

The Heritage Foundation **Backgrounder**

214 Massachusetts Avenue, N.E. Washington, D.C. 20002-4999 (202) 546-4400

UPDATE

9/26/95

Number 260

TO PROMOTE ISRAEL-PLO PEACE, PRESS ARAFAT TO CRACK DOWN ON TERRORISM

(Updating *Backgrounder* No. 963, "Beyond the Israeli-PLO Peace Agreement: The U.S. Role in Consolidating Peace," October 31, 1993.)

The interim Israeli-Palestinian agreement to be signed at the White House on September 28 is the product of grueling negotiations that ultimately may be doomed to fail. Israelis, who have taken the biggest risks in the negotiations and made the only concrete concessions, have become increasingly disillusioned with the deal they have struck with Palestine Liberation Organization Chairman Yasser Arafat. Arafat has failed to meet his commitment to halt Palestinian terrorism and instead has sought a political truce with Hamas, the radical Islamic movement violently opposed to peace with Israel. Palestinians, whose expectations have been raised by Arafat's over-selling of the negotiations, have been disappointed by Arafat's capricious leadership, his construction of a repressive regime riddled with corruption, cronyism, and inefficiency, and the continued fall in Palestinian living standards due to security-motivated closures of the border, which have deprived them of trade and jobs in Israel.

The 460-page document to be signed at the White House extends Palestinian self-rule, already established in Gaza and Jericho, to include about 30 percent of the West Bank and most of the Palestinian population. It fleshes out the vague guidelines set forth in the September 1993 Declaration of Principles for interim Palestinian self-rule until a final settlement is negotiated and takes effect in May 1999. Although the full details of the agreement will not be made public until after the Israeli Cabinet votes on its approval, it is known to include the withdrawal of Israeli troops from six Palestinian cities and over 400 villages, along with the transfer of authority to Palestinian police forces in these areas within six months after the agreement is signed. Israeli security forces are to retain control of Israeli settlements, military bases, and the roads that connect them, as well as a zone in the city of Hebron, where 400 Israeli settlers live in close proximity to 120,000 Palestinians.

After the Israeli troop redeployment, elections are to be held for a Palestinian Council of 82 members and a chief executive. The Council will assume many of the powers of a sovereign government, excluding the conduct of foreign affairs, external defense, and control of its borders with Egypt and Jordan, its airspace, or its use of communications wavelengths. It will have the right to establish courts, but those courts will lack jurisdiction over Israeli citizens, settlements, or military bases. Israel agreed to release a significant number of the 5,000 Palestinian prisoners in Israeli jails in three stages. Arafat agreed to revoke provisions in the Palestinian Covenant, the PLO's charter, that call for the destruction of Israel. He had pledged to do so two years ago but did not follow through; this time, a deadline is set: within two months of the inauguration of the Palestinian Council.

This week's White House signing ceremony is likely to be a sober affair, in contrast to the euphoria that enveloped the White House on September 13, 1993, when Israeli Prime Minister Yitzhak Rabin and Arafat signed the Declaration of Principles that outlined a framework and a timetable for a negotiated peace. Two years ago, the White House festivities celebrated a political wedding of sorts. Arafat and Rabin, after a breathless courtship, for better or worse had joined their political fortunes. Now the honeymoon is over. This week's ceremony more closely resembles the early stages of divorce proceedings between the Israelis and Palestinians, with Arafat seeking Palestinian statehood while Rabin seeks "separation." It sets the stage for protracted and bitter negotiations on the final status of long-disputed territory that Israel has occupied since the 1967 Arab-Israeli War.

The mood at the White House also is likely to be dampened by the knowledge that the thorniest issues in dispute have been postponed until negotiations on final status issues begin in May 1996. These issues include:

- ✓ **The question of Palestinian statehood.** Arafat insists that he will gain a Palestinian state, while Israel opposes such a solution due to security concerns.
- ✓ **The demarcation of borders.** The PLO demands the return of all territory that Israel captured in the 1967 war, while Israel seeks some modifications of the 1967 border as necessary to assure Israeli security.
- ✓ **Security arrangements.** Israel seeks early warning stations and military bases along the Jordan River and West Bank ridge lines, restrictions on the size and armament of Palestinian security forces, and undisputed control of Palestinian airspace, among other security precautions.
- ✓ **The status of Jerusalem.** The PLO seeks to gain sovereignty over East Jerusalem, annexed by Israel in 1967, while Israel insists that Jerusalem is its "indivisible and eternal capital."
- ✓ **The future of Israeli settlements.** The PLO seeks to expel Israelis from the territories occupied in 1967, while Israel opposes the removal of its 120,000 settlers.
- ✓ **The question of Palestinian refugees.** Israel seeks to minimize the number of Palestinians that will be allowed to return to the West Bank and Gaza and opposes the return of Palestinians to Israel. The PLO wants to maximize the number of returning refugees and gain compensation for those who lost property or are not permitted to return.
- ✓ **The allocation of scarce water resources.** Israel draws approximately one-third of its water supplies from the territories.

The theory behind the two-stage negotiating process was that the two sides would conduct a two-year experiment in coexistence that would allow them to build confidence in each other and demonstrate good faith. It was hoped that this would give each side greater flexibility when it came time to address the most contentious issues. But the experiment in coexistence has been a nightmare. Continued terrorist attacks, particularly the use of car bombs against civilians inside Israel, have undermined Israeli support for peace negotiations and fanned distrust of Arafat's PLO. Even the diminishing number of Israelis who believe that Arafat is sincere in his disavowal of terrorism have come to question the value of an agreement with a weak leader who is unable to deliver on his promises. If unchecked, terrorism and the resulting erosion of Israeli support for the negotiations soon will make a final status settlement unreachable, if it is not so already.

To help consolidate a genuine and lasting Arab-Israeli peace that will advance U.S. national interests, Washington should:

- ① **Maximize pressure on Arafat to crack down on terrorism.** Terrorism is the chief threat to peace, yet the U.S. has not done as much as it can to press Arafat to abide by his commitment under the Declaration of Principles to halt terrorism. Part of the problem is that the U.S. has not fully used the leverage

afforded by its 1993 pledge to provide the Palestinians with \$500 million over five years as a reward for negotiating peace. Under the terms of the Middle East Peace Facilitation Act (MEPFA), which set aside prohibitions against U.S. government funding for the PLO, the executive branch must certify that the PLO has lived up to its commitments, including a halt of terrorism, before the MEPFA is periodically renewed. The State Department's compliance reports have been a "whitewash," according to House International Relations Committee Chairman Benjamin Gilman (R-NY). This has allowed the MEPFA to become little more than an entitlement program. Instead of allowing the Clinton Administration to judge PLO compliance, Congress should strengthen congressional oversight over the disbursement of scarce aid resources and judge PLO compliance with its commitments for itself. Senator Alfonse D'Amato (R-NY) and Representative Michael Forbes (R-NY) have introduced legislation, the Middle East Peace Compliance Act, to do just that. This would be a step in the right direction that would give the PLO increased incentives to abide by its commitment to halt terrorism.

- ② **Encourage the two sides to negotiate with each other, not with Washington.** The Clinton Administration should resist the temptation to leap into diplomatic action every time the two sides reach a negotiating impasse. This ultimately retards negotiating progress as the parties become increasingly dependent on American intervention.
- ③ **Let the two sides stretch out the negotiating timetable to allow a realistic chance of peace.** The target deadlines set by the Declaration of Principles have been missed repeatedly in the interim negotiations. This week's signing has come more than a year later than proposed by that overly optimistic agreement. Given the much more difficult nature of the issues remaining to be resolved, it is unrealistic to expect that the May 1999 deadline for a final settlement will be met. It will take at least a generation to lay a solid foundation for a genuine peace. The U.S. therefore should not press the two sides to rush to meet arbitrary negotiating deadlines that could undermine the chances of a lasting peace.

James Phillips
Senior Policy Analyst

