanding was completed between Israel military and security officials, the PA security services, and the CIA. It was arduously negotiated. But at the last minute, Netanyahu refused to sign the agreement because it contained reference to the concept of reciprocity, insinuating that Israel was perpetrating acts of terror against the Palestinians. Netanyahu thus delayed with both the Americans and the Palestinians.

Throughout the year, the lack of progress only reinforced the rejection of the peace process by radical Islamist and left-wing Palestinian groups. A Hamas founder and leader, 'Abd al-'Aziz al-Rantisi, said in April, "Islam does not permit giving up one inch of Palestine and states that Palestine belongs to the Muslims, belongs to the Palestinian people, not the Jews." 73 In October, at a rally in Gaza, he said, "I tell Jaffa, Haifa, Safed, and Tel Aviv today to prepare for an encounter with the holy warriors of Jihad." 74 Na'if Hawatima of the left-wing Democratic Front for the Liberation of Palestine condemned Arab states for their normalization of relations with Israel, and called it "regrettable that Arab doors are being opened for the Zionist enemy." 75 Jordan's leader of the Muslim Brotherhood reiterated in September that there was "no question of dropping the military option" because Israel constituted nothing other than a

## JORDAN: CHASTISING ISRAELI POLICIES, BUT SUPPORTING NEGOTIATIONS

Amman's bilateral ties with Jerusalem were reasonably good at the year's outset. But for the remainder of the year impatience and consternation dominated relations between the two countries. Two major crises occurred during the year: one in March, when a Jordanian soldier shot and killed seven and wounded six Israeli schoolgirls near the Jordan River; the second in October, when Israel's Mossad intelligence agency botched an assassination attempt on a Hamas leader in Amman. Both events acutely embarrassed King Husayn; the former caused him obvious distress over the wanton shooting of children; the second angered him immensely, as Israel had violated Jordanian territory. By the end of the year, Jordanian-Israeli bilateral relations were cool, although not frozen. Normally the consummate adherent to impeccable protocol, King Husayn refused to meet with Netanyahu when the Israeli prime minister visited Amman, apparently to smooth over Jordan's anger for the mishandled assassination attempt.

Speaking at a joint press conference with Egypt's President Mubarak in early January, Husayn made it clear that "there is no normalization [with Israel] in the true sense of the word," because it could only be achieved when "Palestinians enjoy their right to their national soil." 77 He spent much of the year using his persuasive powers to foster progress on the Palestinian-Israeli negotiating track. On 12 January, with the Hebron talks apparently hung up over when the next Israeli deployment would take place, Husayn flew to Gaza and persuaded 'Arafat to accept a midsummer date for Israel's next redeployment. He did this with the backdrop of demonstrations occurring in Amman that protested the first Israeli trade fair in Jordan, a protest that was supported by 20 of Jordan's 23 political parties (see chapter on Jordan). Acceptance by Jordanians of normalized relations with Israel had remained problematic since the signing of the 1994 Jordanian-Israeli peace treaty (see MECS 1995, pp. 388-99). Despite the rise in Jordanian disapproval of Israeli actions, Amman and Jerusalem kept their lines of communication open. Jordanian businessmen interested in trading freely with the PA areas were frustrated by three separate agreements that defined trade rules between Israel, Jordan and the Palestinians. Nonetheless, Israeli tourists continued to visit Jordan at a rate of 1 0,000 per month. 78 On 23 February, just four days after the Har Homa decision, Husayn received Netanyahu in Amman. Israel had indicated to the Jordanians that, according to Israel's interpretation of their 1994 treaty, insofar as it dealt with Jordanians who had held property in 1948 in what became Israel, their real estate would continue to be regarded as absentee property, meaning no additional considerations for restitution would be in order. In February, the king and his prime minister, 'Abd al-Karim at-Kabariti, rejected the request of almost two dozen Jordanian parliament members to cancel the 1994 treaty with Israel. In early March, Husayn sent a personal letter to Netanyahu, a letter which the king subsequently acknowledged was "never meant for publication." 79 Husayn was greatly angered by Netanyahu's decision to build housing at Har Homa. Said Husayn, "My distress is genuine and deep over the accumulating tragic actions which you have initiated .... I cannot believe that the people of Israel seek bloodshed and disaster and oppose peace." 80 Husayn practically accused Netanyahu of maneuvering the Palestinians into inevitable violent resistance. The bottom line for negotiations with Israel was similar for the Jordanians and Palestinians: disagree with Netanyahu emphatically, but do not stop talking.

On 13 March, while on a field trip to the Jordan River border area, a group of Israeli schoolgirls was shot by a Jordanian soldier. Visibly shaken by the incident, King Husayn personally visited the site three days later and publicly asked for forgiveness from the families. Israelis were deeply moved by Husayn's sincerity, sustaining a "special bond" not felt since Sadat's trip to Jerusalem. 81 In Jordan, the government was forced to halt solidarity visits to the Jordanian soldier's family; lawyers scampered to defend him. Six days after the shooting, the Jordanian prime minister resigned, his departure from office in part due to differences with the king over policy toward Israel. In April, Husayn and Netanyahu met in Rochester, Minnesota where the king was receiving medical treatment, to discuss ways to stop the erosion in the peace process. In May, they met in 'Aqaba, this time to discuss water issues and ways of resuming Israeli-PA negotiations. In June and July in separate meetings, Israeli Labor Party leader Ehud Barak and the Israeli military's Chief of Staff Amnon Lipkin-Shahak paid official visits to Amman. One week after the 30 July suicide bombing in Jerusalem, Crown Prince Hasan met with Netanyahu in Jerusalem on 6 August, and Netanyahu returned the visit in 'Aqaba on 13 August. Their exchanges did not suggest any progress in advancing the negotiating process but perhaps helped to insulate bilateral ties from peace process



difficulties. Despite the public tussles between Amman and Jerusalem, Israel announced a willingness to give up \$50m. in American civilian aid grants for five years so that those funds might be transferred to Jordan.<sup>82</sup>

For the last quarter of the year, Jordanian-Israeli relations were dominated by the aftereffects of the failed assassination attempt in Amman. Khalid Mash'al, a prominent Hamas activist, was accosted on a street in Amman on 25 September by Israeli Mossad agents, posing as Canadian tourists. Mash'al was injected with a poison, causing convulsions. The Israeli agents were immediately apprehended. King Husayn threatened to sever diplomatic ties with Israel unless Israel provided the antidote to save his life. The antidote was provided, and Mash'al recovered. Israeli-Jordanian relations did not recover as quickly. Three days later, Netanyahu, Infrastructure Minister Sharon, and Defense Minister Mordechai all secretly met with Crown Prince Hasan (King Husayn refused to see them). As a result, Israel sent Hamas's spiritual leader, Shaykh Ahmad Yasin, jailed since May 1989, to Amman, where he was officially released. (He was subsequently allowed to return to Gaza.) Twenty-three Jordanian prisoners, those who had committed minor offenses, but not four others charged with killing Israelis, were released by mid-October, along with four dozen jailed Palestinians in exchange for allowing the eight Mossad agents under Jordanian arrest to return to Israel. Immediately after the incident, Jordan froze security cooperation with Israel, asked for the closure of the Mossad station in Amman, and sought the resignation of the Mossad head, Dani Yatom, for ordering the operation. The Israeli press ridiculed Netanyahu; one editorial called the assassination attempt "an amateurish, frightening, and ridiculous failure ... an irresponsible machoistic act of stupidity ... appropriate to a Mel Brooks comedy." <sup>83</sup> Rising above the condemned assassination attempt, King Husayn accepted the credentials of Israel's new ambassador to Amman on 5 October. A month later, he and Netanyahu met in London to discuss ways of improving bilateral relations. Jordan was a major Arab participant at the Doha economic conference, indicating again that Jordan would do what was in Jordan's national interest first, and only then uphold Arab censure against Israel for its general policies. By the end of the year, Jordan and Israel were again cooperating almost fully in matters of security, tourism, and trade/economic relations.

As the year evolved, Netanyahu bequeathed to Infrastructure Minister Sharon, the unofficial "Jordanian" portfolio, as indication of Sharon's importance in keeping Netanyahu's governing coalition together, a swipe at the waning influence of Foreign Minister David Levy, and a confidence builder for the Jordanians. King Husayn and his brother and anointed successor, Crown Prince Hasan, understood the pivotal importance of Sharon in Israeli coalition politics. It was Sharon, who in the 1970s and 1980s, had caused unprecedented consternation among Jordanians with his clarion call that "Jordan is Palestine." Sharon's renouncing that claim in favor of a strong Jordan gave the regime much satisfaction. Amman understood that as long as Sharon's voice was active in Israeli governance, there would be a keen strategic interest among Israelis for a strong Jordan. Sharon's efforts to prevent the evolution of a fully independent Palestinian state may have also been greeted with quiet satisfaction. On 9 November, Sharon met with Crown Prince Hasan and other senior Jordanian officials. Their discussion centered on the water treaty between the two countries and new economic projects for the Jordan Valley.

Debilitating as the various issues were to the bilateral relationship, Israel's relations with Jordan remained warmer than with any other Arab state. In December, Husayn published an open letter to Netanyahu, spelling out Jordan's policy regarding the final status between Israel and the Palestinians. For their part, the Palestinians were highly suspicious of the budding relationship between Husayn and Sharon, fearing that their mutual interests in security issues would be at Palestinian expense.<sup>84</sup>

## EGYPTIAN-ISRAELI TENSIONS

New highs were reached in Cairo's exasperation with Israeli procrastination on the Palestinian track, even as the framework of the 18-year-old Egyptian-Israeli treaty remained untouched. The absence of progress on the Palestinian track had a direct negative bearing on Egypt's feelings toward Israel. Egyptian prosecution and conviction of an Israeli Arab in the summer for allegedly spying for Israel added to Cairo's bad feelings for Israel. Cairo boycotted the American-supported November Doha MENA Economic Conference, despite Washington's pleadings to attend.

At the year's outset, relations were already cool. Egypt's President Mubarak, though having hosted the Cairo economic summit the previous November, engaged in restricting business ties with Israel. His strategy aimed at combining international political and economic pressure on Israel in order to make Israel more amenable in the peace process. Nasir Farid al-Wasil, the government-appointed mufti of Egypt, declared that "travel to Israel for tourism is forbidden because it strengthens the Israeli economy at the expense of the Arab Muslim economy."<sup>85</sup> In April, he said, if 44 peaceful jihad ... based on boycott of Israelis does not bring an end to [Israel's] actions at 'Judaising' Jerusalem, Islamic countries must resort to war."<sup>86</sup> Coming on the heels of the 21 March Palestinian suicide bomb, Shaykh Tantawl of al-Azhar said that "martyrdom-seeking suicide operations are religiously allowed [halal]" against Zionist targets.<sup>87</sup>

As in the previous year, Mubarak continued to be 'Arafat's most important supporter and booster in seeking to foster not only an agreement on Hebron but an Israeli commitment to additional territorial withdrawals, and a halt to all settlement activities. On 5 March, Mubarak and Netanyahu met in a tense and inconclusive meeting in Cairo. Mounting public anger in Egypt against Netanyahu's policies were reflected in a wave of student demonstrations demanding firm government action against Israel. At the end of March, students at Cairo University tried to stage a march on the Israeli Embassy but were blocked by the security forces, and a coalition of women's groups marched on Arab League headquarters, demanding an urgent Arab summit to save Jerusalem. Meanwhile, a broad range of Egyptian opposition parties, trade unions, and professional associations came together to organize a campaign against Israel's takeover of East Jerusalem and held a series of mass protest actions. All the main legally sanctioned opposition parties participated, as did as such unlikely political bedfellows as the outlawed Communist Party and Muslim Brotherhood.<sup>88</sup> On 31 March, Egyptian Foreign Minister Musa introduced a resolution at the regular Arab League Council meeting recommending that members freeze relations with Israel, renew the Arab boycott, and ban all multilateral negotiations. Though the decision was not binding on every state, Egypt's policy was evident: act as a catalyst to Palestinian-Israeli negotiations, side with the PA, and punish Israel where possible for what were considered insolent and inflexible policies.

While substituting as mediator for the Americans in May, Usama al-Baz met with Netanyahu, a prelude to another Mubarak-Netanyahu summit at Sharm al-Shaykh on 27 May. No final communique was issued by the two leaders, indicating considerable disagreement between them on peace process matters. Typical of the summit and typical of the peace process for the year, there was "no breakdown, no great success, and no breakthrough."<sup>89</sup> Cairo continued to offer mediation and venues for compromise between Israeli and Palestinian officials. In July, at the Egyptian ambassador's residence in Tel Aviv, Israeli Defense Minister Mordechai and PA Planning Minister Nabil Sha'th made some progress toward expediting the operations at Rafah airport, building the Gaza port, and over the issue of safe passage.<sup>90</sup> Egyptian-Israeli relations remained tense, however. The sudden threat to the American foreign aid package to Egypt in June made Cairo especially angry. US Senate foreign operations subcommittee chairman Senator Mitch McConnell proposed to end the \$2.2bn. funds for Cairo, while earmarking \$3bn. for Israel as usual, and adding a new earmark of \$250m. for Jordan. McConnell said he wanted to send a direct and clear signal to Egypt that it should "play a consistent role" in the peace process. He cited Mubarak's "troubling" ties to Libya and heavily criticized Mubarak's efforts to further ME peace. Al-Abram's editorial noted in response that "the Egyptian role in the peace process is being subjected to a campaign of slander by clients and supporters of Israel in Congress and the American media."<sup>91</sup> Some in the Egyptian media saw this as an attempt at overt American tutelage and blackmail, marking an imperial arrogance which Egypt should not tolerate.<sup>92</sup> Though Egypt ultimately received its annual economic assistance from Washington, congressional questioning of Cairo's motives left a sour taste. The mood lingered, carrying over to Cairo's overt lobbying against Arab attendance at the American-supported Doha economic conference in November.

On 16-18 November, 66 nations, among them six Arab states (Jordan, Kuwait, Oman, Qatar, Tunisia and Yemen), sent delegations or businessmen to the Doha economic meeting. Though Egypt and Syria worked vigorously to have Arab states boycott the conference, the Arab League and the Gulf Cooperation Council (GCC) decided to leave the decision of its members to attend to individual states (see chapter on inter-Arab relations). Washington emphasized the importance of the conference because of its focus on much-needed economic development in the region. Also, symbolically, it served as a statement that the peace process was still alive. Characteristic of the frostiness in Egyptian-Israeli relations was the quiet

passage on 19 November of the 20th anniversary of Sadat's historic visit to Jerusalem. It was met with barely a whimper of recognition in Egypt and not much more awareness in Israel. Egyptian-Israeli nonbelligerency remained the accepted norm of behavior between Cairo and Israel.

## THE SYRIAN-ISRAELI TRACK

For the second year in succession, no substantive progress and no public negotiations took place on the Syrian-Israeli negotiating track. The lack of progress meant virtual stagnation on the Lebanese-Israeli track as well. For Damascus, the prime goal in 1997 was to retard the general pace of Arab normalization of relations with Israel.

Damascus and Jerusalem remained respectively uncompromising about the definition that would square the circle - the degree of Israeli withdrawal from the Golan Heights for the degree of peace Syria would provide Israel. Israel was just one of several major problems Damascus faced with contiguous neighbors. Syria's bilateral relations with other ME states were influenced by those countries' ties with Israel. Damascus viewed Israel's new military alliance with Turkey as a direct strategic threat; it remained disdainful of Jordanian interactions with Israel. As overlord in Lebanon, Damascus maintained control over Beirut's negotiating options with Israel, insuring no independently negotiated Lebanese-Israeli deal.

Syria accused Israel at the very beginning of the year of complicity in the bombing at a station in Damascus in late December 1996 (see MECS 1996, pp. 632-33, and chapter on Syria). Israel called the accusation ludicrous.<sup>93</sup> Almost simultaneously, Syrian President Asad remarked that Israel was not the only country that wanted peace. "We need peace," he said "and all that it entails more than Israel does."<sup>94</sup> Early in the year, noises came from Damascus and Jerusalem that at least an effort could be made to restart their talks under American auspices. But their respective conditions for resumption were too far apart even to be negotiated. At the end of January, Israeli Defense Minister Mordechai was designated by Netanyahu to head future negotiations with Syria. Mordechai undertook a study of the Israel Defense Forces' (IDF) ability to defend northern Israel without parts of the Golan Heights. In mid-February, the Israeli Air Force attacked Lebanese Hizballah guerrilla enclaves close to Beirut and in the Biqa' valley, proximate to where Syrian troops were stationed. The last time Israel's air force attacked the Biqa'-Ba'albak area was in August 1996, and it brought about Syrian force movements and an escalation of tensions with Damascus. That did not occur this time. Instead, the Syrians sufficed with media blasts of Netanyahu and Washington for endorsing Netanyahu's policies. While in New York in June, the IDF chief of staff told prominent Jewish leaders that while war was not around the corner with Syria, "the possibility of war appeared more and more in the Syrian leadership's public statements and private conversations."<sup>95</sup> Israel was particularly concerned about the building up of Syria's missile arsenal. The subsequent revelation in Israel that a Mossad officer had intentionally fed Israeli decision makers with false information for the previous six years about Syrian preparedness to attack Israel further blemished a bad year for Israel's Mossad and added stress to the Syrian-Israeli relationship. As it had at the beginning of the year, Damascus ended the year with the identical criticism of Israel: it had reneged on former prime minister Rabin's alleged commitment to withdraw from all of the Golan Heights in exchange for a peace treaty.<sup>96</sup>

Syria wanted to continue negotiations with Israel on the basis of the "land for peace" principle. Israel wanted to resume talks with more general reference to UN Security Council Resolution 242, but without explicitly stating that all of the Golan could or would be returned for full peace. About resuming talks with the Syrians, Netanyahu said in January, "Each side will come with its own interpretations ... they demand the Golan ... we see it as ... critical to Israel's defense and to its security and water needs."<sup>97</sup> Asad's preconditions for renewal of negotiations was an Israeli declared commitment to withdraw from the Golan Heights and recognize the validity of the "understandings" reached between Israeli and Syrian representatives in 1996.

Asad believed he had a firm commitment in principle from the previous Israeli Government for a full withdrawal from the Golan Heights. Israelis who negotiated with Asad's representatives insisted on the inaccuracy of his assumption. All he had, they said, was a promise by Rabin to have then-US secretary of state Christopher discuss the "possibilities" of withdrawing to the Syrian-Israeli border of 4 June 1967. Israel's code name for the overture to Syria was known as "pocket," because Israel's willingness to negotiate on the 4 June lines

In August, a delegation of Israeli Arabs visited Damascus. To the consternation of many Israelis, delegation members, such as MK'Abd al-Wahhab Darawsha, "called for the right of return for Palestinians," and said that "Haifa and Jaffa are part of Palestine and that Palestine and Syria are one homeland."<sup>99</sup> Haaretz concluded that while Israeli Arabs may be a natural bridge to Israel's Arab neighbors, and have legitimate claims against the Jewish majority, "such sentiments [those expressed by Darawsha] are unacceptable, especially by members of Israel's Knesset."<sup>100</sup>

Throughout the year, Israeli-Lebanese relations remained tense. Israel's military presence in Southern Lebanon cost the country 39 soldiers, who died maintaining the self-declared "security zone" in Southern Lebanon. This was the highest single-year death total since the Israeli presence was officially established in 1982. In addition, 73 soldiers were killed en route to Lebanon when two military helicopters crashed in February.<sup>101</sup> In June, Israel refused to pay any compensation requested by the UN for damages incurred during Israel's shelling of the village of Qana the previous April (see MECS 1996, pp. 381-82, 481). In August, Israel's elite Golani Brigade undertook an operation against Hizballah in Southern Lebanon, in which two senior Hizballah commanders and at least three of their bodyguards were killed. By the end of the year serious public debate resurfaced in Israel about the benefits and liabilities associated with a unilateral Israel troop withdrawal from Lebanon. This debate carried over into the early part of 1998 but ended again when neither Syria nor Lebanon showed any willingness to provide effective and accountable security for the Lebanese areas abutting Israel.

## THE US AND THE PEACE PROCESS

The diplomatic impasse and profound mistrust between 'Arafat and Netanyahu eventually forced Washington to alter its role in the negotiations. With the conclusion of the Hebron agreement in January, Special ME Coordinator Ross remarked, "We were clearly much more than facilitators. We were not mediators - we were brokers."<sup>102</sup> By midyear, the US had taken it upon itself, through its Tel Aviv CIA station chief, to coordinate Palestinian and Israel security contacts. The station chief was the umpire and referee in deciding if the PA was doing all that it could do to rein in and eliminate security threats to Israel. Washington's preferred mediation role remained to have the sides negotiate with one another and not use Washington or its emissaries as an alternative interlocutor. The American view was that the respective sides had to want and need to reach compromise agreements on outstanding issues. Imposing solutions from Washington was out of the question. This fit very nicely with Netanyahu's goal of not allowing the US to put any pressure on Israel to make concessions he did not feel were warranted; the Israeli prime minister also knew that even though American Jewry was not solidly behind the style or content of his policies, their support was rock solid when Israeli security issues were under discussion. Likewise, Netanyahu knew that the American Congress held 'Arafat responsible for upholding security commitments. Those realities, coupled with profound friendship for Israel personally exhibited by President Clinton and Vice President Al Gore, made it unlikely that Washington was going to demand anything substantive of Israel until terrorist attacks ceased and Israel's security needs were met.

Like December 1996, the last month of 1997 witnessed an American attempt to breathe life into the Palestinian-Israeli talks; this time by Secretary of State Albright's end-of-year effort to have 'Arafat and Netanyahu agree on security issues and the timing of the next Israeli withdrawal. Unlike the end of 1996 which saw diligent American effort pay off in the January 1997 Hebron agreement, American intervention at the end of 1997 did not pay the same tangible dividend.

When the year started, Bill Clinton had adopted the views of every American president since Gerald Ford: disagreeing with each Israeli prime minister about Israel's management of the territories, the building of new settlements, and its slowness in negotiations. By the end of 1997, Clinton's impatience with Netanyahu's foot dragging was evident. When both leaders were in Los Angeles in November and the opportunity presented itself for them to discuss the status of negotiations, Clinton intentionally snubbed Netanyahu. "I wanted to deliver a message to Bibi. I love Israel, but we can't go on like this," Clinton reportedly told an Israeli businessman.<sup>103</sup> Further emphasizing his pique with Netanyahu, Clinton made time to meet with King Husayn, the late Yitzhak Rabin's wife Leah, and Shimon Peres.

At times, Netanyahu was willing to challenge and even anger the White House, but his inactions did not threaten to cause a breach in US-Israeli relations. Though frustrated at Netanyahu's snail's pace, the Clinton Administration refused to be as publicly argumentative as former presidents Ford, Carter or Bush had been in criticizing Israel publicly. No Clinton Administration official suggested a "reassessment" in Israeli-U.S. relations as Gerald Ford had done in 1975, limiting military aid as Carter did with cluster bombs in 1977, or limiting foreign aid assistance as Bush did in 1989. No threats were made to suspend or reduce foreign or military aid, and no public pressure was articulated against Israel. Displeasure and pique at Israeli policies was often voiced, but no more. Congress continued to be solidly supportive of Israel in contrast with the White House. During the summer, the Congress weighed in on the appropriations process for foreign assistance, to Egypt's dismay and anger (see above); and let the congressional bill permitting US financial aid to the PA - The Middle East Peace Facilitation Act - lapse. The absence of additional public or private pressure on Israel from Washington consistently irritated Arab leaders.

The American role in the negotiating process remained critical. The US performed the function of mediator, facilitator, honest broker, and referee in achieving agreements and restarting stalled negotiations. The signing of the January Hebron agreement was a credit to the perseverance and dedication of Special ME Coordinator Dennis Ross and his assistant, Aaron Miller. But the inauguration of the second Clinton Administration and the appointment of a new secretary of state did not witness any reinvigorated effort to accelerate or upgrade Washington's engagement. Clinton had several meetings with Netanyahu during the year and one with 'Arafat in March. Secretary of State Albright's first and only visit during the year to Israel and the territories came only later in September. With the exception of James A. Baker, all American secretaries of state since Henry Kissinger (1973) had visited Israel within the first four months of taking office. Keeping Palestinians and Israelis negotiating was left almost exclusively to Ross and Miller, though Albright met with Netanyahu and 'Arafat later in the year in London and Paris.

The Clinton Administration was critical of Israel's February decision to construct new housing at Har Roma. It did not, however, lean on Israel to delay the project, apart from verbal protestations. In that vein, it also called on Israel to rescind an order to close four Palestinian offices - the Social Welfare and Development Association, the National Organizations Office, the National Islamic Committee to Confront the Settlements, and the Palestinian Institute for the Wounded - in East Jerusalem. In his meeting with 'Arafat at the White House on 3 March, Clinton praised 'Arafat's exercise of restraint and stated that the Har Homa decision had added to the mistrust between the communities. In Congress, by contrast, 100 members of the House of Representatives signed a letter calling on 'Arafat to fulfill his obligations under the Oslo accords, including the promised changes in the Palestinian National Covenant, fighting terrorist elements, and limiting the activity of PA offices, an obvious reference to Palestinian political activity in Jerusalem. 104 A month later, after Clinton's meeting with Netanyahu on 7 April, the absence of a joint news conference suggested stark differences of opinion between the two. In late April, Ross returned to the US without having made real progress on resumption of final-status talks or in obtaining an agreement to halt construction at Har Homa. In May, the American ambassador to Israel acknowledged that the peace process was "beset by a serious crisis of confidence." The only way for progress to be made, said Secretary of State Albright, would be if the Israelis and Palestinians solved the problems themselves.<sup>105</sup>

When he returned after the Jerusalem Mahane Yehuda market bombing of 30 July, Ross focused on keeping the sides from breaking too far apart. His task was, as usual, to reduce the political tensions, fashion an understanding that would allow the resumption of security coordination, and then seek ways to make those discussions lead to the always elusive political talks relating to the implementation of promises not yet fulfilled by either side. Talk of the secretary of state's possible first visit to the region emerged in early August. In advance of Ross's visit, Albright encouraged Israelis and Palestinians to do their utmost in preserving security and sustaining the negotiating process. In announcing Ross's return to the region, she asked the PA to fight terrorism, requested both sides to refrain from unilateral actions, which were believed to impair mutual trust, and stressed in the strongest possible terms that "peace was not merely a desirable option, but the only option."<sup>106</sup> The official Israeli response included some relief from the harsh effects of closure on the territories, e.g., allowing supplies of food and medicines into the Gaza Strip. Public debate in Israel focused on policy differences between the Likud and Labor Parties over the notion of 66 separation." The Likud's definition centered primarily on security concerns, while the Labor Party stressed with

equal weight the importance of creating an economic base in the territories and conferring additional political responsibilities on the Palestinians. This view was consonant with the Labor Party's position taken in May at its annual policy meeting, which adopted a resolution recognizing the establishment of a Palestinian state with limited sovereignty. 107 Before returning to Washington, Ross again heard Netanyahu's clear message that for there to be any resumption in talks, 'Arafat had to take an aggressive line against Hamas and Islamic Jihad and outlaw them, as well as honoring his commitments to complete the abrogation of objectionable articles in the Palestinian National Covenant.

Ross's visit was a prelude to Albright's first sojourn in the region. In addition to four days of meetings with Israeli and Palestinian officials, she also met with the leaders of Egypt, Syria, Saudi Arabia, Jordan and Lebanon, and met with the GCC foreign ministers. A main goal was to encourage Arab attendance at the scheduled November economic conference in Doha. In the aftermath of her meetings with 'Arafat, Netanyahu, and other political leaders from 9-12 September, her frustration level was evident, as only limited progress had been made in reviving negotiations. Particularly noteworthy was her 10-minute talk on Radio Palestine, where she said that the US "insisted that any peace agreement should recognize your legitimate political rights and aspirations." Based on her appeals, Israel released tax money owed the PA and lifted the 11-day internal closure. She weighed in heavily against terrorism and looked forward to senior Israeli and PA advisers coming to Washington later in September to continue discussions on moving the peace process forward. However, she declared that she had no illusions about the size of the steps required by both sides. The measures achieved during the visit were "small, and frankly what is needed are large steps. I wished this trip had produced larger steps, because they are needed .... I will come back," she said, "when the leaders make the hard decisions. I'm not going to come back here to tread water." 108 Her frustration level with the various problems in the region was reflected with her comment, "I can't be occupied with this full time." 109 If the secretary of state could not make a difference in changing attitudes and policies she would concentrate on other international issues. By the close of her visit to Israel, she had seemingly adopted Netanyahu's precondition for progress: Israel's security concerns were primary; the terrorist infrastructure needed to be eradicated; transparency, reciprocity, and 'Arafat's sincere pursuit of that goal was essential if progress of any sort was to be seen. One of Israel's harshest and most frequent detractors of Netanyahu, Haaretz's Yoel Marcus, credited the Israeli prime minister with focusing Albright's first visit to the region on "the issue of terrorism and on 'Arafat's responsibility for the continued violence." 110 The Arab media, by contrast, castigated Albright for not rescuing the peace process. Instead, as noted in al-Ahram, "she bullied 'Arafat, flattered Mubarak, Fahd, and Husayn, read the future with Assad, and appeased Netanyahu ... [with] affirmation of the notion that Israel's security is the primary objective, and that all other issues can be indefinitely postponed." 111 Unlike after either the 1973 October war or the 1991 Gulf War, there were no immediate imperatives for Israelis and Arabs to alter the political status quo and negotiate agreements. On 13 September, the date after she left Israel, Israel's district urban planning commission approved construction of Jewish housing in East Jerusalem's Palestinian neighborhood of Ras at-'Amud. Twelve days later, the Israeli Government's decision to expand the West Bank settlement of Efrat was gently termed by the US State Department spokesman as not "consistent with the environment [Albright] tried to create." 112

In November, the venue of PA-Israeli talks shifted briefly to Washington for two days of unproductive talks between Levy and Abu Mazin under US auspices. Netanyahu's government chastised 'Arafat for initially sending to Washington Abu Mazin and Palestinian negotiators Nabit Sha'th and Sa'ib 'Urayqat only, and not the Palestinian chief representatives to the nine joint committees. 113 'Arafat, for his part, was not eager to delegate substantive negotiations to his representatives nor was he particularly interested in creating an atmosphere of progress. Clearly, an absence of good faith and a sincere commitment to make substantial progress continued to characterize the negotiating environment. Finger pointing about disingenuous attitudes was widespread. Domestic politics and longer-range attitudes toward the negotiations influenced both Israeli and Palestinian decision making. Within Israel, raw feelings about the events of the preceding four years' negotiating process were again awakened during the public debate stimulated by remembrance ceremonies on the second anniversary of Rabin's 4 November 1995 assassination. Netanyahu's right-of-center coalition government continued to restrict Foreign Minister Levy's more moderate negotiating preferences. Several Israeli ministers refused to accept another substantial territorial withdrawal which would have included a possible settlement freeze. Israeli editorials estimated that the peace process itself was a casualty of Netanyahu's unwillingness "to decide that peace is an objective worth

Prior to her arrival in Doha for the November economic conference, Albright met with Netanyahu and 'Arafat in Europe, encouraging them both to do more to close the gaps in negotiating positions and requesting a "time out" on unilateral actions. In December, she again met with both leaders in Europe, separately; the secretary of state was understanding of the domestic constraints restricting the Israeli prime minister's options, telling Netanyahu that "if 'Arafat will not fulfill his security commitments thoroughly and efficiently, he can forget the redeployment." 115 She invited them both to Washington in January 1998. By the end of the year, the US proposed melding completion of outstanding interim-status issues with accelerated final-status talks.

Throughout the year, the Administration's choice of restrained activism stood in direct contrast to the preferences of the American Jewish community. At the end of the year, more than 80% of those polled supported an active American role including the "the exertion of pressure on 'Arafat and Netanyahu to act more constructively and offering US ideas to bridge gaps between the parties."116 However, overt pressure from the Clinton Administration on Israel, as most Arab states, many Israelis, and many American Jews wanted, did not materialize in 1997. With rancor, the bruised Arab-Israeli peace process stumbled forward.

#### APPENDIX: PROTOCOL CONCERNING THE REDEPLOYMENT IN HEBRON 17 JANUARY 1997

In accordance with the provisions of the interim agreement and in particular of Article VII of Annex I to the interim agreement, both parties have agreed on this protocol for the implementation of the redeployment in Hebron.

#### Security Arrangements Regarding Redeployment in Hebron

##### 1. Redeployment in Hebron

The redeployment of Israeli military forces in Hebron will be carried out in accordance with the interim agreement and this protocol. This redeployment will be completed not later than 10 days from the signing of this protocol. During these 10 days both sides will exert every possible effort to prevent friction and any action that would prevent the redeployment. This redeployment shall constitute full implementation of the provisions of the interim agreement with regard to the City of Hebron unless otherwise provided for in Article VI I of Annex I to the interim agreement.

##### 2. Security Powers and Responsibilities

a. 1. The Palestinian Police will assume responsibilities in Area H-1 similar to those in other cities in the West Bank; and

2. Israel will retain all powers and responsibilities for internal security and public order in Area H-2. In addition, Israel will continue to carry the responsibility for overall security of Israelis.

b. In this context -- both sides reaffirm their commitment to honor the relevant security provisions of the interim agreement, including the provisions regarding Arrangements for Security and Public Order (Article XII of the interim agreement), Prevention of Hostile Acts (Article XV of the interim agreement)-, Security Policy for the Prevention of Terrorism and Violence (Article II of Annex I to the interim agreement), Guidelines for Hebron (Article VII of Annex I to the interim agreement)-, and Rules of Conduct in Mutual Security Matters (Article XI of Annex I to the interim agreement).

##### 3. Agreed Security Arrangements

a. With a view to ensuring mutual security and stability in the City of Hebron, special security arrangements will apply adjacent to the areas under the security responsibility of Israel, in Area B-1, in the area between the Palestinian Police checkpoints delineated on the map attached to this protocol as appendix I (hereinafter referred to as "the attached map") and the areas under the security responsibility of Israel.

b. The purpose of the above-mentioned checkpoints will be to enable the Palestinian Police, exercising their responsibilities under the interim agreement, to prevent entry of armed persons and demonstrators or other people threatening security and public order, into the

above mentioned area.

#### 4. Joint Security Measures

a. The DCO [District Coordination Office] will establish a suboffice in the City of Hebron as indicated on the attached map.

b. J M U [Joint Mobile U nits] will operate in Area H-2 to handle incidents that involve Palestinians only. The J M U movement will be detailed on the attached map. The DCO will coordinate the JMU movement and activity.

c. As part of the security arrangements in the area adjacent to the areas under the security responsibility of Israel, as defined above, J M U will be operating in this area, with special focus on the following places:

1. Abu Sneinah
2. Harat A-Sheikh
3. Sha'aba
4. The high ground overlooking new Route No. 35.

d. Two joint patrols will function in Area H- 1:

1. a joint patrol which will operate on the road from Ras e-Jura to the north of the Dura junction via E-Salaam Road, as indicated on the attached map-, and

2. a joint patrol which will operate on existing Route No. 35, including the eastern part of existing Route No. 35, as indicated on the attached map.

e. The Palestinian and Israeli side of the JMU in the City of Hebron will be armed with equivalent types of weapons (Mini-Ingraham submachine guns for the Palestinian side and short M 16s for the Israeli side).

f. With a view to dealing with the special security situation in the City of Hebron, a Joint Coordination Center (hereinafter the "JCC") headed by senior officers of both sides, will be established in the DCO at Har Manoah/Jabel Manoah. The purpose of the JCC will be to coordinate the joint security measures in the City of Hebron. The JCC will be guided by all the relevant provisions of the interim agreement, including Annex I and this protocol. In this context, each side will notify the JCC of demonstrations and actions taken in respect of such demonstrations, and of security activity, close to the areas under the responsibility of the other side, including in the area defined in Article 3.a above. The JCC shall be informed of activities in accordance with Article 5.d.3 of this protocol.

#### 5. The Palestinian Police

a. Palestinian police stations or posts will be established in Area H-1, manned by a total of up to 400 policemen, equipped with 20 vehicles and armed with 200 pistols, and 100 rifles for the protection of the police stations.

b. Four designated Rapid Response Teams (RRTS) will be established and stationed in Area H-1, one in each of the police stations, as delineated on the attached map. The main task of the RRTs will be to handle special security cases. Each RRT shall be comprised of up to 16 members.

c. The above-mentioned rifles will be designated for the exclusive use of the RRTS, to handle special cases.

d. 1. The Palestinian Police shall operate freely in Area H-1.

2. Activities of the RRTs armed with rifles in the Agreed Adjacent Area, as defined in appendix 2, shall require the agreement of the JCC.

3. The RRTs will use the rifles in the rest of Area H-1 to fulfill their above-mentioned tasks.

e. The Palestinian Police will ensure that all Palestinian policemen, prior to their deployment in



the City of Hebron, will pass a security check in order to verify their suitability for service, taking into account the sensitivity of the area.

## 6. Holy Sites

a. Paragraphs 2 and 3.a of Article XXXII of appendix I to Annex III of the interim agreement will be applicable to the following holy sites in Area H-1:

1. The Cave of Othniet Ben Knaz/ El-Khalil;
2. Elonei Mamrc/ Haram Er-Rameh;
3. Eshel Avraham/ Balotat Ibrahim; and
4. Maayan Sarah/ Ein Sarah.

b. The Palestinian Police will be responsible for the protection of the above Jewish holy sites. Without derogating from the above responsibility of the Palestinian Police, visits to the above holy sites by worshippers or other visitors shall be accompanied by a J MU, which will ensure free, unimpeded and secure access to the holy sites, as well as their peaceful use.

## 7. Normalization of Life in the Old City

a. Both sides reiterate their commitment to maintain normal life throughout the City of Hebron and to prevent any provocation or friction that may affect the normal life in the city.

b. In this context, both sides are committed to take all steps and measures necessary for the normalization of life in Hebron, including:

1. The wholesale market - Hasbabe - will be opened as a retail market in which goods will be sold directly to consumers from within the existing shops.

2. The movement of vehicles on the Shuhada Road will be gradually returned, within four months, to the same situation which existed prior to February 1994.

## 8. The Imara

The Imara will be turned over to the Palestinian side upon the completion of the redeployment and will become the headquarters of the Palestinian Police in the City of Hebron.

## 9. City of Hebron

Both sides reiterate their commitment to the unity of the City of Hebron, and their understanding that the division of security responsibility will not divide the city. In this context, and without derogating from the security powers and responsibilities of either side, both sides share the mutual goal that movement of people, goods and vehicles within and in and out of the city will be smooth and normal, without obstacles or barriers.

## Civil Arrangements Regarding the Redeployment in Hebron

### 10. Transfer of Civil Powers and Responsibilities

a. The transfer of civil powers and responsibilities that have yet to be transferred to the Palestinian side in the city of Hebron (12 spheres) in accordance with Article VI I of Annex I to the interim agreement shall be conducted concurrently with the beginning of the redeployment of Israeli military forces in Hebron.

b. In Area H-2, the civil powers and responsibilities will be transferred to the Palestinian side, except for those relating to Israelis and their property, which shall continue to be exercised by the Israeli military government.

### 11. Planning, Zoning and Building

a. The two parties are equally committed to preserve and protect the historic character of the city in a way which does not harm or change that character in any part of the city.

b. The Palestinian side has informed the Israeli side that in exercising its powers and responsibilities, taking into account the existing municipal regulations, it has undertaken to