THE UPS AND DOWNS OF THE peace process with the Palestine Liberation Organization, initiated by the signing of an accord in a September 13, 1993, White House ceremony, dominated Israeli affairs throughout 1994 and early 1995. The first phase of the agreement with the PLO was completed by the summer of 1994: an Israeli military withdrawal from most of the Gaza Strip and from the West Bank town of Jericho, the establishment of Palestinian "autonomous areas" in those localities, and PLO chairman Yasir Arafat headquartered in Gaza and in control of the two nascent entities.

But progress toward the scheduled second phase of the autonomy process—the Israeli withdrawal from other Palestinian population centers in the West Bank—was stymied by a rise in Islamic extremist violence, and especially by the phenomenon of Hamas and Islamic suicide bombers who attacked Israeli targets, killing as many Israelis as they could while achieving their own martyrdom. The upsurge in violence led to increasing Israeli public disillusionment with the peace process, a sense only partially offset by the year's other central development: the October signing of a full peace treaty between Israel and its eastern neighbor, Jordan. Negotiated in a mere three months after Prime Minister Yitzhak Rabin and King Hussein shook hands in public for the first time, again at a White House ceremony, the treaty brought a rapid warming of relations between the two states.

THE PEACE PROCESS

Relations with the Palestinians

The Declaration of Principles on autonomy for the Palestinians, signed at the White House in September 1993, had envisaged an Israeli military pullout from most of the Gaza Strip and the West Bank town of Jericho getting under way in mid-December 1993. But differences between Israel and the PLO over key elements of the autonomy program played havoc with the original timetable. The start of 1994 found the two sides still at odds over crucial issues, such as the precise boundaries of the Jericho area to be handed over for Palestinian control and the arrangements for control of border crossings from Jordan into Jericho and from Egypt into Gaza.

The prolonged wrangling and repeated missed deadlines were accompanied by a
continuation, and even an escalation, of violence: Palestinian attacks on Israeli military and civilian targets; clashes between Palestinians and Israeli troops; and several incidents of Jewish settler attacks on Palestinian targets. In the course of 1994, according to figures compiled by the Israeli Government Press Office and B'Tselem, the Israeli human-rights group, 51 Israeli civilians and 18 soldiers were killed by Palestinians; 77 Palestinians were killed by soldiers and 38 by civilians.

The delays, continuing violence, and absence of economic improvement in Gaza also led to a fall in support for the autonomy process on both sides. At the time of the September 1993 signing, several surveys had shown up to two-thirds of both Israelis and Palestinians backing the Declaration of Principles. By late January, Israeli newspapers were reporting that a secret poll conducted by the Prime Minister's Office put Israeli support for the peace accord at just 34 percent. Another survey, by pollster Hanoch Smith, showed that if there were a significant decline in terror, 69 percent of Israelis would see the agreement as a success and 22 percent as a failure, but if terror attacks continued, only 17 percent would regard the accord as a success and 70 percent would consider it a failure. On the Palestinian side, 45 percent supported the agreement, and 40 percent opposed it, according to an early January survey by the Jerusalem Media and Communications Center.

The first week of January 1994 alone saw three Palestinians killed by Israeli troops in Gaza during disturbances on January 3, and another killed in a clash with soldiers on January 5. A week later, near the Erez crossing point between Israel and the Gaza Strip, a Hamas militant stabbed to death a Russian immigrant before he was himself shot dead by two Israeli officials.

In Hebron, four Hamas members were killed in a clash with soldiers and agents of the Shin Bet (General Security Services) on January 14. And on January 31, Beersheba taxi driver Elias Cohen was murdered in his cab. The Popular Front for the Liberation of Palestine took responsibility.

The spate of attacks gathered pace in February. On February 2, Hamas gunmen in the West Bank opened fire on a car being driven by settlers close to Hebron, badly hurting two of them. On February 3, two Fatah Hawk militants were killed by troops in a Gaza shootout. On February 5, a 13-year-old Palestinian boy died during a clash in Gaza's Jebalya refugee camp. And in two attacks inside Israel on February 10, Naftali Sahar, a 75-year-old farmer, was beaten to death in his orange grove at Kibbutz Na'an near Rehovot by an Arab worker, and taxi driver Ilan Sudri was murdered in his car in the Lakhish region.

Hamas stepped up its operations on February 13, when its gunmen shot dead a Shin Bet agent, Noam Cohen, in an ambush near the West Bank town of Ramallah. Hamas had apparently been tipped off about Cohen's movements by a Palestinian Shin Bet informer. On February 18, Zippora Sasson, a pregnant settler from Ariel, was killed by Hamas gunmen who opened fire on the car she was traveling in. On February 24, two Hamas members believed responsible for Cohen's death—as well as for the December 1993 murders of Mordechai and Shalom Lapid, a father and son from Kiryat Arba, and several other killings—were tracked to a hideout in the
village of Abu Dis near Jerusalem. After a 10-hour firefight with Israeli soldiers, one Hamas gunman was killed and the second captured.

MASSACRE IN HEBRON

If the frequent acts of violence and clashes gradually wore down public support for the autonomy accords, the entire peace process was brought to the brink of collapse on February 25, 1994, by an unprecedented act of Jewish settler violence.

In the early hours of the morning, Baruch Goldstein, an American-born immigrant doctor who lived at the settlement of Kiryat Arba overlooking Hebron, donned his military reservist’s uniform and slipped unobserved into Hebron’s Cave of the Patriarchs (also known as Machpelah), a site holy to both Jews and Muslims, used as both a mosque and a synagogue. It was the final Friday of the holy month of Ramadan, and the area was packed with Palestinians kneeling in prayer. Unprovoked, Goldstein began spraying automatic gunfire indiscriminately into the kneeling ranks of the worshipers. Twenty-nine Palestinians were killed, and dozens more were injured. More than 100 bullets were fired before worshipers overpowered Goldstein and beat him to death.

Goldstein, a New York-born Yeshiva University graduate and Orthodox Jew, was a leading supporter of Kach, the virulently anti-Arab party formed by the assassinated American-born rabbi Meir Kahane. He had given radio interviews intimating that “a time to kill” Arabs was imminent. When President Ezer Weizman visited Kiryat Arba in November 1993, Goldstein had pinned a yellow Jewish star to his chest to signify his belief that a second Holocaust was approaching, with the Palestinians in the Nazi role and the Jewish settlers their victims.

Friends said he had been profoundly moved by the deaths of the Lapids two months earlier, having been called to the scene of their shooting and having tried in vain to save their lives. He had also attended Purim prayers at the Machpelah cave on the night of February 24, when Arabs disrupted the service with cries of “Death to the Jews.”

As word of the mass killings spread across the West Bank and into Gaza, violent clashes erupted at numerous sites between Palestinians and Israeli troops, on a scale and of an intensity that recalled the early months of the Palestinian intifada in 1987 and 1988. In the week following the Hebron killings, at least 20 more Palestinians were killed in these clashes.

The disquiet also spread to the Israeli Arab community, which held a one-day general strike on February 26 as a sign of mourning. Rioting even spread to the Beduin community, and one Beduin was killed in a clash in the Negev town of Rahat on February 27. In an apparent act of revenge for the killings, 79-year-old Moshe Eisenstadt was axed to death in Kfar Saba just hours after news of the attack was made public. His two assailants escaped.

Ignoring a personal plea from President Bill Clinton to use the massacre as a “catalyst” to accelerate toward a final agreement on the “Gaza-and-Jericho-first” autonomy accord, PLO chairman Yasir Arafat immediately suspended peace
negotiations with Israel (as did Syria, Lebanon, and Jordan), demanded the deployment of an international force in the territories to protect the Palestinians, and called for the disarmament of settlers. He also demanded that the whole issue of Jewish settlement, which was not scheduled for discussion as part of the interim accords, be placed on the negotiating agenda. Exaggerating the toll of the dead and injured in Hebron, Arafat alleged that the Goldstein massacre was the product of an Israeli army conspiracy. "I know, I am an expert," he said. "No one can kill 65 and injure 256 alone. There is no Rambo."

Israeli leaders, from President Weizman and Prime Minister Yitzhak Rabin on down, condemned Goldstein's actions. Weizman called the massacre "the worst thing that has happened to us in the history of Zionism." Rabin added, "This despicable act is so foreign to us, so un-Jewish and so terrible. . . . To [this murderer] and to those like him we say, 'You are not part of the community of Israel. You are not partners in the Zionist enterprise. You are an errant weed.'"

Support for Goldstein's actions was expressed publicly only by a small minority of extreme Jewish right-wingers, many of whom also came from his home settlement of Kiryat Arba. About 1,000 people, many of them local residents, attended a rain-drenched funeral service for him, during which Rabbi Dov Lior of Kiryat Arba praised Goldstein as a holy man who embodied the highest Jewish values and who had been driven to desperation by the government's failure to confront ongoing Arab violence. Goldstein was buried at the settlement, and a shrine—including a marble tombstone, white stone prayer area, cupboards for prayer books, and an alcove for memorial candles—was subsequently erected at the site.

Israel sought to woo the Palestinians back to the peace talks by releasing about 1,000 Palestinian prisoners from its jails. Rabin also commissioned a five-member judicial commission of inquiry, headed by Supreme Court president Meir Shamgar, to investigate the episode and its wider context. Unprecedentedly, the panel included a Muslim Arab, Nazareth district court judge Abd al-Rahman Zu'abi, whose fierce questioning immediately exposed considerable confusion in army ranks as to whether standing orders prohibited soldiers from opening fire on settlers, even if those settlers were shooting to kill Arabs.

The Shamgar Commission began work on March 8 and issued its findings on June 26. It determined that, contrary to some Palestinian claims, Goldstein had acted alone, and concluded that the army could not have predicted the massacre. The commission recommended that Jews henceforth be banned from bringing weapons into the Machpelah.

The cave remained closed to worshipers for more than eight months, reopening on November 7 with the introduction of far more stringent security precautions, including a complete separation between Jewish and Muslim prayer areas. Muslim and Jewish worshipers used separate entrances, which featured metal detectors and, on the Jewish side, a storage facility for weapons, which were no longer allowed inside. A sophisticated closed-circuit television system was also installed, replacing the previous system, which had proved to be faulty.

In the days after the massacre, administrative detention orders were issued against
five leaders of the Kach movement, and several dozen Kach and Kahane Chai (a splinter group) activists had their movements restricted and/or their gun licenses revoked. The Israeli attorney-general began drawing up the legal mechanisms for outlawing Kach and Kahane Chai, which were subsequently classified as terrorist organizations, with membership in them punishable by jail terms.

Coincidentally, within three weeks of the massacre, Benjamin Kahane, son of the late rabbi and the leader of the Kahane Chai group, was jailed for nine months for assaulting police officers, and Rabbi Moshe Levinger, leader of the Hebron settlers, was questioned by police for allegedly threatening Muslim officials at the Cave of the Patriarchs.

Prime Minister Rabin resisted demands from the Palestinians and from seven members of his own cabinet—including the leaders of the left-wing Meretz Party, Labor’s junior coalition partner—to forcibly evacuate the 400-plus Jews who lived in the heart of Hebron itself, reiterating that the autonomy program provided that no settlements would be dismantled during the five-year interim autonomy period.

Hamas explicitly threatened further revenge attacks, unless certain settlements in Gaza and the West Bank were immediately dismantled. A Hamas pamphlet distributed in early March warned, “We have chosen our targets, and our living martyrs have been instructed to carry out suicide operations.”

By the end of March, the Palestinians had agreed to at least hold “talks on talks” — discussions with Israeli negotiators in Cairo — about the modalities of a resumption of the Gaza-and-Jericho-first negotiations.

By April 4, the army was beginning the early stages of a Gaza and Jericho withdrawal, moving out of Gaza’s Deir al-Balah refugee camp and taking equipment out of the Jericho police station. The next day, in a goodwill gesture, 50 deported Palestinians were allowed back into the West Bank and Gaza, and the army began moving troops and equipment out of its Gaza City headquarters.

But the violence simmered on, inside the territories and inside Israel. Two Palestinians had been killed by troops in Hebron on March 7, when the prolonged curfew was briefly lifted. A wanted Hamas member was killed at the Erez crossing point into Gaza the next day. On March 17, two more Hamas activists were killed in a clash in Khan Younis, in Gaza. On March 22, Israeli troops killed four Hamas terrorists — also alleged to have been involved in the Lapid killings — after an 18-hour siege in Hebron. A pregnant Palestinian woman was shot dead during the exchanges of fire.

On March 23, a Soviet immigrant was shot dead while walking to work at the Israeli income tax office in East Jerusalem. The Popular Front for the Liberation of Palestine took responsibility. On March 25, an Israeli, Daniel Morali, was arrested for allegedly shooting dead a Hebron truck driver, apparently in revenge for the death of his brother in a West Bank car crash a year earlier.

Many Palestinians held a three-day mourning period following the March 28 killings by Israeli undercover troops of six activists from Arafat’s mainstream Fatah faction of the PLO in Gaza’s Jebalya refugee camp. Arafat called the shootings
“another massacre.” PLO officials said the attack had been unprovoked and noted that several of those killed were enthusiastic advocates of the peace process. Israeli officials responded that the men had been masked, uniformed, and armed and had ignored calls to halt.

On March 29, two Fatah Hawks attacked 70-year-old Isaac Rotenberg, a Holocaust survivor, in Bat Yam. He died two days later. On March 30, a Palestinian stoning an Israeli car near Nablus was shot dead, apparently by the driver. On March 31, Yossi Zandani was strangled to death, apparently by Palestinians, in his Bnei Ayish apartment. On April 7, Yishai Gadasi was killed and three other Israelis were injured when a gunman opened fire on them at a bus stop in Ashdod, in southern Israel. The 19-year-old gunman was shot dead at the scene. Hamas claimed responsibility. And on April 12, a pregnant Palestinian woman was shot dead in her home in the West Bank village of al-Jib. A resident of the Shiloh settlement was arrested in connection with the shooting.

FIRST SUICIDE BOMBINGS

All too aware of the extremist Islamic groups’ warnings of violent revenge for the Hebron killings, Israelis had been braced for weeks for a large-scale terrorist attack; in the first half of April the radicals made good on the promise of “suicide operations.” Taking as a model the action of the pro-Iranian Hezbollah group in Lebanon a decade earlier, when more than 300 Americans were killed in two Hezbollah suicide bombings in 1983 alone, the bombers staged two major suicide attacks inside Israel, to devastating effect.

The first came on April 6, when Riad Zakharna, a Hamas activist from the West Bank village of Qabatiya, drove up alongside a bus at a stop in the northern town of Afula and detonated the explosives that were packed into his car. Seven Israelis were killed, and more than 40 were injured. A week later, on April 13, Hamas bombers struck again, blowing up a bus in Hadera, killing five Israelis and injuring 32.

The attacks brought impassioned calls from the Israeli opposition for the suspension of peace negotiations with the Palestinians and triggered demonstrations across the country by Israelis opposed to the peace process. Banners were waved branding Rabin a traitor, a coward, and a dupe of Arafat; another popular poster showed Rabin’s features, his head covered in an Arafat-styled keffiyah head-dress, with a gun-target printed over his face.

The national sense of grief and anger was not helped by Arafat’s failure to condemn the bombings. Asked by Israeli journalists who cornered him in Cairo shortly after the Afula bombing, “What is your response to the murderous attack that took place today in Israel?” the PLO chairman simply turned his back and walked away without comment. It was left to Nabil Shaath, the PLO official heading the negotiations on autonomy, to issue a condemnation and expression of regret.

Ironically, the two suicide bombings coincided with real signs of progress in the
Israel-PLO negotiations. The two sides agreed on the terms for the deployment of a 9,000-strong Palestinian police force to take over responsibility from the Israeli army for internal security in Gaza and Jericho. Forty-nine deported PLO activists were allowed back, including Hanan al-Wazir, daughter of the assassinated PLO military commander Abu Jihad. An understanding was reached that Israel would release 2,500 Palestinian prisoners as soon as the Gaza-and-Jericho-first deal was signed, and another 2,500 when the Arafat-headed Palestinian Authority took control of Gaza and Jericho. With a final agreement apparently at hand, Israeli troops began evacuating bases and installations in Arab population centers, including the main Gaza City military headquarters, relocating to new bases alongside Israeli settlements inside the strip.

Palestinian demands for protection in Hebron in the wake of the massacre, backed up by a UN Security Council resolution of March 18 condemning the massacre and calling for settlers to be disarmed, were eventually resolved with the arrival on April 11 of an advance team of international observers from what was called the Temporary International Presence in Hebron (TIPH). The main 160-strong force, drawn from Norway, Denmark, and Italy, which was charged with monitoring, reporting, and “assisting in promoting stability” in the town, arrived a week later.

Even as the effect of the suicide bombings was to force many Israelis to question the entire basis of the peace process and its desirability, for the government the urgent priority was to find a means of countering the bombers. With security chiefs warning that there was no foolproof defense against attackers willing to sacrifice their own lives in order to kill Israelis, the government resorted to the tactic of an open-ended closure order, applying to both Gaza and the West Bank. The number of Palestinians employed in Israel had been falling steadily from a figure of 120,000 a year earlier, but the blanket closure meant that no Palestinians could reach jobs in Israel. With the construction and agriculture sectors, in particular, still heavily reliant on Palestinian labor, the government issued permits for an initial 18,000 foreign workers—from countries including Romania, Poland, Turkey, and Thailand—to be brought in to replace the Palestinians.

The Israeli army arrested dozens of Hamas activists suspected of involvement in the latest violence or of planning further attacks. In a few days in late April alone, about 300 Hamas members were placed in detention as the army sought to paralyze the Hamas infrastructure. Nevertheless, Hamas continued to stage successful attacks on Israeli targets, furthering a declared campaign aimed at burying the autonomy accords and Arafat along with them. On April 18, a Hamas supporter from the West Bank’s Kalandiya refugee camp wounded two Israelis in an ax attack on a Jerusalem bus. Two days later, a 20-year-old soldier, Shahar Simani, was kidnapped and then murdered after leaving his base near Beersheba to hitchhike home. His body was found the next day near the north Jerusalem Arab neighborhood of Beit Hanina. Again, Hamas took responsibility. On April 23, two Hamas members stabbed and wounded a Gaza woman settler as she was feeding her baby in front of her Neve Dekalim home. A bystander killed one of the attackers; the other...
wounded. A Palestinian was shot dead in Hebron on April 26, as he tried to stab a soldier at a roadblock.

Insisting that to suspend peace talks would be to hand victory to the Muslim extremists, Rabin ordered his negotiators in Cairo to press on toward a final agreement; by the beginning of May, the completed documentation was prepared and ready for signing.

**GAZA-JERICHO AGREEMENT SIGNED**

For the May 4 Cairo signing, which coincided with the birthday of Egyptian president Hosni Mubarak, an elaborate ceremony was arranged. Among the dignitaries in attendance, besides Mubarak and his foreign minister, Amre Moussa, were U.S. secretary of state Warren Christopher and his Russian counterpart, Andrei Kozyrev, representing the two cosponsors of the peace process, as well as Arafat, Mahmoud Abbas (the PLO “number two,” who had signed the Declaration of Principles at the White House), Rabin, and Foreign Minister Shimon Peres.

Although the ceremony started smoothly enough, something extraordinary occurred when it came time to actually sign the documentation. Arafat was the first to affix his signature to the stack of documents. When Rabin followed suit, he discovered that the PLO chairman had omitted to sign a sheaf of maps delineating the size of the Jericho area that was to be handed over to Palestinian control.

To the astonished bemusement of the assembled audience and millions more watching on live TV, a full-scale argument broke out on stage, with Mubarak, Moussa, Rabin, Kozyrev, and Peres confronting Arafat and demanding to know what was going on. Eventually, the protagonists left the stage. Press reports intimat ed that offstage, Mubarak cursed the PLO chairman in Arabic and insisted that he sign; when they reappeared after a few minutes, Arafat did indeed finally put pen to paper, albeit with an additional note emphasizing that he did not regard the maps as final. Rabin then added his signature, and the ceremony proceeded to its conclusion.

Palestinian leaders in Gaza pronounced themselves delighted by Arafat’s last-minute muscle-flexing. By contrast, most Israeli press comment and the reaction of opposition politicians was extremely critical, asserting that Arafat’s behavior underlined that he was fundamentally untrustworthy and questioning his credibility as a peace partner. A group of 300 settlers, horrified at the imminent prospect of Jericho being handed over to Arafat’s control, staged a protest at Jericho’s reconstructed ancient synagogue, timed to coincide with the signing ceremony, and were eventually evacuated by Israeli soldiers. Arafat’s credibility was further undermined soon after when a tape recording was released of him speaking in a Johannesburg mosque on May 10, calling for a “jihad to liberate Jerusalem.”

Nevertheless, with the Gaza-and-Jericho-first agreement signed, implementation began almost immediately. Almost 1,000 prisoners were immediately freed from Israeli jails in Gaza. A first group of 120 Palestinian policemen arrived in Gaza from
Egypt on May 10, followed by 140 more the next day. On May 13, the army completed its withdrawal from Jericho. And by May 18, Israeli troops had pulled out of the main Palestinian population centers in Gaza, leaving Israel in control of roughly a third of the area around the 17 Israeli settlements in Gaza, home to 4,000-plus Jews, and access roads running from the settlements to sovereign Israel. Members of the newly arrived Palestinian police force joined in the rowdy, gunfire-punctuated celebrations of the Israeli departure. “We brought 25,000 bullets with us,” said Ziad al-Atrash, a newly installed police commander. “Most of them have been fired.”

By late May, about 3,000 of the 9,000 policemen had arrived, most of them veterans of PLO brigades formerly stationed in countries like Iraq and Egypt. And joint patrols were under way, Israeli soldiers and Palestinian policemen traveling together along the perimeter roads of both the Gaza and Jericho autonomous enclaves, sharing the responsibility for external security.

Still, the violence continued. On May 17, two West Bank settlers, Rafael Klumfenbert and Margalit Shohat, were killed near Hebron in an attack for which Hamas claimed responsibility. Two days after the Gaza pullout, on May 20, two Israeli army reservists were shot dead close to the Erez crossing point into Gaza; the gunmen escaped into the Palestinian-controlled area of the strip. On May 22, in a joint operation of the army and the Shin Bet security service, a leading Hamas militant was killed and two others were captured.

With the first stage of the autonomy process in place, and fears of considerable chaos and PLO-Hamas bloodshed inside Gaza proving largely unfounded, attention turned to the imminent arrival of Arafat in Gaza and to problems regarding Jerusalem. The specific issues regarding the latter were Palestinian activities in the eastern half of the city and Arafat’s much-publicized intention to go to the Temple Mount to pray.

In early June, Rabin ordered the drafting of proposed legislation to bar Palestinian autonomy institutions from operating in Jerusalem and, specifically, to prevent the main PLO offices in the city, at the Orient House, from becoming the de facto seat of self-rule in the territories. This move followed an opposition outcry over the publication of a letter, written by Peres the previous October, which implied that Palestinian institutions would be free to operate inside East Jerusalem without Israeli interference.

With Arafat expected to arrive in Gaza from Tunis at the end of June, Jerusalem’s mayor, Ehud Olmert, began gearing up to prevent an anticipated visit by the PLO chairman to the capital, to thwart any attempt by Arafat to declare Jerusalem his capital. The government itself gave mixed signals as to whether Arafat would be allowed to visit the city. Police Minister Moshe Shahal indicated at one point that security considerations necessitated that he be barred; other officials asserted that, since Israel guaranteed freedom of access to Jerusalem’s holy sites to members of all religions, it would be a mistake to block Arafat from the mosques.

Arafat finally arrived in Gaza on July 1, for a triumphal homecoming visit that
lasted just six days. Arrangements for the trip were shrouded in characteristic confusion until the very last moment. Most of the world's TV networks had set up their camera crews in Jericho, expecting Arafat to arrive there first, not Gaza. One U.S. network spent some $250,000 securing permission to film from a well-positioned Jericho rooftop, flying in technical personnel, renting office space, and arranging accommodations. Learning at the eleventh hour that Arafat would be making his return via the Rafah crossing from Egypt, the TV crews hastened across to Rafah only to be foiled again. Arafat made only the briefest pause at the border crossing, then sped off in his motorcade to Gaza City.

In speeches throughout his brief stay, Arafat highlighted his determination to see the release of every Palestinian prisoner from Israeli custody and returned again and again to the subject of Jerusalem, stressing Palestinian aspirations to establish the capital of their proposed Palestinian state in the city. “I say to the Israeli public that we recognize their holy sites in Jerusalem,” he declared in his first speech, to tens of thousands of Palestinians in Gaza City's central square, “and they must also recognize our Christian and Muslim holy sites.” The following day, in the Jebalya refugee camp, he promised “to achieve the Palestinian state, with Jerusalem as its capital.”

On July 1, in what it described as a response to Arafat’s visit, a Jewish extremist group called the Sword of David claimed responsibility for the killing of a Palestinian from the Jerusalem village of Silwan. At the Western Wall the following day, up to 20,000 people held a protest, and that night in central Jerusalem, an estimated 100,000 Israelis demonstrated against the peace process in general and an Arafat visit to Jerusalem in particular, in a rally organized and sponsored by all the Israeli right-wing opposition parties. “For 3,000 years, Jerusalem was not the capital, even for one second, of another nation or another state,” Mayor Olmert told the crowds. “And it never will be.” Rabin retorted soon afterward, “I don’t need a kashrut certificate about Jerusalem from anyone in the Likud. Not one of them contributed in Israel's wars to the unification of Jerusalem.”

Arafat finally made a brief visit to Jericho on July 5, where he swore in the first 12 members of the Palestinian Authority charged with administering Gaza and Jericho and also, incidentally, appointed the virulently anti-Zionist Rabbi Moshe Hirsch, of the ultra-Orthodox Neturei Karta group, as the authority’s adviser on Jewish affairs. As for Jerusalem, while some of his senior officials did come to worship in Jerusalem in the second half of the year—Nabil Shaath, for example, prayed on the Temple Mount on August 12—Arafat made no effort to visit the city.

Arafat traveled on to Paris on July 6, where he held talks with Rabin and Peres on the next stages of the autonomy process. That same day, Hamas claimed responsibility for the kidnapping and killing of soldier Arye Frankenthal. On July 7, 17-year-old Sarit Prigal, from Kiryat Arba, was shot dead in a car near the settlement. Both incidents triggered further demonstrations in Jerusalem and elsewhere.

On July 12, together with his wife, Suha, Arafat again crossed into Gaza from Egypt, this time to take up permanent residence. Other key members of the interim
Palestinian Authority (PA) were also arriving, among them Ahmed Qurei (Abu Ala), one of the key negotiators of the Oslo accords, who arrived from Tunis in mid-July to serve as the PA's economy and trade minister; Nabil Shaath, head of the PLO delegation to the autonomy talks, who arrived in mid-June and was appointed minister of planning and international cooperation; and Yasir Abed Rabbo, the former head of the PLO's information department in Tunis, who arrived in mid-July and was appointed minister of culture. Other members of the PA included Gaza lawyer Freih Abu Medein as justice minister, West Bank political scientist Saeb Arekat as minister of local government, with responsibility for organizing the elections, and Fatah's West Bank head, Faisal Husseini, as an unofficial PA member with responsibility for Jerusalem. Conspicuously failing to make the trip from Tunis to Gaza was Farouk Kaddoumi, the PLO's "foreign minister," who steadfastly maintained his opposition to the autonomy process and continued to issue periodic anti-Israel statements. One typical Kaddoumi summer utterance: "There is a state that was born out of historical coercion, and it must come to an end."

Under the terms of the Declaration of Principles, by July 13, the day after Arafat's permanent homecoming, Israel was supposed to have withdrawn its troops from Palestinian population centers throughout the West Bank, and the Palestinians were supposed to have held elections. But the July 13 deadline came and went, as did a subsequent October 15 deadline, and another on November 1. Israeli and Palestinian negotiators continued their talks and continued setting new deadlines for the West Bank redeployment and Palestinian elections all through the first half of 1995. New ideas—including a plan for Israel to pull troops first out of the West Bank town of Jenin, as a kind of test case for redeployment—came and went. But despite increased personal involvement by Rabin, Arafat, and especially Peres, the failure to resolve central issues and the ongoing climate of Islamic extremist violence meant that a final accord remained elusive.

OBSTACLES TO PROGRESS

There were major differences over such fundamental questions as what exactly the elections would be for, with the Palestinians initially demanding a "parliament" of up to 100 members, and Israel calling for an "executive council" similar in size to the 24-member interim Palestinian Authority. Israel agreed that East Jerusalem Arabs should be able to vote in the elections, but the Palestinians demanded that East Jerusalemites be allowed to stand for election as well. The Palestinians also accused Israel of dragging its feet about providing promised Civil Administration population registers of the West Bank and Gaza Strip.

The central problem for Israel, though, was the sheer logistical difficulty involved in pulling troops out of main Palestinian population centers, while at the same time continuing to provide security for the 130 settlements and more than 130,000 settlers dotted throughout the West Bank, especially those in the heart of Palestinian
towns like Hebron or on the outskirts of towns like Ramallah.

The fragility of the process of reconciliation and coexistence that had begun with the Israeli troop pullout from Gaza was made starkly evident on July 17 by the first major clash between Israeli troops and Palestinian policemen. Each side blamed the other for daylong riots at the Erez crossing point, in which two Palestinians were killed and an Israeli border policeman was badly wounded, later dying of his wounds. The trouble started when thousands of Palestinians, many of them day laborers who had not received permits enabling them to return to their jobs inside sovereign Israel, overran checkpoints guarded by the Palestinian police force and confronted Israeli troops at the Erez crossing. Exchanges of fire and rioting continued for several hours. At times Palestinian policemen opened fire on the Israeli troops, who themselves resorted to rubber and live bullets and tear gas. A furious Palestinian mob also set fire to dozens of Israeli buses parked near the checkpoint, looted a concrete factory, and rampaged through a gas station.

Two days later, an Israeli soldier was killed in an ambush near the Rafah checkpoint from Gaza into Egypt. Hamas took responsibility, saying the killing was to avenge the Erez deaths. (On August 2, West Bank settler Yoram Sakuri died of stab wounds sustained in an attack on July 1.)

On August 8, the Temporary International Presence in Hebron ended its mandate in the town, its 160 members returning to their countries of origin. The Palestinians had called for a renewal of the mandate, but Israel was adamant that the observers should go home. Since unanimous support from Israel, the PLO, and the participating countries was required for an extension, home they went.

The TIPH spokesman, Bjarna Sorenson, asserted that the force had played an important role, noting that no Palestinians had been killed in the city since its arrival in the tense aftermath of the Hebron massacre. Nevertheless, Israel had been extremely reluctant to accept the precedent of deploying an international force to help keep the peace in Israeli-held territory, only accepting the TIPH as a means of persuading the Palestinians to resume peace talks.

Although statistics for the first three months of autonomy showed a marked fall in acts of terrorism against Israeli targets, serious potential for trouble lay in the deteriorating living standards of the close to one million Gazans, which had been sharply reduced under autonomy. One survey, published by the daily Yediot Aharanot, estimated that the standard of living in Gaza had dropped by a quarter, with the main factor inevitably being the falling levels of employment, down to 50 percent. The failure of anticipated international aid and investment capital to arrive meant that there was no compensation for the reduction of jobs for Gazans inside Israel.

Concern over the economy grew over the summer, with the PA's own cash shortage exacerbated by a World Bank decision to hold up large sums of aid because Palestinian accounting procedures were deemed inadequate. Individual donor nations also failed to come through with pledged aid, leaving Arafat so short of funds that the salaries of his police force were cut back.
The worsening economic conditions proved a fertile breeding ground for the Islamic extremists of Hamas and Islamic Jihad, which surveys indicated were now winning support from between 20 and 30 percent of all Gazans. In leaflets distributed in Gaza, Hamas took to branding Arafat and his PA “Israeli lackeys,” a charge repeated with particular vehemence in mid-August, when Arafat, under constant pressure from Israel to take a tougher line against the Islamic militants, ordered a roundup of suspected Hamas activists. This followed the August 14 killing of one Israeli and wounding of two others in two Hamas ambushes near Gaza’s Kisufim junction.

In further violence on August 26, two Israelis were killed at a Ramleh building site, apparently by Gazan Palestinians who had been working at the site without proper permits and were believed to have fled back into Gaza.

Derided by Hamas and worried by his mounting financial difficulties, Arafat's mood was not helped by the release of a statement, signed by 73 members of the 480-strong Palestine National Council, which denounced his commitment to scrapping clauses in the PLO's Charter calling for Israel's destruction and also demanded his removal as PLO chairman. He was also infuriated by the rapid progress being made toward a full peace treaty between Israel and Jordan, under which Israel had committed itself to give priority to the Hashemite kingdom's role as guardian of the Muslim holy places in Jerusalem. Arafat saw the future status of Jerusalem as an issue to be negotiated solely between Israel and the Palestinians, completely rejecting any Jordanian claim. He was only mildly mollified by assurances he received from Rabin and Peres, in a meeting near the Erez checkpoint on August 10, that the accord with Jordan was not intended to come at the expense of the Palestinians.

At that same meeting, the two sides agreed to try to speed up talks on extending elements of Palestinian self-rule to other parts of the West Bank—a process described in the September 1993 accords as “early empowerment”—whereby Israel was to hand over to the Palestinians responsibility for the management of various day-to-day affairs. On August 29, at a ceremony at Erez, Israeli and PLO officials signed an early empowerment accord, providing for the Palestinians to take responsibility for education, tourism, tax collection, welfare, and health throughout the West Bank. In practice, the transfer of authority was achieved in phases, being completed by December 1.

The progress, albeit slow, of the autonomy program led to the protagonists of the peace process being considered as possible recipients of the 1994 Nobel Peace Prize. Aides to both Rabin and Peres were said to be lobbying vigorously for their men, each at the expense of the other. Peres's champions reportedly asserted that it was the foreign minister who fathered the secret Oslo dialogue with the PLO that led to the autonomy accords, while Rabin's loyalists countered that without Rabin's support and backing, the process could never have proceeded. Some observers speculated that the Nobel committee was considering splitting the award, perhaps between Rabin and Arafat, or between Peres and Mahmoud Abbas. However, Abbas was not widely considered a suitable candidate, since he had steadfastly
refused to relocate from Tunis to Gaza and to take up a role in the administration of the autonomous areas. (The Safed-born Abbas did come back, but only for a brief visit, in mid-September.)

FIRST ANNIVERSARY OF SIGNING

For all the talk of awards, the first anniversary of the September 13 White House ceremony passed with both sides in a far from celebratory mood. Israeli opposition leaders continued to call for the suspension of the process, mainly because of the ongoing attacks. Rabin expressed exasperation at Arafat's failure to crack down on the Islamic extremists behind the violence. And Chief of Staff Ehud Barak stressed the immense difficulties ahead if the army were to redeploy outside the West Bank's main cities while simultaneously protecting the settlers.

On the Palestinian side, Arafat sounded the most optimistic, speaking of the "natural" difficulties that had been experienced, but balancing that with talk of "unimagined progress." His loyalists from the PLO Fatah faction, by contrast, issued a first anniversary statement castigating Israel for allegedly obstructing and delaying implementation of the accords.

More objective analysts highlighted the generally impressive cooperation between the Israeli army and the Palestinian police, but contrasted this with the absence of cooperation between the intelligence services, the basis of the struggle against terrorism. Indeed, despite what had become an almost automatic roundup of extremist activists in Gaza after each new incident of violence, attacks on Israeli targets continued unabated. Nearly 50 Islamic Jihad members, for example, were arrested by the Palestinian police force in early September, after an Israeli soldier was shot dead at a junction in the south of the Gaza Strip on September 4. But they were released gradually and quietly over the next few days.

Israel, in late August and September, began arresting suspected Jewish settler extremists. Media reports based on leaks from the Shin Bet security service alleged that a new "Jewish terror underground" had been exposed, based at the settlement of Kiryat Arba, where Baruch Goldstein lived, and dedicated to fomenting anti-Arab violence. Among the more than a dozen suspects initially detained in connection with the "underground"—most of whom were quickly released—were an army officer, Lt. Oren Edri, and a Jerusalemite named Ya'akov Ben-David, a former Muslim from a prominent Hebron family who had converted to Judaism and become closely identified with pro-Kahanist groups.

On October 6, the alleged spiritual leader of the suspected underground, Kiryat Arba rabbi Ido Alba, was indicted in Jerusalem district court on seven counts, including incitement to racism and illegal weapons possession. The previous day, two other alleged underground members, brothers Eitan and Yehoyada Kahalani, also of Kiryat Arba, had been charged with attempted murder.
THREE GRISLY ATTACKS

The Islamic extremists struck their harshest blows of 1994 in October, taking their violence into the heart of Israel with three attacks that devastated the nation. Late in the evening of October 9, two Hamas gunmen ran down the Nahlat Shivah pedestrian mall in the center of Jerusalem, spraying shots into the crowded bars and restaurants that lined the street. Miraculously, although dozens of bullets were fired, the two killed only two Israelis, injuring 13, before they themselves were shot dead. One of the gunmen had been released from an Israeli jail just three months earlier as part of the autonomy accords.

That same day, a Hamas cell kidnapped an Israeli soldier, Nahshon Waxman, close to Ben-Gurion International Airport, outside Tel Aviv. In a video shown that evening on television, a Hamas spokesman said Waxman would be killed unless Israel immediately released dozens of Palestinian prisoners, including the Hamas founder, Sheikh Ahmed Yassin, who had been imprisoned in 1991.

Rabin immediately suspended the autonomy negotiations with the PLO. Further, in the belief that Waxman's kidnappers had come from Gaza and that the soldier was probably being held hostage inside territory controlled by Arafat, he declared that he held Arafat responsible for Waxman's fate. Intelligence information obtained over the next few days, however, indicated that Waxman was not being held in Gaza after all, but in a house in a village called Bir Naballah in the West Bank, north of Jerusalem and just a few minutes' drive from the Waxman family home in the Jerusalem suburb of Ramot.

On the evening of Friday, October 14, with a Hamas deadline for Waxman's execution only minutes away, an elite Israeli army unit attempted to storm the hideout and rescue the kidnapped soldier. The rescue attempt, made extraordinarily complex by the precautions the kidnappers had taken well in advance of the operation to protect the building, went awry. The assault force was unable to break into the building as quickly as had been anticipated, and the necessary element of surprise was lost. Captain Nir Poraz, who was leading the assault force, was killed in the attack. So were three of the kidnappers. And so was Waxman himself.

In the bitterest of ironies, the unsuccessful Waxman rescue took place on the day that the Nobel committee in Oslo announced it had selected Rabin, Peres, and Arafat as the joint winners of the 1994 peace prize.

At a hurriedly convened media conference that evening, Rabin took personal responsibility for the decision to authorize the rescue mission, insisting that so long as there was an opportunity to hit back at terrorists rather than surrender to their demands, he felt honor-bound to take it. He vowed to wage "a war to the bitter end" against the Islamic militants; at the same time, he reiterated his belief that to halt the autonomy process altogether would be to capitulate to extremism.

For the first time, the prime minister outlined a vision of Israeli-Palestinian relations that he would come to repeat and elaborate over the coming months. He spoke of the need for "separation" between the two peoples, a retreat from the
notion of close cooperation that Peres had outlined at the September 1993 White House ceremony. Rabin did acknowledge that Arafat had made some effort to counter Hamas, and that the Palestinian Authority chairman had to be wary of plunging Gaza into civil war. He noted that three of Waxman's four kidnappers had, it turned out, come not from Arafat's Gaza but from the Israeli-controlled West Bank and East Jerusalem. Still, he again urged Arafat to track down the armed Hamas militants in Gaza, jail them, and smash their underground infrastructure. Israel, for its part, launched an international campaign to cut off funding channels to Hamas in the United States, Britain, Iran, Saudi Arabia, and elsewhere, and also allocated extra budgetary funds to the security services in their battle against Hamas.

The problem for the Israeli security services in confronting the military wing of Hamas, known as Ez a-Din el-Kassam, the Kassam Brigades (after a Syrian-born fighter who preached armed struggle against the British in Palestine in the 1920s and 30s), was that its activists were highly motivated, daring, and increasingly well-organized. Israeli intelligence sources estimated that at any given moment the group comprised no more than half a dozen operational squads, numbering no more than 50 individuals. Since the military wing functioned independently of Hamas's open political leadership in the Gaza Strip, its ranks were particularly hard to penetrate. In addition, because its members were motivated by Islamic extremism, not financial gain or personal glory, they were immune to many of the methods used by Israeli intelligence over the years to penetrate secular Palestinian terrorist organizations.

Contemplating the growth in support for Hamas inside Gaza, and now faced with evidence of Hamas daring and sophistication in the West Bank too, Rabin felt reinforced in his reluctance to order a swift Israeli pullout from the West Bank. Recognizing as well that Israel was largely impotent in the struggle against the bombers, he continued to articulate a policy of separation. The hatreds were so great, he declared, and the security dangers so acute, that Israel and the Palestinians had to be cut off from each other to the maximum degree possible. The Palestinians would have to rehabilitate the West Bank and Gaza with international aid and without relying on Israel, while Israel deployed along a new, defensible border, enjoying improved security.

Rabin also introduced another theme, one that would be repeated frequently in the following months. West Bank Jewish settlers, he implied, were undermining the national interest by making their homes close to Palestinian population centers. Their presence posed nightmarish security problems for the army, which only exacerbated the friction between the two peoples.

The third attack occurred in the center of Tel Aviv, which had hitherto largely been spared the effects of Islamic extremist violence and was thus all the more shaken this time. On October 19, a Hamas suicide bomber, Salah Assawi, boarded a Number 5 city bus and, as it passed along Tel Aviv's main commercial artery, Dizengoff Street, blew up the bus and himself. Twenty-two Israelis were killed.
In the immediate wake of the bombing, Israel arrested more than 100 suspected Hamas activists, including the bomber's brother and cousin, who were suspected of assisting him and training him for the attack. The government also reimposed a blanket closure on the West Bank and Gaza Strip, and Chief of Staff Barak talked openly about the need to cut off the flow of Palestinian workers into Israel for good. At a press conference on the day of the bombing, Prime Minister Rabin asserted: "We need a separation between us and the Palestinians, not just for days, but as a way of life."

The sense that Israel was taking firmer action against the Islamic extremists was heightened on November 2, when a leading activist in the Islamic Jihad movement, Hani Abed, was blown up as he unlocked his car in the Gaza town of Khan Younis. Islamic Jihad charged that Israeli security forces had organized the assassination, an assertion that was to be echoed some months later by Freih Abu Medein, the Palestinian Authority's minister of justice. Islamic Jihad's most prominent spiritual leader in Gaza, Abdallah al-Shami, declared at Abed's funeral, "I suggest that Rabin prepare coffins for the victims of Hamas and Islamic Jihad revenge." Israel officially neither confirmed nor denied involvement in the incident. But, in a speech delivered within hours of Abed's death, Rabin stated, "With one hand we shake the hand of peace with Jordan, and with the other we pull the trigger, to strike the murderers...of Islamic Jihad."

The death of Hani Abed led to a marked worsening of relations between Arafat and the Islamic extremists, who accused him of involvement in the assassination and heaped further scorn on the PLO autonomy process with Israel. When Arafat came to a funeral service being held for Abed on November 3 and tried to deliver a speech, he was shouted down. As his bodyguards tried to escort him away to safety, his keffiyah was knocked off his head.

Two weeks later, the hostility exploded into unprecedented violence. Hamas leaders had announced that on November 18, after Friday prayers at the Palestine Mosque in Gaza City, they would hold a protest rally and march on Gaza prison to demonstrate against the Palestinian Authority's arrests and detention of dozens of Hamas activists. Commanders of the Palestinian police force had indicated that no such demonstration would be allowed, and a large deployment of policemen was on hand as the mosque emptied out. There were, inevitably, conflicting reports of what exactly happened first, but by most accounts, some of those exiting the mosque threw stones and other objects at the policemen, some of whom then opened fire. In the violent clashes that ensued, 16 Palestinians—most of them Hamas supporters—were killed, and more than 200 were injured.

The violence was seen as a turning point, the first time that the Palestinian police force had opened fire on its own people. It highlighted the issue of divided loyalties within the force itself (some of whose members lost relatives in the shooting) and seriously undermined Arafat's claim to represent the entire Palestinian people. Hamas's response was to deride Arafat in ever stronger language as an Israeli puppet and his police force as an Israeli military proxy, and to continue with its series of attacks on Israeli targets.
On November 11, at a junction outside the isolated Gaza settlement of Netzarim, an Islamic Jihad suicide bomber rode his bicycle right up to the army's roadblock and detonated his explosives, killing three soldiers. On November 19, the same junction was targeted again, and an Israeli soldier was killed in a drive-by shooting.

For months, Peres and several other ministers had been calling for the dismantling of Netzarim. Now these demands were raised again. Home to barely 30 families, Netzarim was the most awkward to secure of all the Gaza settlements, lying just four kilometers south of Gaza City in the heart of the autonomous territory. A full company of more than 100 regulars and reservists was typically deployed to provide round-the-clock security, with the annual security cost estimated at some $2 million. Rabin had once remarked that, "If Netzarim's a settlement, I'm a ball-bearing," and in early December he reiterated his view that Netzarim and some other settlements were "a catastrophe" from a security perspective. But as with the demands for the removal of the Hebron settlers after the February massacre, he now repeated his refusal to evacuate any settlements in the interim period of the autonomy accords. New security precautions were introduced at the junction, but the Netzarim settlers stayed put.

Hamas, meanwhile, continued its attacks, and continued to draw strength from them. It claimed responsibility for the killing of a West Bank rabbi, Amiram Olami, in a drive-by shooting near Hebron on November 27. And its candidates took 91.5 percent of the votes in early December elections for the student union at Gaza's Islamic University. The campaign featured a ghoulish reenactment of the Waxman abduction.

There was more violence before the year's end: a 19-year-old woman soldier, Liat Gabbai, was axed to death in Afula on November 30 by a West Banker who, when apprehended, said he had carried out the murder to dispel suspicions that he was an Israeli collaborator; a Palestinian was killed by Israeli troops when trying to infiltrate from Gaza into Israel at the Nahal Oz checkpoint on December 12.

Accepting the Nobel Peace Prize in Oslo on December 10, an unusually rueful Peres remarked, "We proved that aggressors do not necessarily emerge as the victors, but we learned that the victors do not necessarily win peace." Back home, Esther Waxman, mother of the soldier, Nahshon, who had been kidnapped and killed in October, commented bitterly: "No one has yet received a Nobel Prize for literature for half a book."

VIOLENCE CONTINUES IN 1995

The new year began in the same atmosphere of intermittent violence and painfully slow diplomatic progress. In the very first week of 1995, Israeli-Palestinian relations were set back after Israeli troops shot dead three Palestinian policemen in controversial circumstances—the Israelis claimed they had come under fire; the Palestinians alleged their men had been shot in cold blood—and were damaged still more when a row blew up over the proposed expansion of the West Bank settlement of Efrat. Before the end of the month, the suicide bombers struck again, killing 21 Israelis,
20 of them soldiers, in a twin bombing at the Beit Lid junction on January 22, prompting President Ezer Weizman to add his voice unexpectedly to the chorus demanding the suspension of the peace process.

Despairing of ever seeing the implementation of the next phase of the autonomy agreement—the Israeli West Bank pullout and Palestinian elections—several ministers in Rabin's government took to suggesting that the interim accords be scrapped and negotiations begun instead on a final settlement with the Palestinians.

Rabin, however, remained insistent on following through with the autonomy process, while simultaneously intensifying the confrontation with the Islamic radicals. In the aftermath of the Beit Lid blast, he halted the planned release of a group of Palestinian prisoners, instituted a temporary closure of the West Bank and Gaza Strip, and began talking of erecting a fence between the West Bank and sovereign Israel—to make it more difficult for would-be suicide bombers to come into Israel to carry out attacks. Two ministers were given a month to prepare reports on the costs and efficacy of a vast security fence. In mid-April, Police Minister Moshe Shahal returned with a $270-million proposal for a "separation line," involving 18 crossing points along the 270-kilometer boundary dividing Israel from the West Bank, mobile patrols with trained dogs, helicopters and unmanned radar drones, and an electronic fence in the central sector around Qalqilyah and Tulkarm. Detailed though Shahal's plan was, its implementation seemed impractical, with leading military advisers dismissing it as unworkable, and opposition politicians claiming that the planned boundary line could come to mark the border of a Palestinian state. Rabin came back to the idea of a physical security barrier several more times over the following months, but took no firm decision on the issue.

In the wake of Beit Lid, Rabin also called for increased cooperation from Arafat's Palestinian Authority, instituted a crackdown on Hamas and Islamic Jihad activists in West Bank areas still under Israeli control, and allocated increased funding for intelligence gathering in Gaza and the West Bank, in an effort to pierce the Hamas and Islamic Jihad military cells and thwart future suicide bombings.

In a closed-door Knesset briefing at the end of January, the outgoing head of the Shin Bet domestic intelligence service revealed that intelligence-gathering had enabled Israel to prevent at least five other recent major attacks, including a suicide bombing, a bus bombing, and a soldier's kidnapping. He reported that 1,500 Islamic extremist activists had been arrested and Hamas-linked offices in the West Bank closed down. On the other side, in a clear effort to demonstrate a new willingness to confront the bombers, Arafat's Palestinian Authority held several press conferences in February and March to present would-be suicide bombers, teenagers, who had been intercepted by Palestinian security forces.

Despite the intelligence successes, violence continued with barely a respite. On February 6, security guard Yevgeny Gromov was killed in a drive-by shooting while escorting a fuel tanker to a gas station in the Gaza Strip. A week later, on February 13, Jerusalem taxi driver Rafi Cohen was stabbed to death by two passengers on the road to the West Bank's largest settlement, Ma'aleh Adumim, in an attack linked
by some to the following day's first anniversary of the Baruch Goldstein killings in Hebron, according to the Muslim calendar. On March 19, two settlers—Nahim Hoss from Hebron, and Yehuda Partosh of Kiryat Arba—were killed when Hamas gunmen opened fire on an Egged bus traveling near Hebron. On March 29, a policeman and a Border Policeman were killed near Gaza's Netzarim settlement when a Palestinian steered his truck into their jeep.

Hamas suffered a setback on April 2, when an explosion at one of its bomb factories, in Gaza City's Sheikh Radwan residential neighborhood, killed four people, including two men wanted by Israel. Some reports claimed that Yehya Ayash, the Hamas bomb-maker nicknamed "the engineer," alleged by Israel to have orchestrated several suicide bombings, had left the apartment/bomb factory only minutes before the explosion. The blast was described as a "work accident" by Palestinian police, who found large quantities of explosive material at the site. Hamas countered that Israel and the Palestinian Authority were behind the explosion.

A week later, on April 9, Hamas and Islamic Jihad staged simultaneous suicide bombings inside the Gaza Strip. The Hamas bombing, near Netzarim, left nine people injured. The blast claimed by Islamic Jihad, close to the Kfar Darom settlement, killed eight people—seven Israelis and 20-year-old American student Alisa Flatow. The bomber drove a van packed with explosives into the Egged bus on which Flatow and the soldiers were traveling. (Flatow's New Jersey family donated eight of her organs, including her heart, to six Israeli patients.)

Under Israeli pressure, Arafat's Authority rounded up over 250 Hamas and Islamic Jihad activists and established military tribunals at which one Islamic Jihad leader was sentenced to life imprisonment and another to 15 years in jail, for planning suicide attacks. The Authority also announced plans to disarm the militants, but there was little subsequent evidence of any such action.

Israel's attempts to counter Hamas included the shooting dead of three gunmen in their car north of Hebron on April 16, and the capture of 14 Hebron-based alleged activists a week later. On April 25, one Hamas detainee, Muhammad Kharizat, died in Shin Bet custody after interrogation on suspicion of involvement in several fatal attacks on Israeli targets. Kharizat's death brought a stream of Hamas revenge threats and also opened a debate in Israel over Shin Bet interrogation methods; his death, apparently of a brain hemorrhage, had followed interrogation involving a controversial practice of forceful head "shaking."

Despite right-wing opposition, including a petition to the Supreme Court, Israel freed about 250 Palestinian prisoners on May 8 as a gesture to coincide with the Muslim Feast of the Sacrifice, and in recognition of what was seen as increased effort by Arafat to clamp down on the extremists.

The slight improvement in atmosphere, however, was immediately undermined by a new controversy over planned Israeli land expropriation in East Jerusalem. Sparking furious Palestinian opposition, the government announced in early May its intention to expropriate 140 acres for Jewish building immediately. Housing Minister Benjamin Ben-Eliezer also revealed plans for 300 acres of further expropri-
ation between the northern Jewish Jerusalem suburbs of French Hill and Pisgat Ze’ev. An emergency Arab League summit was scheduled on the issue; Jordan registered an official protest; and King Hassan of Morocco sent Rabin a personal telegram urging him to reconsider the move. In the Knesset, two minor, predominantly Arab factions presented no-confidence motions in the government over the issue.

Rabin was intent on resisting the pressure, but not at the price of his government’s defeat. When it became clear to him that the Likud and other right-wing opposition parties planned to vote with the Arab factions on the no-confidence motion, in an effort to bring down the coalition, Rabin announced on May 22 the suspension of the planned expropriation. He placed the blame for the turnaround squarely on the Likud, asserting, “The Likud preferred the lust for power over building in Jerusalem.” Benjamin Netanyahu, the Likud leader, countered: “When the prime minister had to choose between Jerusalem and Arafat, he chose Arafat.” If neither major party emerged from the episode looking particularly impressive, it was certainly a victory for the Arab Knesset legislators. Crowed MK Hashem Mahameed of the Democratic Front for Peace and Equality: “The U.N., the Security Council, all the Arab countries, the Arab League, Jordan, Egypt, the PLO—not one of them succeeded in changing the expropriation decision. Only we did.”

The resolution of the land expropriation issue ushered in a rare period of relative calm, during which Israeli-PLO negotiations on the next phase of the autonomy process were intensified. Following marathon talks in June and early July, Peres and Arafat announced on July 4 that the major elements of the accord had now been agreed upon and a target date for signature set for July 25.

Relations with Jordan

The very day after Israel and the PLO signed their autonomy accords at the White House on September 13, 1993, Jordanian and Israeli peace negotiators finalized and signed a joint agenda for peace. That timing underlined the extent to which Jordan had been forced to condition its formal reconciliation with Israel on prior progress in Israeli-Palestinian peace talks. With some two million Palestinians—half of the Palestinian diaspora—living within his borders, just across the river from Israel, King Hussein could not afford to act too hastily, making peace with Israel before the Palestinian problem was at least on the road to resolution. Once the Declaration of Principles had been signed, however, Jordan felt able to press ahead toward peace with Israel. In the course of 1994, a comprehensive peace agreement would be negotiated, signed, and implemented, with none of the bitterness and violence—and few of the delays—that characterized Israeli-Palestinian negotiations.

In a sign of the new openness, early in 1994 King Hussein began speaking publicly about his years of secret contacts with Israeli leaders, telling a group of American Jews, “I’ve met all the Israeli prime ministers except for Menachem Begin, including the present prime minister and his predecessor Yitzhak Shamir.” In fact, Hussein
is not believed to have met with Israel's first premier, David Ben-Gurion, but to have begun his secret contacts with Israel in the summer of 1963 when, aged just 27, he met in London with Levi Eshkol. Among the most significant of his secret meetings was a clandestine visit he paid to Israel shortly before the Yom Kippur War. In September 1973, he warned Prime Minister Golda Meir that Egypt and Syria were planning a surprise attack. Israeli officials, still buoyant after the successes of the 1967 Six Day War, chose not to take the warning seriously, with devastating consequences.

In mid-January, in another sign of warming ties, the Jordanian authorities allowed an unprecedentedly large Jewish group—80 American Reform rabbis—to cross over from Israel for a tour that included a visit to the ancient red-rose Nabatean city of Petra as well as Moses's reputed burial site on Mount Nebo and Aaron's on Mount Hor. The visit was not all smooth sailing: security was tight, the rabbis were told it was unsafe for them to wear their yarmulkes, and they were only allowed to cross into Jordan with "clean passports," passports with no Israeli stamps in them. Also, a scheduled meeting with Crown Prince Hassan was canceled after American television networks got wind of the trip, the prince pleading prior commitments.

There was more evidence of the size of the gulf yet to be bridged in March, when Jordan's information minister, Jawad al-Anani, announced the banning of Steven Spielberg's film Schindler's List. Al-Anani explained the ban against the background of the Hebron massacre, saying: "People are going to ask me, 'Is this the time to sympathize with what happened almost 50 years ago, when the massacre in Hebron took place four weeks ago?'"

By May, King Hussein had evidently decided that he was ready to go it alone, to work toward a peace treaty with Israel no matter how slowly the Palestinian process was proceeding, and despite the fact that Israeli-Syrian and Israeli-Lebanese negotiating efforts were at a virtual standstill. In mid-May, in London, he held the latest in what had been a series of secret meetings with Rabin, who urged the king to bring their private links out into the open and warned him that if he did not, he risked being left behind. It was vital, Rabin said, that the king take a central role in the peacemaking, to make sure his interests were considered as the Israeli-PLO negotiations moved forward.

Hussein took the decision in principle to meet publicly with Rabin after those London talks. By June 7, Israel and Jordan had signed a more detailed peace agenda, and at a press conference in Washington on June 21, Hussein said he saw no reason to hold back until Israel reached peace agreements with other Arab states. He also added, in what turned out to be a remarkably accurate prediction, that an Israel-Jordan accord could be wrapped up by October. From this point on, the path to peace accelerated dramatically.

On July 12, the king surprised President Bill Clinton by contacting him and informing him that he was ready for an immediate meeting with Rabin in Washington. While that was being arranged on July 18, Israeli and Jordanian negotiators
held a first-ever session of talks in the region, in a tent camp at Ein Evronah in the Negev desert, at a point straddling the border between the two countries. Two days later, Peres flew across to the Jordanian side of the Dead Sea, where he met with Jordan’s prime minister, Abd al-Salam al-Majali, to discuss ambitious plans for economic cooperation and to work out the details of the final public act of reconciliation, the Rabin-Hussein White House summit. “It took us 15 minutes to fly over,” mused Peres on arrival in Jordan. “It took us 46 years to arrive at this time and this place.”

The White House meeting took place on July 25, in an atmosphere markedly different from that of the Israel-PLO accord signing 10 months earlier. Unlike the grudging reluctance with which Rabin shook Arafat’s hand—a sign of the less-than-complete trust with which Rabin was embarking on the autonomy process with the Palestinians—Rabin and Hussein shook hands and embraced warmly, smiled at one another, and applauded each other, and each delivered a glowing tribute to the other’s strength, courage, and determination. The two men also jointly addressed a special session of the U.S. Congress, at which Hussein delivered an unambiguous message: “Mr. Speaker, the state of war between Israel and Jordan is over.” In a formal declaration, the two countries agreed to end the state of belligerency, and Israel recognized Jordan’s “special” status with respect to Muslim holy sites in Jerusalem.

For all the mutual warmth and respect displayed by the two leaders, there were still several difficulties to be resolved before a full peace treaty could be signed. The border with Jordan, Israel’s longest, had never been officially demarcated, and Jordan was demanding 380 square kilometers of land in the Arava desert, around Eilat and at the confluence of the Yarmuk and Jordan Rivers. Jordan was also seeking about 100 million cubic meters of water per year from the Kinneret, Israel’s main source of natural water, which Israel was extremely reluctant to grant. Security arrangements had to be drawn up; economic agreements covering tourism, aviation, trade, energy, and a host of other topics had to be drafted. The thorny issue of a right of return to the West Bank for refugees from the 1967 war also had to be resolved.

There was, however, no doubt that both sides had the will to sort out all these issues, and speedily. Rabin and Crown Prince Hassan opened a border crossing between Eilat and Aqaba on August 8, enabling third-country tourists to reap the immediate benefits of peace. Rabin visited the Royal Palace at Aqaba, and Israel welcomed Hussein to its air space, sending up an escort force of F-15s when he flew over in his personal jet on August 3. Hussein radioed Rabin from the cockpit: “Prime Minister, it is wonderful to hear you. . . . Thank you for the wonderful opportunity to fly over your country.” A draft nonaggression accord was agreed to on August 15, and an interim economic pact signed the next day.

By October, as Hussein had predicted, the negotiators had wrapped up their work. On October 25, the Knesset approved the full peace treaty with Jordan by a vote of 105 to 3, with Likud leader Benjamin Netanyahu pledging his party’s full support for the agreement.
The following day, in a ceremony held in searing heat in the Arava desert, again on the border between the two countries, Rabin and al-Majali signed the accord, with President Clinton as witness, before an audience of 5,000. Conspicuous by his absence was Arafat, who had not been invited and who ordered a general strike in the West Bank and East Jerusalem to protest a clause in the agreement that recognized Jordan's special role in administering Christian and Muslim holy sites in Jerusalem.

Arafat was not the only Arab leader incensed by the accord. President Hafez al-Assad of Syria publicly declared his disgust for what he considered unacceptable Jordanian compromises. Syria had traditionally opposed the very notion of individual Arab states signing separate peace agreements with Israel, but Assad took particular exception to the clause in the accord allowing Israeli farmers to continue cultivating lands now returned to Jordanian sovereignty. The farmers were given the "right of use" of the land in the Arava and near the confluence of the Jordan and Yarmuk Rivers for 25 years, with an option for a 25-year extension, and issued with special passes to enable them to cross into Jordan daily with a minimum of red tape.

At a specially-convened media conference, Assad maintained that it was "shamefully wrong" for a nation to lease its land to a neighbor. The Syrian president clearly feared that this kind of pragmatic arrangement undermined his uncompromising demands for the return of the entire Golan Heights, the strategic mountain ridge that Israel captured from Syria in 1967. Syria, he stressed, would not be signing any treaties with Israel "unless the land is restored in full." Assad was similarly indignant over the clause in the accord dealing with water-sharing arrangements. Jordan had withdrawn its demand for direct access to the Kinneret, instead accepting an Israeli offer of 50 million cubic meters extra per year from the lower Jordan and the same additional quantity from a joint Israeli-Jordanian dam to be built at Adasiyah, on the Yarmuk, partly inside Israeli territory.

The treaty also made provision for Israel's Arava farmers to have continued access to wells on land newly restored to Jordanian sovereignty. Here, too, Syria feared a future Israeli demand for access to water from the Banyas spring on the Golan as a condition for any withdrawal. Syrian displeasure extended beyond land and water to the accelerated normalization timetable agreed upon by Israel and Jordan: the scheduled exchange of ambassadors within one month; provisions for uncomplicated two-way tourist traffic; Jordan's abandonment of the Arab trade boycott of Israel; and the mutual commitment to fostering two-way trade.

For Jordan, the main gains, and a large factor behind the speed with which a final treaty was reached, were economic. Most important was a U.S. commitment to waive some $700 million in foreign debt. Hussein also calculated that, for all Assad's criticism of the accord, he could rely on the support of the United States and the new legitimacy of peacemaking with Israel, in the wake of the Oslo accords, to more than offset Damascus's displeasure.
For Israel, as Deputy Foreign Minister Yossi Beilin put it, the peace treaty constituted “another layer in the protective wall. . . . Our southern front is secured by the peace with Egypt. If we can make peace soon with Syria and Lebanon, we will have removed the strategic threat to Israel’s existence.”

For Rabin, the agreement represented the high point of his term as prime minister—a treaty that garnered almost complete public support and that was implemented with remarkable goodwill on both sides in the months that followed. Evidence of that goodwill was barely two weeks in coming. On November 10, King Hussein made his first public visit to Israel, crossing the newly agreed-upon border for the opening of the rebuilt Jordan River or Sheikh Hussein Bridge, to the south of the Kinneret. The king found time to share a meal with Rabin and other guests, including the former Likud foreign minister David Levy, at a site overlooking the Kinneret. The fact that the king’s brief trip came immediately after the signing of a peace treaty highlighted the differences in the relationship with Egypt: President Hosni Mubarak—the Egyptian leader who succeeded the first Arab head of state to make peace with Israel, Anwar Sadat—had by year’s end still not set foot in Israel, despite repeated Israeli invitations.

On December 6, further demonstrating that the reconciliation was accepted across the Israeli political spectrum, the king played host in Amman to Likud leader Benjamin Netanyahu, who also used his Jordan visit to place a wreath at the memorial to 84 Jordanian soldiers killed in the 1968 Jordan Valley battle of Karameh. Netanyahu had been a member of the Israeli force that attacked terrorist bases there, losing 30 soldiers.

Only a handful of relatively minor irritants clouded the generally sunny picture of rapidly developing relations between the two countries—including tourism. The first Jordanian tour groups arrived in Israel in late November, among them a group of 14 children to participate in Haifa’s annual Hanukkah-time song festival.

The Jordanian authorities were slow to publicize that a small number of Israelis were marring the rosy picture, but the Israeli media showed no such hesitation. Reports circulated of Israelis insistently joining in a wedding celebration in their Amman hotel, uninvited; of Israelis allegedly stripping their hotel rooms of virtually anything removable, even bathroom fittings; of Israelis exchanging old shekel bank-bills, no longer legal tender in Israel, for Jordanian dinars. And early in 1995, there was considerable publicity concerning alleged Israeli vandalizing of Aaron’s tomb site. Rabin, commenting on this flurry of embarrassing reports, asserted that a minority of Israelis had “plenty to be ashamed about.”

An Israeli concern was Jordan’s delay in moderating anti-Israel positions and legislation to catch up with the new realities. One example concerned the mundane matter of the mail. While tourists were flowing freely, and direct telephone lines were humming, the Jordanian Postal Authority at year’s end was still automatically rejecting any piece of mail bearing the word Israel. Letters were sent back marked “Return to sender,” in accordance with standing orders in force since 1948.

Several Jordanian professional associations and unions also failed conspicuously
to enter into the new spirit of peace. A Jordanian pop group that played in Israel, for example, was expelled from its performers' union on returning to Jordan. The Jordanian Dentists' Union issued a statement in April 1995 threatening to expel any Jordanian dentists who treated Israeli patients. And newspaper columnist Hamadeh Faraneh was expelled from the Jordanian Writers Association for agreeing to be interviewed by Israel Television.

Well into 1995, the Jordanian Parliament failed to honor an obligation to scrap three central pieces of anti-Israel legislation: a 1953 law banning trade with Israel; a 1958 statute bringing Jordanian legislation in line with the terms of the Arab boycott; and a 1973 law banning the sale of land to Israelis. Thus, for example, although the Israeli flag was raised on December 11, 1994, at the Forte Grande Hotel in Amman, as Israel officially opened its embassy (Jordan simultaneously opened temporary embassy offices at Tel Aviv's Dan Hotel), it would have been technically illegal for Israel to purchase a permanent embassy building or site. The government tried to erase the laws in February 1995, in the final session of Parliament before a prolonged break, but was foiled when Islamic and leftist opponents of the peace process boycotted the session, leaving the government unable to muster a required two-thirds quorum in the lower house to change the legislation.

A final, minor embarrassment concerned Israel's procrastination over the appointment of its ambassador to Amman. Jordan named its ambassador-designate, Marwan Muashar, in December, but he had to wait until well into 1995 before his opposite number was selected and protocol finally enabled him to move to Tel Aviv. The delay stemmed directly from Rabin, who wanted to appoint Ephraim Halevy, a former Mossad deputy chief who had played a crucial behind-the-scenes role in negotiations that led to the peace treaty. Jordan indicated, however, that while Halevy was highly respected, it would rather not have a former secret agent as the first envoy. Peres suggested Foreign Ministry deputy director-general Eitan Bentsur, or another senior ministry official, Yossi Gal, for the post, but Rabin rejected both these names. Finally, in late spring, Rabin settled on Shimon Shamir, who had previously served as an Israeli ambassador to Egypt. Muashar and Shamir presented their respective credentials in April 1995.

The procrastination over the choice of ambassador, however, clearly caused no harm to the warm Rabin-Hussein relationship. Indeed, to mark Israel's Independence Day in May, King Hussein invited the prime minister for a relaxed visit, escorted him around Petra, and filmed a joint interview with him for broadcast on Israel Television.

Relations with Syria

The start of 1994 found Israeli officials optimistic about the prospects of a breakthrough in negotiations toward a peace treaty with Syria. But by the end of the year the high hopes had dissipated, with President Hafez al-Assad apparently unresponsive to peace feelers put out by the Rabin government, and little firm progress
emerging from contacts in Washington between the Israeli and Syrian ambassadors there. There were minor signs of a softening of Syrian attitudes to Israel, and the two countries' chiefs-of-staff held an unpublicized meeting in Washington in December, but a final peace treaty still seemed a long way away.

Israeli-Syrian negotiations had gotten under way as part of the bilateral talks set in motion by the 1991 Madrid peace conference but had been deadlocked for well over a year. An attempt by the two negotiating delegations to agree on a joint declaration of principles had been stalemated since September 1992, and Assad had repeatedly rebuffed Rabin’s calls for an Oslo-style secret channel of talks or for public meetings between Assad and Rabin, or even between foreign ministers Peres and Farouk al-Sharaa.

Assad was widely believed to be waiting to hear a public commitment from Rabin to a withdrawal from the entire Golan Heights strategic ridge, captured from Syria in the 1967 Six Day War. Rabin, for his part, was apparently unwilling to commit himself publicly on the extent of a possible Golan withdrawal until he had heard Assad publicly declare a commitment to fully normalized relations with Israel, complete with an exchange of ambassadors and agreements on trade relations, tourism, and other areas.

Israeli optimism early in 1994 focused on a January 16 meeting, in Geneva, between Assad and President Bill Clinton. Officials in Jerusalem predicted that Assad would take the opportunity to declare incontrovertibly that he was ready for full normalization of relations, in return for an Israeli withdrawal from the Golan Heights. In the event, Assad left the Israelis somewhat disappointed. When the two presidents emerged from close to six hours of discussion to hold a joint press conference (from which, incidentally, Israeli journalists were barred), Assad spoke only generally about “normal, peaceful relations with Israel,” declining to specify whether this extended to an exchange of ambassadors, open borders, tourism, and trade.

The Syrian state-controlled press duly trumpeted a quotation from Assad, “In honor we fought, in honor we negotiate, and in honor we shall make peace,” across the front pages the following morning. American peace-talks coordinator Dennis Ross praised Assad publicly for “breaking new ground,” and U.S. officials traveling with the president gave an almost euphoric briefing to their Israeli counterparts in Jerusalem. But while Clinton may have been won over, the Israelis were not. Neither Rabin nor Peres, their aides revealed, had been reassured by Assad’s deliberately vague remarks on peace and security.

Nevertheless, one concrete outcome of the summit was the opening of one-on-one negotiations in Washington between Israel’s ambassador there, Itamar Rabinovich, and his Syrian counterpart, Walid Muallam. This format represented a compromise between Rabin’s preference for Oslo-style secret diplomacy and the previous formal—and unproductive—full-delegation talks. Clinton, it emerged, had pressed Assad to sanction a back channel of talks and had also raised the idea of a summit with Rabin, but to no avail.
Another concrete outcome was Rabin's pledge to bring any peace deal that involved large-scale territorial compromise on the Golan to the Israeli electorate for approval. On January 17, the day after the Geneva meeting, Deputy Defense Minister Mordechai Gur surprised the Knesset by announcing what would be the first national referendum in Israeli history. "If the territorial price demanded of us on the Golan is significant," Gur told the House on Rabin's behalf, "the government will put the issue to a referendum." Rabin himself confirmed a day later that, since a peace treaty "might also include the dismantling of settlements," he wanted the final decision "to be made by the entire people."

The referendum offer was designed to relieve an Israeli public anxious about possible land-for-peace compromises on the Golan, and especially to mollify the 13,000 Jewish residents of the Golan. It also took much of the wind out of opposition sails and, in the short term at least, calmed the four or five members of Rabin's own Labor Party who had indicated they would oppose a major Golan withdrawal.

Equally important, the move placed extra pressure on Assad. Rabin and the Israeli negotiators would henceforth be able to remind the Syrians that they now had to win over the majority of the Israeli public to any peace agreement, and thus that Syria would have to begin acting in a more demonstrably friendly manner.

Opinion polls left no doubt that considerable wooing of the Israeli electorate would be required. A mock referendum, organized by the Ma'ariv daily in the wake of the referendum pledge, found that 70 percent of the 52,000 Israelis who participated opposed a total withdrawal from the Golan in exchange for peace. Among the residents of the Golan's 30-plus communities, a Haifa University survey showed, just 12 percent would be willing to leave their homes in return for financial compensation and a peace treaty.

Golan activists had for some time been mounting a publicity campaign highlighting the perceived dangers of a withdrawal—the geostrategic importance of the heights, the fact that a large proportion of Israel's water supply came via the Golan, and so on. Tens of thousands of Israeli cars and apartments already displayed stickers and banners proclaiming "The people with the Golan" and "Peace and the Golan."

Now the publicity campaign intensified, with considerable stress laid on the fact that Rabin, in seeking election in 1992, had indicated that he would not sanction a full Golan pullout. An advertisement was filmed, for screening in local movie houses, featuring a Rabin election speech in which he declared that it was inconceivable to contemplate relinquishing the Golan Heights, and that anyone who spoke of such a move would be endangering Israeli national security.

Labor officials countered that, while Rabin had indeed indicated opposition to a complete Golan pullout, he had not ruled out the possibility of a partial withdrawal. Rabin himself refused to discuss how substantial a withdrawal he would be willing to sanction in exchange for peace. Aides stated that the cabinet had never held a full discussion of the issue.

Military experts were divided about the danger to Israeli security posed by a
withdrawal from the 12-mile-wide strategic buffer. Some, like former military intelligence chief Shlomo Gazit, now a member of Tel Aviv University's Jaffee Center for Strategic Studies, declared that there was "no reason why a full withdrawal should endanger Israel," providing that the appropriate security arrangements were in place. Others, like Aryeh Shalev, another Jaffee Center researcher, who had served as deputy head of military intelligence during the 1973 Yom Kippur War, were adamant that a pullback was out of the question, arguing that Israel "must be in control of the eastern ridges of the Golan—those facing Syria, where the Israel Defense Forces' early warning systems and other military installations are located." Even Labor's own Knesset Foreign Affairs and Defense Committee head, Ori Orr, a former head of the army's Northern Command, was adamant that a complete withdrawal was unthinkable, but argued that a division of the Golan was entirely feasible.

In the wake of the Clinton-Assad summit, U.S. secretary of state Warren Christopher paid several visits to the region, shuttling between Jerusalem and Damascus in an effort to mediate some progress. Israel passed on various offers of staged withdrawal from the Golan, but Assad continued to insist that a normalization of relations could come only with a full Israeli pullout. "What do the Israelis think?" the president was reported as demanding of Christopher at a meeting in May, "that I'm like Arafat, who is satisfied with Gaza and Jericho?"

Still, there were occasional slight hints of easing in Syria's hitherto uncompromisingly hostile attitude to Israel. In early March, Damascus allowed a 57-member delegation of Israeli Arabs, led by Knesset member Abdul Wahab Daroushe, to enter the country to express the condolences of the Israeli Arab community on the death of Assad's son Basil in a car accident. The delegation members, who traveled on documents obtained in Egypt rather than their Israeli passports, were received by Assad in Damascus.

Through the summer, Syrian Television broadcast several of the Israeli-Jordanian reconciliation ceremonies live. Though still boycotting the multilateral talks, Damascus was said to be requesting briefings from other Arab participants on developments. At a press conference in London in early September, al-Sharaa, for the first time, answered questions posed by Israeli journalists. Later that month, street posters began appearing in Damascus extolling the idea of peace, although not specifically mentioning Israel. And in the clearest sign yet of changing attitudes, al-Sharaa on October 7 gave a first-ever interview to Israel Television, filmed in a Washington hotel, in which he called on Israel to put the past behind it and to look to a future of peace and stability in the region. Rabin described the interview as "a step forward." Al-Sharaa's attempts to win over the Israeli electorate, however, were somewhat undermined by his remarks describing the establishment of Israel as "a hostile act," asserting falsely that Syria had never shelled Israeli civilian targets, and alleging that the world media were overwhelmingly Jewish-controlled, and that they unjustly and consistently portrayed the Arab world as aggressors.

Al-Sharaa's television interview came in the wake of Rabin's most specific an-
nouncement yet—at a cabinet meeting on September 8, then repeated publicly on various occasions—concerning the extent to which he was prepared to withdraw from the Golan. Rabin proposed a two-stage pullback, an initial “slight withdrawal,” at which point Syria would normalize relations with Israel, and then a more substantial pullback at the end of a three-year trial period, during which the Syrians would have to prove their good faith.

The prime minister’s public readiness to sanction an eventual significant pullback brought a furious response not only from the Likud and other opposition parties but also from within Labor’s own ranks. Leading the opposition inside Labor was Knesset member Avigdor Kahalani, a reserve general who, as a battalion commander in the 1973 Yom Kippur War, had personally played a key role in turning back the Syrians. Defying Rabin and the Labor leadership, Kahalani made preparations to propose Knesset legislation that would condition any withdrawal from the Golan on the support of 70 of the 120 Knesset members and 65 percent of the Israeli public in a national referendum. Since Rabin’s coalition numbered just 61 votes, such legislation would effectively tie the government’s hands.

Kahalani was by no means the only Labor Knesset member disturbed by Rabin’s thinking on the Golan. One minister (Shimon Shetreet, minister for economic planning), two deputy ministers, and at least six other Labor Knesset members also signaled tentative backing for Kahalani’s stand. But the ex-general was by far the most vociferous, declaring that he was even willing to bring down the Rabin government; “If I have to choose between the Golan and the government,” he said, “I’ll choose the Golan.” Kahalani’s main objection to a territorial compromise was his sense that Syria simply could not be trusted to honor a peace agreement, and that Damascus could use territory recovered on the Golan to launch renewed hostilities against Israel. Only if Assad were willing to take the Sadat route, meeting Israeli leaders, visiting Jerusalem, and so on, said Kahalani, would he begin to think differently. “Then Assad might be able to persuade us that he is not simply trying to get back by peace what he could not get by war.”

Kahalani’s stand was echoed at the grassroots level among many Labor Party voters who lived on the Golan itself. In mid-September, 13 Golan residents—Labor and Likud activists and others—began a two-week hunger strike at Gamla, an important historical site on the Golan, and invited sympathetic Israeli citizens to take advantage of the Sukkot holiday to visit them as a demonstration of support. More than 100,000 Israelis took up the offer in the first few days alone. At the site of the hunger strike, a TV and video setup repeatedly broadcast Rabin’s 1992 speech about the dangers of a Golan withdrawal. Rabin acknowledged that he felt “burdened and distressed” at the thought of having to move Jewish residents off the Golan, but added, “sometimes one must make difficult decisions.”

With party leader Benjamin Netanyahu claiming publicly that Rabin had already passed a secret commitment to the Syrians for an eventual complete Golan withdrawal, the Likud devoted considerable backing to public campaigns such as the hunger strike. At the same time, Likud politicians also embarked on a more subtle
lobbying effort in the United States, highlighting Syria's continued sponsorship of state terrorism and warning that a territorial compromise might necessitate the unpopular deployment of American troops as part of a Golan buffer force. Leading this effort were Yossi Ben-Aharon, who had headed the Prime Minister's Office during Yitzhak Shamir's premiership, and Yoram Ettinger, who had served as head of congressional relations at the Israeli embassy in Washington during Shamir's term. The effort paid clear dividends, particularly with several Republican legislators. Senators Alfonse D'Amato of New York, Larry Craig of Idaho, Don Nickles of Oklahoma, Jesse Helms of North Carolina, and Rep. Jim Saxton of New Jersey all wrote to President Clinton, expressing strong opposition to the involvement of U.S. peacekeepers on the Golan.

SYRIAN JEWS

Israeli expectations of a new era in relations with Syria were bolstered on October 18 with the arrival at Ben-Gurion Airport of Rabbi Avraham Hamra, the former Syrian chief rabbi, along with his wife, six children, brother, and mother. With his arrival, Israeli military censors lifted the blanket censorship that had been imposed on the departure of 3,600 members of the Syrian Jewish community over the previous two years, some 1,260 of whom had made their homes in Israel.

Although the exodus had been sanctioned under the terms of a 1992 decision by Assad to liberalize emigration requirements, the liberalization did not extend to sanctioning Israel as a destination. Thus, the community's departure and the choice of many of its members to make their homes in Israel were initially unpublicized.

Hamra, chief rabbi for 15 years, left Damascus in early 1994, ostensibly for the marriage of his daughter in New York. The decision to publicize his arrival in Israel and to lift the censorship on the Syrian exodus was taken because all but a group of some 400 Jews—whose age and/or business interests made them unwilling to leave—had now emigrated. It was also judged, accurately as it turned out, that the Assad administration would not seek to punish the last Jews for the decision of many of the emigrants to make their homes in Israel.

If the rabbi's arrival and his diplomatic kind words about the just treatment afforded Jews by President Assad prompted some Israelis to begin considering Assad in a new light, those upbeat perceptions were swiftly reversed in the light of Damascus's angry reaction to the October 26 Israel-Jordan peace treaty. No sooner had the deal been finalized than Assad flew to Cairo for consultations with President Mubarak. At a press conference, he attacked the pragmatic water reallocations, land swaps, and leasing arrangements that had been agreed upon by the Israeli and Jordanian negotiators and restated his position that, unlike King Hussein, he would not be satisfied until every last inch of his captured land was restored to Syrian sovereignty and would never sanction Israeli access to the Banyas and Hatzbani tributaries.

This new evidence of Damascus's uncompromising stance wiped out Israeli gov-
eminent hopes that, in the wake of the al-Sharaa interview, the Syrians might demonstrate a new openness to Israel by sending delegates to a late October Middle East economic development conference. The conference was initiated by Shimon Peres and hosted in Casablanca by Morocco's King Hassan. Peres hoped that, even if no official Syrian government representatives attended, Damascus might at least sanction the participation of private Syrian businessmen. But the Syrians stayed away.

Assad was equally uncompromising when President Clinton—against the advice of aides that he leave Syria off his itinerary—flew to Damascus on October 27 for his second meeting of the year with the Syrian president. Clinton had come to the region to witness the Israel-Jordan treaty and clearly hoped that his personal intervention might budge the Israeli-Syrian deadlock.

In the event, however, Clinton came away from Damascus empty-handed, having failed to win over Assad to the idea of either a public summit with Rabin or a private channel of high-level negotiations. He failed even to extract a clear condemnation of terrorism from the Syrian president, let alone persuade Assad to expel from Damascus some of the terrorist groups, including Hamas, that had their headquarters there. Determined to portray the unsuccessful visit in the best possible light, however, officials traveling with Clinton gave off-the-record briefings to journalists claiming that, as a result of the Clinton trip, a joint Israeli-Syrian declaration of principles might be signed by the end of the year. Some officials were even quoted as predicting a full peace treaty within six months.

There were minor signs of progress in the Israeli-Syrian negotiations in the months that followed, most notably a secret December meeting in Washington between the Israeli and Syrian chiefs of staffs, Ehud Barak and Hikmat Shihabi, to begin discussing the security arrangements for a Golan accord. But although some in the Likud continued to claim that the terms of a land-for-peace deal on the Golan had actually been agreed upon, and that Rabin and Assad were merely waiting for the right time to make the accord public, there was no independent confirmation of this. In fact, even after a December Middle East shuttle by Secretary of State Christopher, Assad gave every indication of being a man in no hurry to make a deal. "Syria prefers to maintain the status quo," he declared at a December Damascus press conference marking a visit by Mubarak, "rather than comply with demands being presented by Israel, which are impossible to accept."

Christopher's mediation efforts continued with a March 1995 shuttle mission, which led to a resumption of talks in Washington between Israeli ambassador Rabinovich and his Syrian counterpart, Muallam. These contacts made little concrete progress, however, mainly since Muallam had next to no authority for decision making. Anxious to secure a breakthrough, Christopher tried to set up a "back channel" of secret, Oslo-style peace talks, but was rebuffed by Damascus. Likewise, an effort to arrange a Peres meeting with al-Sharaa in Washington in May was rejected by Syria.

Some Israeli and American analysts believed Syria's reluctance to move ahead
stemmed from Assad's desire to leave arrangements for a treaty until the final stages of Rabin's term of office in 1996, in order to extract greater concessions from a prime minister anxious for a peace deal in the run-up to elections. Other analysts, including Ori Orr, the Labor Knesset member and head of the Knesset's Foreign Affairs and Defense Committee, thought Assad was genuinely afraid of the consequences of peace for the future of his regime, believing that any Americanization of Syria, and any relaxation of the dictatorship, could trigger a wave of Syrian public opposition to his rule.

Still, six months after the secret Barak-Shihabi contacts, Assad did dispatch Shihabi to Washington again, for talks with Barak's successor, Amnon Shahak. Though the late June talks were cordial, they too ran into trouble, and Syria reneged on a commitment to follow the top-level negotiations with lower-level military talks.

The stumbling block was apparently an Israeli demand to retain a ground early-warning station on the Golan after withdrawal. Syria was said to be prepared to accept all manner of alternative airborne early-warning systems. But Israeli military chiefs were adamant that even a combination of such measures could not compensate for the intelligence information a ground station would afford, and noted that wintry weather or fog could render airborne observation systems useless, leaving Israel unacceptably vulnerable.

If the ground warning station was the formal issue of deadlock, Assad may well also have broken off the contacts because of growing signs that Rabin might not have the political support necessary to actually win approval for an accord, even if a satisfactory formula could be found. Rabin had already promised the public a referendum on any withdrawal, for which majority support was by no means assured. Then, in the Knesset, in June 1995, three members of Rabin's own Labor Party, led by Kahalani, proposed legislation requiring the support of 70 Knesset members—rather than the usual 61—for any Golan withdrawal. When the vote was eventually called on July 26, the result was a 59–59 tie. Under Knesset law, that meant the legislation had failed, but it could hardly have increased Assad's faith in Rabin's capacity for delivering on a deal.

**Relations with Lebanon**

With the Syrian, Jordanian, and Egyptian borders almost completely peaceful, Israel's sole remaining troublesome border was with Lebanon, where pro-Iranian Hezbollah gunmen continued throughout the year to stage attacks on Israeli targets. Assisted by the South Lebanon Army (SLA), a militia trained and funded by Israel, a force of about 1,000 Israeli troops maintained their deployment in the so-called Israeli "security zone" just inside the international border in Lebanon, thwarting would-be Hezbollah and Palestinian rejectionist infiltrators, taking the brunt of Hezbollah shelling, and clashing with Hezbollah fighters almost daily. In the course of 1994, Israel lost 21 soldiers in clashes in Lebanon, and 7 more in the first half of 1995, while the cumulative death toll in the South Lebanon Army, formed in the mid-1980s, passed the 300 mark.
Israel’s relatively minor troop presence compared with a Syrian military deployment variously estimated at between 30,000 and 40,000 troops—a presence on a scale that reflected Damascus’s overwhelming domination of Lebanese affairs, a domination that extended to foreign policymaking in general and specifically to peacemaking with Israel. Thus, as in years past, Israel’s efforts to achieve a peace treaty with Lebanon were entirely dependent on the progress of the Israeli-Syrian negotiating track. As long as Israeli-Syrian talks made little headway, diplomatic initiatives in Lebanon took a back seat to the continued daily military struggle in the border area.

Another issue that continued to make headlines throughout the year was the whereabouts of Ron Arad, an Israeli airman whose plane was shot down over south Lebanon in 1986, and who had reportedly been held first by the Syrian-backed Amal movement in Lebanon and then by pro-Iranian groups in Lebanon, Syria, and possibly Iran. In early January, a U.S. congressional committee traveled to Syria and Lebanon in an effort to find evidence of Arad’s whereabouts and of the fate of five other Israeli soldiers reported missing in action but widely believed to have died. The committee’s efforts yielded no concrete evidence of any sort.

Nothing firm was learned about the missing Israelis in the course of the rest of the year. But in early 1995, German newspapers published several articles purporting to detail new information proving Arad was still alive. Rabin, however, said that a letter and video discussed in the German reports were not new, and that no new information had been received on Arad. Still, Rabin insisted Israel was certain that Iran was holding the navigator.

MILITARY ACTIVITY

On February 7, 1994, four Israeli soldiers were killed and five others wounded when Hezballah gunmen ambushed their patrol in the security zone with antitank missiles. Clashes intensified during March, the casualties including SLA members, Lebanese civilians, and two more Israeli soldiers, who were shot dead in an ambush on March 21. Katyusha rockets fired at Israeli targets in the security zone continued into April, with Israeli and SLA soldiers responding by shelling Hezballah strongholds. Some rockets again landed in northern Israel, without causing damage.

Low-level violence rumbled on through May. Then, on May 21, a team of Israeli commandos raided the Lebanese town of Qasr Naba, about 50 miles north of the border, where they seized Mustafa Dirani, a former intelligence chief of the pro-Syrian Amal movement who was believed to have overseen the imprisonment of Ron Arad between 1986 and 1988. Dirani, under interrogation, failed to produce any useful information on where Arad was now being held. However, the kidnapping produced an inevitable barrage of Hezballah rocket fire over the next few days, culminating in a Hezballah threat on May 30 to hit Israeli targets around the world in revenge.

On June 2, Israel mounted the year’s heaviest air raid on Hezballah targets, killing up to 50 Hezballah fighters at a training camp in Lebanon’s Bekaa’a Valley, the
bloodiest single blow ever suffered by the group. Thousands of Hezbollah supporters marched in funeral processions for the dead through the streets of Beirut, and Hezbollah's leader, Sheikh Hassan Nasrallah, vowed to "avenge the blood of the martyrs."

Over the following 24 hours, several salvos of Katyusha rocket fire fell on northern Israel, but no damage was caused. And the firing stopped after Israel began massing troop reinforcements on the northern border.

On June 20, after several days of clashes and Israeli air raids, Hezbollah gunmen ambushed an Israeli convoy in the security zone, killing one soldier and wounding three others. Three days later, two would-be infiltrators from the Popular Front for the Liberation of Palestine (PFLP) were killed by Israeli troops in the security zone. On July 4, an Israeli soldier was killed in the security zone. And two days later, another soldier was killed during heavy Hezbollah attacks on Israeli positions.

On July 10, the Israeli navy intercepted three PFLP frogmen as they prepared to swim across the border at Rosh Hanikra; two were killed, one was captured. On July 25, another Israeli soldier was killed, and 20 others were injured, in Hezbollah attacks. On August 4, during an Israeli air raid on Hezbollah targets, one bomb strayed off course and demolished a house, killing 10 civilians and injuring 15 more. The army issued an apology. The following day, Hezbollah Katyusha fire caused some damage but no injuries in Galilee towns and villages. Three Israeli soldiers were killed in clashes during the month.

The catalogue of violence extended into September, with the death of an Israeli soldier in a Hezbollah ambush on September 8. On October 19, Israeli troops mistakenly shelled a house north of the security zone, killing seven people. Hezbollah responded with Katyusha fire at the Galilee that day, and again on October 26, to mark its opposition to the Israeli-Jordanian peace treaty that was being signed that day. Three days later, in one of the year's boldest Hezbollah attacks, a group of gunmen came close to overrunning an Israeli army outpost at Dabsha on the edge of the security zone. The commander of the post was relieved of his command, and a soldier who abandoned his position was jailed, after one soldier was killed and two others were injured before the attackers were repulsed.

After almost complete stagnation on the diplomatic front, there was a brief flurry of diplomatic activity in the fall of 1994, following an announcement by President Elias Hrawi of Lebanon of a proposal for peace talks within the framework of a joint Israeli-Lebanese military and political commission. Rabin asked Secretary of State Warren Christopher to try to ascertain the seriousness of Lebanon's apparent new readiness to enter talks in a new and distinct framework. He also drew up a six-point Israeli proposal for a withdrawal from the security zone that included the Lebanese army's disarming of Hezbollah; an Israeli pullout from the security zone at the end of a six-month trial period, provided the Lebanese army had kept the peace; and the retention of UN forces in south Lebanon until it was agreed that the overall situation was stable.

The diplomatic optimism proved short-lived, however. Syrian officials indicated
their disapproval of the Lebanese offer, and Hrawi subsequently indicated that he could not approve the disarming of Hezbollah until after Israel had left the security zone, thus effectively rejecting Rabin's proposal.

Intermittent flare-ups of violence continued into the winter. On November 21, two heavily armed members of the Democratic Front for the Liberation of Palestine were shot dead by SLA troops as they tried to infiltrate through the security zone. A week later, three Islamic Jihad gunmen were killed in an exchange of fire. In December six Israeli soldiers were killed, and twice that number were wounded by Hezbollah fire. On December 21, in Beirut, a car-bomb explosion in a Hezbollah-controlled suburb killed four people, including Fuad Mughniyeh, brother of one of the world's most notorious Islamic terror masterminds, the Teheran-based Imad Mughniyeh, who reportedly orchestrated the 1980s Hezbollah campaign of hijackings and kidnappings. Hezbollah accused Israel of responsibility. Israel did not issue a denial.

A January 31, 1995, clash with Hezbollah north of the security zone left one Israeli soldier, along with three Hezbollah gunmen, dead. Clashes continued in the security zone on a frequent basis in the following months, punctuated by intermittent Israeli air raids on suspected Hezbollah and Palestinian rejectionist bases. Eleven Israeli soldiers were wounded when a Hezbollah suicide bomber drove a carload of explosives into their convoy in the security zone on April 25. A May 17 mortar attack on an IDF position in the zone left another Israeli soldier dead. And three soldiers died in a Hezbollah ambush on June 18. By mid-year, with the prospects of an Israel-Syria deal receding, the likelihood of new calm on the Israel-Lebanon border was fading too.

Relations with Other Arab and Middle East Countries

Although implementation of the Israel-PLO autonomy accords did not proceed smoothly in the period under review, the very fact that Israel and the Palestinians were negotiating to resolve their conflict enabled other Arab states to begin the gradual process of reconciliation. It would be a gross exaggeration to claim that relations between Israel and the Arab world were revolutionized, or that the process by which Egypt had been isolated in the late 1970s was reversed. But, with the conspicuous exceptions of countries like Iran and Libya, there were innumerable signs that attitudes were softening and long-held stances shifting.

Much of the work of breaking new ground and reconciliation occurred within the framework of the multilateral peace negotiations. These had begun tentatively as a vague exercise in confidence-building, parallel to Israel's direct talks with the Palestinians, Jordan, Syria, and Lebanon, but they developed into an increasingly important element for boosting regional stability. In the course of 1994 and early 1995, sessions of the talks were hosted in Arab capitals hitherto implacably hostile to Israel and invariably in a remarkably friendly atmosphere.
Leading the way to a new position on Israel was an unlikely candidate, the Gulf emirate of Qatar, whose foreign minister, Sheikh Hamed bin Jassem al-Thani, held a series of unpublicized meetings with Energy Minister Moshe Shahal and Foreign Minister Shimon Peres of Israel. In late January 1994, al-Thani publicly called for a program to lift the Arab trade boycott of Israel, committed his country to hosting multilateral peace negotiations in its capital, Doha, in late spring, and revealed that he was engaged in negotiations to sell natural gas to Israel and to pipe it, via Israel, to other countries.

In fact, Qatar was beaten out by Oman when it came to hosting the multilateral talks. In mid-April, Deputy Foreign Minister Yossi Beilin led an Israeli delegation to Oman's capital, Muscat, for multilateral talks on regional water issues. In practice, the discussions ranged wider than merely water, taking in the potential for regional cooperation in agriculture, industry, marketing, tourism, and more. Perhaps most important, though, was the simple fact of the talks taking place and of the Israeli negotiators being welcomed without excessive fuss or concern, for all the world as though Israeli delegations had been flying into Muscat for years.

Initially, the water talks had been scheduled to be held in Canada. Oman fought for the change in venue, winning not only international prestige by breaking ground in hosting the Israelis, but also more concrete gains. These included approval for the establishment of a desalination center inside Oman and an Israeli offer to help rehabilitate the country's municipal water pipeline networks, whose poor condition cost the water-starved state much of its water resources.

In early May, a similar experience was repeated in Qatar, which hosted Israeli diplomats and journalists at multilateral talks on regional disarmament. And in October, Environment Minister Yossi Sarid led an Israeli delegation to multilateral talks on regional environmental issues in Bahrain, taking the opportunity to meet with members of the Gulf state's tiny Jewish community.

By early summer, cracks were appearing in the wall of Arab trade boycotts, with Foreign Minister Sabah al-Sabah of Kuwait announcing that his country was dropping secondary sanctions and would begin dealing with companies previously blacklisted for trading with Israel. Then, formally, on September 30, Saudi Arabia and the five other member states of the Gulf Cooperation Council announced that they would no longer abide by the secondary and tertiary boycotts of firms doing business with Israel. The move seemed inevitable, given that these countries sent representatives to the Casablanca conference on regional development, initiated by Israel, at the end of the month.

By mid-November, the respected Israeli daily Ha'aretz was predicting that Oman, Bahrain, and Qatar would all open interest sections in Tel Aviv within six months. On December 26, Rabin flew to Oman—the first public trip to a Gulf state by an Israeli premier—to meet with Sultan Qaboos Bin Said.

The first half of 1995, however, saw little significant progress toward the hoped-for warming of ties between Israel and the Gulf states. Neither Oman, nor Bahrain,
nor Qatar, in fact opened their anticipated Tel Aviv interest sections. And Saudi Arabia's continued caution where Israel was concerned was underlined in late April when the Saudis insisted that 2,600 Israeli Arabs, set to go to Mecca for the hajj, travel on Palestinian passports. Israel refused. In the end, the group crossed into Jordan on their Israeli passports, and were issued there with documents for entry to Saudi Arabia.

TUNISIA

In another sign of the new openness in the Arab world, Tunisia allowed a group of 25 Israelis, traveling on Israeli passports, to join the late April 1994 annual pilgrimage to the ancient synagogue of El-Ghriba on the Tunisian island of Djerba. On October 1, Israel and Tunisia announced that they would open interest sections in each other's countries; three days later, Foreign Minister Habib Ben-Yehiya held a first public meeting with Foreign Minister Shimon Peres in Washington. On October 30, Environment Minister Sarid became the first Israeli minister to pay an official visit to Tunisia, attending a conference on regional environmental issues.

MOROCCO

Foreign Minister Peres paid a visit to Rabat in early June 1994, returning with Moroccan agreement to start direct flights and establish direct post and phone links between Israel and Morocco. Later that month, Morocco hosted multilateral talks on economic affairs.

On September 1, in a joint announcement, Israel and Morocco declared the establishment of diplomatic ties. The two countries agreed to open liaison offices in Rabat and Tel Aviv, and Morocco also said it would open such an office in Gaza. Morocco thus became the second Arab state, after Egypt, to establish formal relations with Israel.

On October 21, King Hassan had a warm and unprecedented interview on Israel Television, pledging his country's full support for the peace process and condemning the recent Tel Aviv bus bombing. He also declared that he still considered all Moroccan-born Israelis to be his "children" and still full Moroccan citizens. In yet another conciliatory move, King Hassan agreed to host a conference in Casablanca at the end of October, initiated by Peres, bringing together Israel, Jordan, the Palestinians, Tunisia, Saudi Arabia, and several other Gulf states to discuss regional economic development. Hundreds of private companies from around the world sent representatives to discuss specific development projects, with proposals for a Mediterranean-Dead Sea canal, a regional bank, and other tourism and infrastructure projects all given serious discussion. Though Syria and Lebanon stayed away, the conference was judged a success, and a follow-up was scheduled for Amman the following April. The Amman conference was subsequently rescheduled for October 1995.

The Israeli delegation was headed by Prime Minister Rabin and included a large
proportion of the cabinet and a sizable business delegation. Among the more notable “firsts” was a good-natured meeting between Peres and the foreign minister of Bahrain, Sheikh Muhammad Bin-Mubarak al-Khalifa, who allowed Israel Television’s cameras to screen the encounter. At the end of the conference, on November 1, Peres traveled to Rabat for the formal opening of Israel’s liaison office there.

In March 1995, with a minimum of publicity, Morocco reciprocated, opening a liaison office, staffed by three diplomats, in Tel Aviv.

EGYPT

Despite repeated overtures and invitations from Israeli leaders, President Hosni Mubarak of Egypt maintained his steadfast refusal to visit Israel. Nevertheless, Mubarak personally played a key role in achieving the Gaza-and-Jericho-first agreement with the PLO, in recognition of which the parties decided to hold the May 1994 signing ceremony in Cairo. Again, when Arafat’s refusal to sign some of the documentation threatened to ruin the ceremony and halt the process, it was Mubarak who stepped in and pushed Arafat to sign the documents.

The warm personal relations between Rabin and Mubarak were reinforced at a summit meeting between the two men at Taba, just inside Egypt along the coast from Eilat, on July 1. The two exchanged thoughts on the peace process in an atmosphere both sides described as warm and constructive.

While Mubarak stayed away from Israel, his foreign minister, Amre Moussa, did make a first state visit, a two-day trip that began on August 30. He used the visit to launch the first salvos in what was to prove an unsuccessful Egyptian campaign to persuade Israel to sign the Nuclear Non-Proliferation Treaty (NPT) when it came up for renewal in 1995. He also toured the Old City, met with Palestinian leaders, and visited the Yad Vashem Holocaust Memorial. Initially, Moussa had declined to include the museum on his itinerary; he bowed to repeated entreaties from Peres after the omission triggered something of an outcry in the Israeli media.

Toward the end of the year, Mubarak publicly took up the call for Israel to sign the NPT, warning that Egypt would not sign if Israel did not, and threatening to try to mobilize other Arab states to refrain from signing as well. The Egyptian demand — repeated despite Israeli objections that it could hardly strip itself of its deterrent power at the same time as it was withdrawing from territory in the framework of the peace process — placed a further strain on relations. The Egyptian demand for Israel to sign the NPT was repeated in the early months of 1995, with Foreign Minister Amre Moussa asking publicly in February why it was deemed acceptable for Israel to have a nuclear arsenal, but not Iran. Later that month, Peres flew to Cairo to discuss the issue with Mubarak. He said Israel would be willing to sign the treaty after it reached peace accords with all regional states including Iran, Iraq, and Libya. Mubarak was unimpressed.

When the crunch came, however, at the UN vote in New York on May 11, 1995, Egypt voted with 177 other countries to extend the treaty, and failed in its effort
to have the final decision include a specific call to Israel to open its nuclear installations to inspection. There were also reports from Cairo that Egypt was feeling left behind by the peace process, sensing that Israel preferred doing business with Jordan and the Palestinians and was neglecting Egypt's potential.

Confirming the sense of a cold peace was a late December survey published by the Egyptian newspaper *al-Ahram*. Of the 1,505 adults questioned, 71 percent said they would not buy Israeli goods, 53 percent opposed Israeli tourism to Egypt, 63 percent would not visit Israel, and 75 percent opposed Israeli investment in Egypt.

In December President Weizman made a high-profile trip to Cairo, trying yet again to persuade Mubarak to visit Israel, but eliciting only the standard, noncommittal Mubarak response: "I have no problem with visiting Israel."

A few days after Weizman departed, Mubarak convened a mini-summit in Alexandria, with Syria's president Assad and Saudi ruler King Fahd. Israeli media reports suggested that the trio had agreed to slow down the process of Arab reconciliation with Israel, and that they subsequently applied direct pressure to Gulf states such as Oman and Qatar to hold off on formalizing ties. On January 3, 1995, however, Mubarak hosted Peres in Cairo and assured him that no anti-Israel or antipeace plans had been hatched at the Alexandria summit.

To underline Egypt's continuing commitment to regional reconciliation, Mubarak on February 2 hosted an unprecedented four-way summit, with Rabin, Arafat, and King Hussein. The main item on the agenda was the need for joint action against Muslim extremist terrorism.

**IRAQ**

Three years after Saddam Hussein peppered Israel with Scud missiles, there was a new Iraqi export to Israel—defectors. In the first month of 1994 alone, five Iraqi defectors slipped across the border from Jordan into Israel, several of them sailing across the Dead Sea in rubber inner tubes. The defectors—mostly army deserters—continued to arrive over the coming months, and by the end of the year there were more than 30 of them. Reluctant to grant them refugee status, wary that some of them might be spies, and unable to find a third country willing to take them in, Israel housed them in an empty wing of the Ayalon jail near Ramleh.

In March 1995 it was rumored that either Holland or Canada might be willing to take in the defectors, but they remained in jail through the summer. Officials in Arafat's Palestinian Authority said in late summer that they would be willing to absorb the Iraqis in Gaza, but few of the defectors were said to be attracted by the offer, noting that the Palestinians had sided with Iraq during the Gulf War and were not likely to accord them a warm welcome.

In the summer, somewhat remarkably, reports began to surface of secret contacts between Iraqi and Israeli officials, with a view to the establishment of some kind of formal ties between the two countries. In an August 12 Israel Television report, the alleged contacts were denied by both sides.
Still, the rumors rumbled on, with suggestions that one or more meetings had taken place between Israeli and Iraqi officials at the UN or in Europe. Two Iraqi-born cabinet ministers, Police Minister Moshe Shahal and Housing Minister Benjamin Ben-Eliezer, were said to have been quietly promoting the idea of peace with Iraq and even, according to some reports, to have met in Morocco with Iraq's deputy prime minister, Tariq Aziz. Aziz was said to have sent a message to Israel's UN ambassador, Gad Ya'acobi, saying that since the autonomy deal with the PLO, "Saddam Hussein no longer considers the Jewish state as an enemy."

Reports of these and other conciliatory statements were said to have infuriated a Clinton administration determined to enforce sanctions on Iraq. American officials believed that Iraq saw the establishment of ties with Israel as a means of improving its relations with the West and were reported to be putting pressure on Rabin to block any Iraqi peace initiatives. In early September, Rabin specifically ordered members of his cabinet and other officials to rebuff all approaches from Baghdad.

Nevertheless, suggestions of a change in climate were borne out by Israeli media reports in December that 70 Jews had been allowed to leave Iraq over the past three years, and that the remaining 80, mainly elderly, members of the community had also received permission to exit.

**IRAN**

Israeli leaders, and particularly Rabin, continued to blame Iran not only for inspiring the militants of Hamas and Islamic Jihad to carry out suicide bombings and other attacks on Israeli targets but also for providing funding, training, and other logistical support for the militants. Rabin even branded the new wave of Islamic terror "Khomeini-ism without Khomeini."

In July 1994, when Israeli and Jewish targets overseas were hit by a wave of terrorist attacks—the July 18 bombing of the Jewish community building in Buenos Aires, the July 19 explosion on a plane carrying Jews and Israelis in northern Panama, and the July 26–27 blasts at the Israeli embassy and a Jewish community building in London—Israel unhesitatingly pointed the finger of blame at Teheran. "Iran, with its lies, hostility and hatred," said Shimon Peres, "is trying to turn the Jewish people into a collective Salman Rushdie." Naturally, Iran strenuously denied any involvement in any of the attacks and claimed that Israel was deliberately seeking to blacken its name. Mutual accusations were exchanged for several weeks over the summer.

Israel continued to watch with concern Iran's strategic process of rearmament and its drive toward a nuclear capacity. In the spring of 1995, a flurry of Israeli media reports suggested that Iran was one to seven years away from nuclear self-sufficiency. Rabin continued to reiterate how gravely he perceived the threat from Iran.
Relations with the United States

The Rabin government’s warm relations with the Clinton administration continued to develop throughout the year, with Israel benefiting from Washington’s consistent commitment to advancing the regional peace process. That commitment was reflected in the frequent shuttle missions to the region undertaken by Secretary of State Christopher in the course of 1994 and early 1995, during which he attempted, with only limited success, to mediate some concrete progress in Israeli-Syrian peace negotiations. It was further underscored by President Bill Clinton’s personal involvement on the Syrian track—his meetings with President Assad in Geneva in January 1994 and in Damascus in October.

Washington also played a significant role in the Israel-Jordan accommodation, the White House hosting the historic public reconciliation of Yitzhak Rabin and King Hussein in July. This in turn led to the October signing of the Israeli-Jordanian peace treaty, an event for which President Clinton flew specially to the region.

The year 1994 began with the appointment of a new American ambassador to Israel, Edward Djerejian, the first U.S. envoy in Tel Aviv to have previously served in Damascus. Ambassador in Syria from 1988 to 1991, and then a senior member of the State Department’s Middle East peace team, Djerejian seemed an ideal candidate to push forward the regional peace process. Fluent in Arabic, he had served at embassies in Jordan, Lebanon, and Morocco, as well as Syria.

Djerejian’s arrival came after some minor problems in American diplomatic postings to Israel. William Harrop, a Bush political appointee, was dismissed in 1993 for deviating from U.S. policy, having spoken out of turn in March 1993 when delivering a warning that “it may prove difficult” for Washington to maintain its annual $3 billion in aid to Israel. William Brown, Harrop’s predecessor, was hurriedly dispatched to Tel Aviv as a temporary replacement. Djerejian, arriving in January 1994, replaced Brown. In the event, Djerejian proved to be a short-term appointee as well. He served for only five months before announcing in May that he was stepping down to accept the directorship of a Houston think tank affiliated with his old boss, former secretary of state James Baker.

His replacement, almost a year later (a chargé d’affaires filling the post in the interim), was Martin Indyk, at 43 the youngest ever American envoy to Israel, but remarkable for more than his youth. For one thing, the London-born, Australian-raised Indyk had only become an American citizen in March 1993. For another, he was Jewish. A former Middle East official at the Australian Prime Minister’s Office, Indyk had worked for the pro-Israel lobby AIPAC in Washington before forming the well-regarded Washington Institute, a think tank on the Middle East. After Clinton’s election in 1992, he was offered a key post on the U.S. Middle East peace team; when Djerejian announced that he was stepping down, Indyk was thought to be the natural choice to replace him. He took up his appointment in Tel Aviv in the spring of 1995 and was immediately plunged into a controversy surrounding the rights and wrongs of a possible transfer of the embassy to Jerusalem.
In early May, bills were introduced in the Senate and in the House mandating that the construction of an American embassy complex in Jerusalem should begin by the end of 1996, and allocating $105 million to the project over the coming three years. Explaining his bill at a gathering of AIPAC in Washington, Sen. Robert Dole declared, "Jerusalem is today, as it has been for three millennia, the heart and soul of the Jewish people. It is also, and should remain forever, the eternal and undivided capital of the state of Israel."

The White House, however, expressed opposition to the effort to relocate the embassy, with Ambassador Indyk stating that he feared such a move might harm the peace process with the Palestinians, under the terms of which the status of Jerusalem was to be negotiated in talks starting no later than May 1996.

The issue dominated Rabin's mid-May 1995 visit to the United States. On the one hand, the prime minister did not wish to come out publicly against a move that would help underline Israeli claims to the city; on the other hand, he shared Indyk's fears that the controversy might torpedo the peace negotiations. Somewhat lamely, therefore, Rabin branded the argument a "domestic" American issue, and did his best to avoid comment. As of mid-1995, neither of the two bills had come up for a vote.

(On this trip, Rabin visited the West Orange, New Jersey home of Alisa Flatow, the college student killed in the Gaza Strip in April, and thanked her family for donating her organs to Israelis.)

American defense and civilian aid continued to flow to Israel, with the United States maintaining its majority funding in the Arrow antimissile missile project. When Rabin had visited Washington in late November 1994, several senior congressmen warned him that the $3-billion annual aid package might have to be trimmed back in the long term. But so long as the peace process continued, Rabin was told, the full package would be maintained.

If relations with the Clinton administration were smooth, relations with the American Jewish community were sometimes a little rockier. For the most part, American Jewish organizations and key figures kept any criticisms they may have had of the Rabin government's peace policies to themselves, but there were a number of angry outbursts, particularly in the first half of 1995.

The incident that raised the most publicity took place during an address by Communications Minister Shulamit Aloni, leader of the left-wing Meretz Party (a junior coalition partner), at a gathering prior to the annual New York City Salute to Israel parade on May 21. Jack Avital, one of the parade organizers, allegedly punched Aloni in the stomach during her speech, and then later described her as "loathsome" and said there was "no politician in Israel I despise more than her." Still, Avital denied punching the minister, claiming he had been trying to restore order. Aloni did not press charges.

A less sensational, but more significant, protest against the autonomy process and other Rabin peace moves was registered in June by the 3,000-strong International Rabbinical Coalition for Israel. In a ruling issued in New York, the rabbis stated
that “uprooting Jewish settlements in the Golan, Judea, Samaria and Gaza, as part of the ‘false Israeli peace,’ is a national crime, and it is forbidden for a Jew to lend a hand to such a deed.” Rabin hit back by stating, “Only those who send their children and grandchildren to the Israeli army, not some rabbis from New York, have the right to express views on the peace process.”

**Other Foreign Relations**

At the end of December 1993, Israel and the Vatican had signed an agreement committing themselves to establishing full diplomatic ties. In mid-March 1994, Prime Minister Rabin paid a visit to Pope John Paul II at the Vatican, taking the opportunity — in the aftermath of the Hebron massacre — to seek the pope’s assistance in restarting peace talks with the Palestinians.

It was an indication of the rapidly improving relations between Israel and the Holy See that Rabin made the request in the first place, and that the pope responded by sending a special emissary to PLO headquarters in Tunis. The pope also told Rabin that he hoped comprehensive peace would be achieved in the Middle East by the year 2,000, as Christianity approached the end of its second millennium.

By May, Edward Cardinal Cassidy, president of the Vatican Commission for Religious Relations with Judaism, was in Jerusalem, as agreement neared on signing full diplomatic relations. In one of the clearest public admissions of Church failures during the Holocaust, Cassidy declared during his visit, “Members of the Catholic Church committed the sin of anti-Semitism and we must ask forgiveness for not . . . preventing the Holocaust.”

Finally, on June 15, 1994, full relations were formally established. On August 16, Israel’s Shmuel Hadas and the Vatican’s Archbishop Andre de Montezemolo presented their respective ambassadorial credentials, and the Vatican embassy was opened in Jaffa.

Israel’s ties with Turkey were improved by a late-January 1994 visit by President Weizman to Ankara, which set in motion talks on a free-trade agreement and on the exchange of information for countering terrorism. Turkey had become an increasingly popular tourist spot for Israelis attracted by the relatively cheap accommodations and the casinos. In 1994, up to 250,000 Israelis were said to have vacationed there, which helped Turkey to compensate for European and American cancellations prompted by bombing campaigns by the secessionist Kurdistan Workers Party. In early November, Turkey’s prime minister, Tansu Ciller, came to Israel, but she enraged the government by holding talks with Palestinian leaders at the Orient House in East Jerusalem.

In January 1994, at a ceremony in Washington, Israel and Madagascar restored ties. The island off the east coast of Africa had severed relations after the Yom Kippur War of 1973. Other countries establishing or renewing ties with Israel in the period under review included Equatorial Guinea (in January), Namibia (in February), Guinea-Bissau (in March), Andorra (in May), Cape Verde and Uganda (in
Chief Rabbi Israel Lau paid a ground-breaking visit to Cuba in February 1994; he reported on his return that President Fidel Castro was in no hurry to establish diplomatic relations with Israel or to sanction the emigration of the 1,000 remaining Jews.

That same month, South African president Nelson Mandela canceled a planned visit, saying he would reschedule it when Israel and the PLO signed a full peace agreement. On May 10, President Ezer Weizman flew to Pretoria to attend Mandela's inauguration. On this occasion, the two presidents also met with Arafat, and Weizman held talks with Castro, inviting the Cuban leader to visit Israel.

In late April, Rabin paid a four-day visit to Russia, signing several cooperation agreements and hearing from President Boris Yeltsin of Russia's desire for closer ties with Israel. However, Russian officials denied Israeli media reports that the country had promised Rabin not to sell new weaponry to Iran or Syria.

Hopes that Malaysia, a predominantly Muslim country with 18 million citizens, might recognize Israel were lifted by a June 18, 1994 visit to Israel by Prince Abduallah Rahaman. The prince met with Rabin and Peres and reportedly discussed economic and diplomatic ties. But the Malaysian government subsequently indicated that the prince had been on a purely private visit, and that there were no plans for opening formal relations.

Israeli-Pakistani contacts, never warm at the best of times, soured further in late August as a result of a most undiplomatic incident. Without informing Israel of her plans, Prime Minister Benazir Bhutto decided that she would like to be the first foreign head of state to call on Yasir Arafat in newly autonomous Gaza. When Israel refused to allow her envoy to cross into the autonomous area, stating that it had not been given sufficient advance warning, Bhutto responded that she would go to Gaza anyway on September 4, but would not see any Israelis. Bhutto subsequently canceled the visit and later declined a belated invitation from Israel. Although Deputy Foreign Minister Yossi Beilin predicted the imminent establishment of formal diplomatic relations with Pakistan, this had not occurred by mid-1995.

In mid-September 1994, Guatemala announced that it was moving its embassy from Tel Aviv to Jerusalem, where only two countries, Costa Rica and El Salvador, maintained embassies. In response, the 22 Arab League countries announced that they would halt imports of cardamon, a key Guatemalan export widely used in coffee in Arab countries.

In October the most important delegation ever to visit Israel from China arrived for a four-day trip that included meetings with Weizman, Rabin, industrialists, and hi-tech specialists. The Chinese delegation was headed by Zou Jia-Hua, the deputy prime minister responsible for all economic-related ministries, agriculture, and defense industries.

In mid-December Rabin made a trip to the Far East, taking in Japan and South
Korea, with much of the focus on stimulating trade. Accompanied by an entourage of leading Israeli businessmen, Rabin sought to further boost exports to the region, including diamonds, plastics, chemicals, electronics, and machinery. Agreement was reached on adding the Tel Aviv Stock Exchange to the list of foreign exchanges in which Japanese firms could invest. Peace was also on the agenda, especially since Japan had been playing a leading role in the multilateral talks, chairing the committee on the environment and pushing several major tourism projects in the Red Sea area.

Israeli-German ties, always sensitive, were strained by Israeli accusations—made in private briefings by government officials—that Germany was using the Ron Arad affair as a pretext for deepening its contacts with Iran. Several times during the year, German media speculated that Arad’s release might be imminent or that prisoner exchanges were being arranged, basing their reports on unnamed German officials. Israeli officials asserted that Germany’s professed contacts with Iran over Arad were often a fig leaf for economic and trade negotiations.

Overall, in this period, Israeli-German ties were dominated by various World War II-related anniversaries. Chief of Staff Ehud Barak paid a visit to Germany in July 1994, attending a Holocaust commemoration ceremony at the Sachsenhausen concentration camp. In mid-December, German president Roman Herzog came to Jerusalem. Speaking of the Holocaust during a tour of the Yad Vashem Holocaust Memorial, he declared, “Until the end of my days, I will try to prevent this from happening again, in Germany or elsewhere.”

In June 1995, Chancellor Helmut Kohl, who first visited Israel in 1984, made a second visit, touring Yad Vashem, which he said awakened “horrible memories. I can only be full of shame about what has been done in the name of Germany.”

In mid-March 1995, Britain’s John Major paid a four-day visit to the region, taking in not only Israel, but also Jordan and the territories. He met with Yasir Arafat in Gaza but, sensitive to Israeli objections, canceled a planned visit to the PLO’s controversial Jerusalem headquarters at the Orient House, sending a lower-level official instead.

Because the activities at the Orient House represented a Palestinian effort to assert a certain legitimacy to its claims in the city, Israel kept up a running battle with various visiting dignitaries in the first half of 1995, urging them not to visit the building. While Major acceded to the Israeli request, Ireland’s foreign minister, Dick Spring, visiting in June, insisted on going to the Orient House, where he held talks with PLO official Faisal Husseini. In protest, President Weizman canceled his scheduled meeting with Spring.

In May 1995, President Weizman flew to London, Paris, and Moscow, to attend World War II anniversary ceremonies.
Political Developments

The growing importance of American-style “personality politics” in Israel was underlined in late spring when Haim Ramon, a rising young Labor Party politician, left the party to campaign on an independent list for control of the Histadrut labor federation, a traditional bastion of Labor Party power predating even the establishment of the state.

Ramon had been the second-youngest member of Yitzhak Rabin’s cabinet after Shas leader Arye Deri, had played a leading role in the negotiations to form the governing coalition, had been crucial in recruiting Shas to the coalition ranks, and had been rewarded with the post of minister of health. In that position, Ramon tried to implement a radical reform of the country’s health service, cutting off the largest health insurance fund, Kupat Holim Clalit, from the control of the Histadrut. The Histadrut establishment within the Labor Party, however, torpedoed the planned reforms; Rabin failed to intervene on his behalf, and Ramon was left defeated, frustrated, and humiliated. “You’re like whales heading for the beach to kill yourselves,” he stormed at one Labor Party meeting.

Ramon resigned as health minister in early February 1994; on April 11, a mere month before elections for control of the Histadrut, he announced dramatically that he would be running for the post of Histadrut secretary-general, and that he had set up a new, independent list, in alliance with the dovish Meretz and the ultra-Orthodox Shas, to try to win control of the giant federation. Along with several supporters, he was immediately expelled from the Labor Party.

Astoundingly, Ramon pulled it off, ending Labor’s uninterrupted 74-year hold on the Histadrut. He swept into power on May 10 with an extraordinary 47 percent of the vote, leaving Labor and the outgoing secretary-general, Haim Haberfeld, with just 33 percent, and the Likud trailing a poor third with 17 percent.

Ramon had mounted a shrewd campaign, carried out in lightning fast time, and with a $600,000 budget that amounted to barely 40 percent of the sum Labor spent. He relied on the appeal of his youth, considerable charisma, and the stated aim of bringing a new openness into a bureaucracy widely perceived as corrupt and dominated by elderly, colorless party veterans. At strategic junctions up and down Israel, on polling day, massive billboards showed Ramon’s blown up features beaming down on the voters under the slogan “Haim Hadashim,” a Hebrew pun meaning not only “a new Haim” (Ramon replacing Haberfeld), but also “a new life” (or rather a new lease on life, for the Histadrut).

The defeat was a bitter blow for Labor—the loss of an important power base coming hard on the heels of the previous year’s loss of the Jerusalem mayoralty (when veteran mayor Teddy Kollek was roundly defeated by Likud Knesset member Ehud Olmert). But much worse was to follow. Ramon had campaigned on a promise to clean up the Histadrut. Making good on that commitment, he and his
new team began checking over the books. The picture that emerged, he said, was "blacker than black."

The new brooms at the Histadrut began handing over huge piles of documentary evidence to the police, fueling a corruption investigation that continued and deepened in the course of the first half of 1995. Among those allegedly involved were Haberfeld and his predecessor, Yisrael Kessar, minister of transport in the Rabin government, both of whom were suspected of having illegally siphoned off hundreds of thousands of shekels, possibly even millions, to finance personal political campaigns. At least three other serving Labor Knesset members were also mentioned in connection with alleged misuse of funds, and numerous veteran Histadrut officials spent long hours in police questioning.

Party officials declared strenuously that it would be wrong and unfair to taint Labor with corruption charges originating in the Histadrut, but many analysts believed such a connection was inevitable and understandable, and that the scandal could snowball sufficiently to undermine support for Labor in the 1996 elections, possibly even costing the party its hold on power.

Aides to Rabin, however, took an opposite view. Asserting that Rabin had never hidden his contempt for many of the Histadrut's working methods and was in no way identified with the Histadrut machine, they claimed that the party—and the prime minister in particular—would emerge strengthened from the affair. If the Histadrut was cleaned out and reformed during his term as prime minister, these aides argued, that could only boost Rabin's standing with the public.

The traditional Labor establishment suffered another blow when the Jewish Agency selected as its new chairman, on February 14, 1995, Avraham Burg, a dovish, Orthodox Labor Knesset member, despite Rabin's conspicuous failure to support his candidacy. (See "Dinitz Affair," below.) Combined with Ramon's seizure of power at the Histadrut, this was another major gain for a younger generation of Labor-linked politicians.

Ramon and Burg, indeed, had long been members of a so-called group of eight, all Labor Knesset members bent on reforming the party and eventually taking over leadership from the septuagenarians Rabin and Peres. Other members of the group include Yael Dayan, daughter of the late, legendary general Moshe Dayan, and deputy ministers Yossi Beilin and Nawaf Masalha (a Labor Arab Knesset member).

As the scandal over alleged misuse of Histadrut funds threatened to envelop the Labor Party in early 1995, Hagai Merom, the most outspoken member of the group of eight, suggested publicly that Rabin should step aside in advance of the scheduled 1996 elections and that Ramon should lead Labor and the left as the candidate for prime minister.

Ramon professed himself horrified by Merom's remarks and immediately pledged his unstinting support for Rabin. But Ramon, by virtue of his Histadrut victory, had proved he had the drive and charisma to win elections and made no secret of his eventual ambition to seek the Israeli premiership. Burg, too, if he proved a success at the Agency, would be well placed to further his Labor leadership aspirations.
Although general elections were not scheduled until the fall of 1996, political groupings across the spectrum began mobilizing and examining their options.

Foremost among those sectors of the population that considered themselves underrepresented in the current Knesset were Israel's 800,000 Arab citizens. Although they constituted between 15 and 20 percent of the voting public, they were represented by only two predominantly Arab parties, the Democratic Front for Peace and Equality and the Arab Democratic Party, with just five seats between them.

These five Knesset members gave Rabin his crucial majority of 61 in the 120-seat parliament. (Labor and its junior coalition partner, Meretz, had just 56 seats between them. Rabin's coalition was boosted in July, however, when two of three members of a right-wing breakaway party, Yi'ud, crossed to the government benches.) But although the Arab politicians had been able to use the leverage their position gave them to extract an increase in government funding for Arab local councils and other concessions, community leaders felt that their voting strength, if used more intelligently in the future, could give them far greater influence.

Well aware that disunity among voters had dissipated the potential Israeli Arab political clout for decades, activists began mobilizing in the winter of 1994 with the aim of getting together a single, unified Israeli Arab political party that would attract wholehearted Israeli Arab support in 1996 and could potentially yield a Knesset bloc numbering a dozen seats or more. The two central figures in this effort were Ahmed Tibi and Abdallah Nimr Darwish.

Tibi, a gynecologist who had become politically active, served as a kind of liaison between Israeli officials and Arafat before the autonomy agreement and later as an adviser to Arafat on Israeli affairs. Darwish, a former Communist and the leader of the Israeli Arab Islamic Movement, an increasingly popular grouping, represented the acceptable face of nonextremist Islam, charting the difficult course between supporting the Palestinian struggle for independence and respecting Israeli Arab citizenship and responsibility. "In Israel," he was quoted as saying, "under democratic conditions, violence is unacceptable." Darwish was reluctant to consider standing for the Knesset himself, but held frequent contacts with Tibi about throwing the weight of the movement behind him.

New factions and realignments were also being contemplated by Jewish politicians, and especially by David Levy, the former Likud foreign minister who had been soundly defeated by Benjamin Netanyahu in the 1993 battle for the party leadership, following Yitzhak Shamir's election defeat and resignation. Infuriated by what he considered Netanyahu's patronizing attitude to him, and by what he perceived as a deliberate effort by Netanyahu to reduce his power base within the Likud, Levy in late 1994 began taking soundings about the chances for success of a breakaway party, dedicated primarily to social issues and drawing much of its support from the Moroccan immigrant community of which Levy himself was a member.
By April 1995, Levy's supporters were claiming that their own polls showed that a party under his leadership could win between 10 and 20 Knesset seats. Even independent pollsters gave him at least five seats. On June 18, Levy finally made the split formal: He said that technically he would remain in the Likud until the next elections, but that he would then run for prime minister and campaign at the head of an as yet unnamed political movement, dedicated to social and economic issues.

While Levy geared up for 1996, other new political groupings were also taking shape. One of these, a movement tentatively titled the Third Way, aimed to represent the Israeli consensus on territorial compromise in favor of Palestinian autonomy, opposed to a Golan withdrawal; another was a new Russian immigrant party, led by former Soviet Prisoner of Zion Natan Sharansky. On June 7, 1995, Sharansky announced the establishment of a political movement aimed at making aliyah (immigration) and absorption top national priorities, to be called Yisrael Ba'Aliya.

THE POPULIST PRESIDENT

His uncle Chaim reputedly had a dictum that the only place a president should poke his nose was into his handkerchief. But throughout 1994, President Ezer Weizman continued to establish himself as one of Israel's most active presidents, intervening in areas many of his predecessors would have shied away from.

He took office in 1993 to considerable criticism from the right, which was disturbed by his longtime dovish positions and particularly by his early calls for negotiations with the PLO. Once installed in the President's House, however, Weizman did his utmost to show himself as representing the entire citizenship, irrespective of political orientation. Twice a week, on average, the presidential limousine went touring, paying visits to ordinary Israelis to learn about their problems—Russian and Ethiopian immigrants, members of kibbutzim and moshavim, settlers in the occupied territories, students, prisoners, and factory workers. "I see my task," he said during one such January 1994 outing, "as sowing as much unity as possible among the four-and-a-quarter million Jews and 800,000 Arabs in Israel. On these tours I'm trying, first of all, to see and learn for myself. I see things that perhaps some of my old colleagues don't see."

Pursuing the theme of fostering unity, Weizman launched an appeal to opposition political leaders to join Yitzhak Rabin's governing coalition, to enable it to rule with more stability. The call was rudely dismissed by opposition leaders early in the year, and Weizman was criticized by several political analysts for meddling in an issue outside his area of authority.

Early in 1995, Weizman's presidential outspokenness triggered the biggest storm of all when, in the aftermath of January's suicide bombing at Beit Lid, he issued an extraordinary call for the suspension of Israeli-PLO peace negotiations. Weizman echoed Likud and other opposition demands, his words running completely counter to the oft-stated government policy of maintaining the dialogue almost at all cost, to avoid a surrender to extremist opponents of the peace process.

"We have to suspend the talks," Weizman declared in a lengthy television inter-
view. He compared the battle for peace to a war, and said that when soldiers encountered a minefield, the last thing they should do was plow on relentlessly. Weizman said that he felt an obligation to speak out, since he believed he represented the views of the Israeli public. Press reports suggested that his remarks infuriated Rabin, although the prime minister went on record to deny this. All the way through to the summer of 1995, the president continued to call periodically for a suspension of the negotiations.

THE DINITZ AFFAIR

Simcha Dinitz, chairman of the Jewish Agency and a former Labor-appointed Israeli ambassador in Washington, was charged on February 14, 1994, with aggravated fraud and breach of trust, with the indictment filed days before a meeting in Jerusalem of the Agency's Board of Governors. He had been under investigation since early 1993 on suspicion of misusing Agency credit cards. (The Agency, which is responsible for overseeing immigration to Israel and the absorption of immigrants, has an annual budget of some $500 million, much of it raised in the Diaspora.) The central charges related to a total of some $22,000 in Agency funds that Dinitz was alleged to have spent on personal expenses.

Dinitz, who had held the chairmanship for seven years, immediately suspended himself from his post and agreed to resign formally in December, irrespective of the progress of his trial. On February 20, Yehiel Leket, a Labor politician who had held senior positions in the Agency and in the World Zionist Organization over the previous 20 years, was appointed acting chairman in Dinitz's stead. He began campaigning immediately to win the post on a permanent basis.

His chances of holding onto the position appeared to have been boosted in the summer, when Rabin declared that, with Leket at the helm, the Agency was in "stable and competent hands." But several other candidates were put forward. Among those mentioned were Keren Hayesod head and former Labor Knesset Speaker Shlomo Hillel; the former Likud mayor of Tel Aviv, Shlomo Lahat; and Avraham Burg (whose father, Yosef, was for many years the leader of the National Religious Party). On February 14, 1995, an ad hoc committee of the Agency's board of governors selected Burg over Leket for the permanent chairmanship.

The Dinitz trial, meanwhile, began on September 28, 1994, in Jerusalem district court. Dinitz pleaded not guilty to the charges against him. The trial was still continuing well into 1995.

Meanwhile, Meir Shetreet, a Likud Knesset member who had served as the Agency's treasurer, was also under investigation for alleged misuse of Agency funds.

THE DERI TRIAL

Another political trial that rumbled on throughout 1994 and 1995 was that of Arye Deri, the former interior minister and political leader of the Shas ultra-Orthodox party. (See AJYB 1995, pp. 426–31.) By mid-1995, the Jerusalem district
court was sitting four days a week, but was still months if not years away from hearing all the evidence on the corruption charges leveled against Deri and three associates. In late summer, the prosecution said it still had 150 witnesses to call and was unlikely to complete its presentation before March 1996. The defense was itself planning to call up to 100 witnesses. Analysts estimated that, at the current rate of progress, the trial could go on for a decade or more. Deri himself was expected to spend weeks, if not months, on the witness stand, having composed a written answer to the complex charges that ran to about 1,000 pages.

The cost of the trial—which centered on charges of misallocation of Interior Ministry funds by Deri, often allegedly to finance preferred Shas religious institutions—was acknowledged by both defense and prosecution to be astronomical. Before the case even came to court, a special squad of up to 50 police officers had spent three years investigating Deri's financial affairs. The police documentation apparently ran to half a million pages, supplemented by 7,500 hours of taped interviews.

Other allegations of misuse of government funds, meanwhile, were being probed by police investigating the Religious Affairs Ministry. Ministry officials from both Shas and the National Religious Party were suspected of allocating millions of shekels to organizations reporting nonexistent students and classes that never happened.

The Economy

The peace process helped fuel something of an economic boom in Israel, which enjoyed a growth rate for 1994 of more than 6.5 percent, with predictions for 1995 of 4.7 percent.

Inflation continued to constitute a problem in 1994, although by mid-1995 there were significant signs of improvement. Having projected an 8-percent inflation figure at the start of 1994, the government was forced to acknowledge by spring that this was overly optimistic. Three key factors pushed the 1994 inflation figure to 14.5 percent: surging housing prices, increases in fruit and vegetable prices, and rising private consumption. Halfway through 1995, by contrast, cautious early-year talk of single-digit inflation still seemed realistic, with the monthly indices kept down by a distinct slowdown in the housing market, helped by a concerted government drive to make more housing available.

Having fallen from 11.2 percent in 1992 to 10 percent in 1993, unemployment continued to slide gradually downward, to 7.8 percent of the working population at the end of 1994, and barely 7 percent by the end of June 1995. The drop in the jobless rates was helped by the ongoing overall economic growth and by the relative decline in immigration from the former Soviet Union. Importantly, longer-term indicators were also encouraging, with a survey of situations-vacant advertisements for the 1990-1993 period showing a 30-percent increase over the previous four years.

The GDP bounced back: from 1993's 3.4 percent, to 6.8 percent in 1994, with
per capita growth up from 0.9 percent in 1993 to 4.3 percent. Total GDP stood at $74 billion, with per capita production at $13,740.

Private consumption went on roaring upward, rising 9.3 percent overall and 6.8 percent per capita. Among the factors: easier credit and housing loan facilities; more competitive consumer prices; growing spending power among new immigrants; the impact of substantial public-sector wage rises; and the tendency among disappointed stock-market players to move their assets into more liquid avenues.

As for Israel's position in the global economy, the picture was mixed. Exports performed better than expected—boosted by the government's expansion of its export trade-risk insurance program, with the addition of Jordan and the Palestinian autonomous areas as insured destinations—to total $16.051 billion. But import levels soared as well—fuelled most significantly by the Bank of Israel's policy of leaving the shekel-dollar exchange rate almost unchanged from mid-1994—to a whopping $23.369 billion. Concern over the widening balance of trade deficit—$7.318 billion for 1994—extended on into 1995, when the deficit was growing by nearly a billion dollars a month.

The Bank of Israel had described 1993's rate of privatization of government companies as "unsatisfactory," and things took a turn for the worse in 1994. The projected revenue target of 4.6 billion shekels was rendered irrelevant before the year had even begun, when the Government Companies Authority overseeing privatization was forced to announce the suspension of most nonbank privatization projects. This came in the aftermath of a 24-hour strike on December 9, 1993, by the Histadrut labor federation, called to emphasize its determination to maintain existing labor practices and status for workers even after privatization. The subsequent falls on the Tel Aviv stock exchange further undermined the process, prompting the eleventh-hour cancellation of a planned 800-million shekel offering in the Shikun Ufituah Building and Development Corporation. Over the entire year, in fact, the government brought in just 600 million shekels from the stock exchange through sales of equity in corporations and banks, less than a fifth of 1993 revenues. The much-anticipated privatization programs for companies such as El Al and Bezeq communications, therefore, made no significant progress.

Tourism to Israel continued to surge upward, rising 12 percent in 1994 to a record total of 2.17 million arrivals—this despite concern that February's Hebron massacre would badly harm the industry. There were substantial increases in arrivals from Egypt, from the Far East, and from Eastern Europe. Outgoing tourism also soared, with 1.5 million Israelis touring abroad in 1994—34 percent of them choosing to holiday in Turkey, Greece, and Cyprus, attracted by the short journeys and low prices. Some hotels in Turkey reported that 85 percent of their high-season bookings came from Israel.

On the Tel Aviv stock exchange, 1994 was an unmitigated disaster—the year that saw the collapse of the five-year-old bull market. The General Share Index fell a shattering 47.3 percent, the Variables Index 30 percent, and the Parallel (non-blue-chip) Index 59.9 percent. Average daily turnover in 1993 had been 418 million
shekels; by December 1994, the typical daily turnover was 100 million shekels, or less. In the course of 1993, there had been 285 new issues; in 1994, there were just 177. In 1993, 10.6 billion shekels worth of equity had been raised; the figure for 1994 was 5.9 billion.

The spectacular nosedive was prompted and then sustained by a combination of factors. Prominent among them: a January clampdown on commercial bank credit; January and February warnings from analysts, Bank of Israel officials, and government economic ministers that high market levels had lost touch with reality; a series of investigations of portfolio managers for market-rigging; fears for the peace process in the wake of the Hebron massacre, hitting foreign investment levels particularly hard; the halt in almost all privatization activity, reflecting and cementing the sense of collapsing confidence; and crucially, an August government announcement of a planned tax on stock-exchange profits, followed by months of cabinet zigzagging on the provisions of the tax, and then on the workability of the entire idea, leading eventually (in January 1995) to its cancellation.

The state budget for 1995, approved by the Knesset on December 29, 1994, was 147 billion shekels.

FOREIGN WORKERS

The restrictions on Palestinian laborers entering Israel, imposed in the wake of the flurry of suicide bombings, left Israeli employers—particularly in the construction, tourism, and agriculture sectors—desperately understaffed. Although there were tens of thousands of Israeli job-seekers, few were willing to take work in these generally low-paid sectors. Under pressure from the employers, the government opted to allow the importation of foreign laborers from countries including Romania, Poland, Thailand, the Philippines, and various black African countries. By late summer, some 34,000 foreign laborers were working in the country legally, along with an estimated 15,000 illegals.

The Labor Ministry licensed 26 firms to bring in foreign workers and insure that they were properly treated. However, many other firms operated illegally, and as the months went by, there was a welter of publicity concerning foreign workers being exploited, paid appalling salaries, overworked, and housed in overcrowded conditions. A mere ten harassed Labor Ministry inspectors were responsible for supervising the workers' conditions nationwide, a number that ministry officials themselves admitted was woefully inadequate. Newspaper reports highlighted innumerable breaches of minimal employment standards.

In response to the negative publicity, the Builders Association formed an inspectorate of its own, designed to insure that employers provided proper housing conditions and maintained reasonable work practices. The Association also insisted that it was trying to attract Jewish workers, but that local job-seekers simply refused to work in the construction sector. Labor-rights activists derided that claim, arguing that Jews would enter the building industry if salaries were raised from an average
of less than $1,000 a month. By the end of 1994, Labor Minister Ora Namir was warning of the adverse social implications of employing foreign laborers, noting that although they were officially employed on short contracts, in many cases these would be renewed, workers would seek to bring their families over, and Israel would eventually be faced with an unwanted dependent community of immigrant workers.

HOUSING SHORTAGE

The frequent closure of the territories exacerbated another problem facing the Israeli economy, the lack of affordable housing. The absence from their jobs of tens of thousands of Palestinian building workers, only partly compensated for by the importing of foreign workers, meant new homes took longer than usual to complete. As a result, fewer construction projects were undertaken.

The building slowdown, combined with the lengthy bureaucratic procedures for allocating new land for construction, came at a time when more and more new immigrants were seeking to buy their first homes. This produced a housing shortage in central Israel, which sent house prices spiraling upward throughout the year.

Under the previous Likud government, immigration "czar" Ariel Sharon had tried to alleviate the problem by bulldozing through the red tape, paying incentives to contractors to speed up projects, and building thousands of new homes in the south of the country. But the lack of employment opportunities in this area meant that many of these new homes were still standing empty. Again, under the Likud government, many families found cheaper housing in West Bank settlements. Under Labor, which virtually froze building in West Bank settlements, that option was largely closed off, and only the most ideologically committed families chose to make new homes there.

With prices escalating at a rate of almost 3 percent every month, and surveys showing that young Israeli couples blamed the government for their inability to purchase even a small apartment in the center of the country, the cabinet held a series of three crisis meetings on the subject in the space of eight days in May 1994. They emerged having agreed on measures to free up land for 50,000 new housing units by the end of the year, to set aside cheaper housing for those most in need, and to introduce incentives for contractors to complete jobs at top speed.

The government also pressed ahead with a program allowing kibbutzim and moshavim in central Israel to sell off land for residential building, with the government receiving most of the private developers' payments for what was, after all, state land, and the kibbutzim and moshavim getting compensation — up to 30 percent of the sale price — for the years they had tended the land. By the end of 1994, it was estimated that the kibbutzim and moshavim had sold off or had agreements to sell off 25,000 acres of agricultural land — one-twelfth of all land in Israel zoned for agriculture.

The sell-offs were opposed by some elements who feared the deterioration of Israeli agriculture and by others who believed the population density in central
Israel was becoming excessive. But the program went on because of the sheer weight of demand for housing.

Thirty-two contractors were also building what was planned as Israel's fourth largest town, at historic Modi'in, just inside the 1967 border, between Jerusalem and Tel Aviv. When the first completed homes went on sale in early October 1994, 1,500 were snapped up within two weeks. In all, the town was set to house 250,000 residents in 65,000 housing units.

Even the new package of housing measures and programs did little to slow the relentless rise in prices which became the dominant factor in the month-by-month calculations of the rising cost-of-living index and a major economic headache for the Rabin government.

In 1995, however, the government's housing measures did at last show signs of making an impact. Price rises slowed appreciably in the country overall, although steady increases were maintained in the Jerusalem and Tel Aviv areas.

**BANKERS SENTENCED**

On February 16, 1994, 11 years after their manipulations of the Israeli banking system caused a stock-market crash that cost the Israeli government $7 billion, and after a four-year trial, 14 of the former top executives of the country's four largest banks were convicted of breaching a 1977 law against selling shares on false pretenses.

Two months later, three of the bankers were sentenced to six-to-eight-month jail terms by the Jerusalem district court for their roles in the scandal: Raphael Recanati of the Israel Discount Bank, Eliahu Cohen of the same bank, and Mordechai Einhorn of Bank Leumi. The major banks involved were accused of working in concert to encourage their clients to buy shares in their own banks, pushing the share prices up way beyond their real value. When, on October 6, 1983, the public began selling bank shares en masse, the banks did not have the funds to redeem them, the Tel Aviv Stock Exchange plummeted by 70 percent, and the government had little choice but to mount a salvage operation, guaranteeing to redeem all shares at pre-collapse prices, in the process acquiring a major share in the ownership of the banks.

Apart from the jail terms and other individual fines handed down by the court, the four big banks—Discount, Leumi, Hapoalim, and Mizrachi—were each fined one million shekels (about $330,000).

At the end of April 1994, another of the disgraced ex-top bankers, former Bank Leumi chairman Ernst Japhet, began his trial on fraud charges arising from the bank-shares collapse. He had left the country in 1987, only returning on January 28 to stand trial. On May 18, 1994, he was fined 900,000 shekels and sentenced to 11 months in jail for share manipulation.
Changes in the Israeli Army

On October 9, 1994, the Israeli cabinet approved the appointment of Amnon Shahak, the deputy chief of staff of the Israel Defense Forces (IDF), to succeed Ehud Barak as the 15th chief of staff.

Barak had taken over the army's command in April 1991 and had immediately embarked on a program to tighten discipline in the ranks, improve the efficiency of the command structure, and train his forces for the high-tech battlefield of the nineties. Working within strict budgetary limitations, Barak imposed cuts in numerous areas—including the education corps, the Galei Zahal radio station, the publications division, and even his own headquarters staff. His term in command was not an unqualified success, being marred by a perceived fall in morale in some fighting units, by a failure in admittedly near-impossible circumstances to find a military answer to Islamic extremist suicide bombers, and also by a series of fatal training accidents.

The statistics showed that deaths in training actually declined during Barak's tenure, compared with previous eras, but the new openness with which the Israeli media focused on such accidents meant that Barak attracted more criticism than had his predecessors. In one particularly grave training mishap, in November 1992, at the Tze'elim base in the Negev desert, five soldiers lost their lives. What is more, it later transpired that Barak, Shahak, and more than a dozen senior members of the IDF were themselves barely 200 meters from the spot where a missile, fired in error, landed and caused the fatalities.

The accidents continued through 1994, resulting in eight fatalities. Clearly, putting a halt to this phenomenon would be a high priority for Shahak, who formally took over from Barak on January 1, 1995.

Barak—an accomplished pianist, a walking encyclopedia of Hebrew literature, and the holder of a doctorate in mathematics, who reportedly masterminded the killing of Yasir Arafat's PLO operations chief, Abu Jihad, in Tunis in 1988—was being touted as a near-certainty to join the Rabin cabinet almost from the day he stepped down. He spent most of the traditional 100-day "cooling-off" period after leaving the army in the United States on business, but by late spring was widely known to be considering an offer from Rabin to join the Labor government as minister of the interior. Barak was formally sworn in on July 18, 1995, but Rabin's hope that he would bring a new credibility to the cabinet, particularly on security matters, was gravely undermined by a spate of press reports placing personal blame for the Tze'elim base accident on Barak, including accusations that he had abandoned wounded and dying soldiers and flown off in his private helicopter. Barak furiously and convincingly denied the reports, but they meant that he entered politics under something of a cloud.

Shahak, meanwhile, with a characteristic lack of fanfare, effected a smooth take-
over of the army’s command. The 50-year-old, Tel Aviv-born, notoriously tight-
lipped soldier had begun his military career 32 years earlier as a paratrooper, picking
up two medals for valor commanding a paratroop battalion in the 1967 war and
serving as second-in-command of all paratroop units in the 1973 war, before rising
to the position of regional commander in Lebanon after Israel’s 1982 invasion.

His appointment was welcomed by Palestinian leaders, who were impressed by
his integrity over the long negotiating sessions he headed in the run-up to the
Gaza-and-Jericho-first accord, and who regarded him—albeit in the absence of any
public confirmation from Shahak himself—as a firm supporter of the autonomy
process.

Shahak had served as Barak’s deputy during the relatively straightforward part
of the phased autonomy program, the pullout from Gaza and Jericho. As chief of
staff he faced the far more daunting task of overseeing the planned army pullout
from other major West Bank Palestinian population centers as the peace process
moved forward, while providing security for 4,000–5,000 Jewish settlers living in
Gaza and 130,000 settlers in the West Bank.

On a more mundane but also vitally important level, Shahak inherited an army
with a unique manpower problem in the history of modern Israel. Where his
predecessors sought to make the best use of too few troops, Shahak found himself
with a surplus: the post-Yom Kippur War baby boom combined with the influx of
Jews from the former Soviet Union left him with more recruits than he needed for
the leaner army he and Barak had been shaping. Accordingly, one of Shahak’s first
areas of focus was easing the burden of service of male reservists—an average 30
days a year—and considering reduced statutory service for men and women.

**Immigration**

Jews from the former Soviet Union continued to flood into Israel at an average
rate of close to 6,000 a month; by the end of 1994, about 550,000 Soviet immigrants
had arrived since the start of the decade.

Surveys showed the new arrivals to be settling in relatively well; close to half the
new arrivals had reached or exceeded the average Israeli standard of living, and half
owned their own homes. Four out of five, furthermore, had jobs, albeit, in three-
quarters of cases, at a level below the jobs they held in their former country.

With the basic absorption problems apparently receding, a new problem came to
the fore, that of the “Jewishness” of many of the new arrivals. Interior Ministry
officials estimated that up to one-third of the immigrants were not Jewish under
Halakhah (Jewish law), that is, their mothers were not Jewish, and they had not
undergone a religious conversion.

The Israeli Law of Return grants citizenship to anyone with even a single Jewish
grandparent; when it comes to issues such as birth, marriage, and death, however,
it is not the secular government but the Orthodox rabbinate that holds sway. As a
result, increasing numbers of Russian immigrants were confronting Orthodox rab-
binical authorities who refused to sanction their proposed marriages. There were even cases where immigrants were refused burial in Jewish cemeteries.

Tazpit, a polling organization specializing in Russian immigrants, estimated that there were about 20,000 immigrant couples whose children would have difficulty getting married in Israel because the mothers were not Jewish. Describing these people as “immigrants in limbo,” officials from the Reform and Conservative movements predicted that their sheer number would eventually lead to the breakdown of the religious status quo and a separation of synagogue and state.

By the end of the year, the problem of burials was on the way to resolution, with the government having ordered the establishment of secular cemeteries. Early in 1995, land was designated in the Beersheba, Tel Aviv, and Haifa areas.

As for marriages, some Russian couples evaded the rabbinate’s restrictions by making brief trips back to Russia to tie the knot; a few hundred others appeased the rabbinate by converting; others flew to Cyprus for a ceremony; still others paid $500 for a marriage certificate issued in Paraguay. Most significantly, legislation was being drafted that would allow for free choice in matters of marriage and divorce. Initiated by the Reform movement, this legislation was designed not “to do away with Orthodox marriages, but simply to let people choose for themselves,” according to Rabbi Uri Regev, of Reform’s Israel Religious Action Center.

Russian immigrants were believed to have played a crucial role in Rabin’s 1992 election victory, with well over half, and possibly as many as 70 percent, of immigrant voters having voted Labor. That support was severely undermined in early October 1994, when Labor and Social Affairs Minister Ora Namir intimated that perhaps Israel should consider some kind of selection procedure for immigrants since, as she put it, “one-third of them are seniors, one-third are handicapped and almost a third are single mothers.” Namir, who said she was speaking out in order to make clear what a heavy burden the immigration was for the state, making it difficult to help young native Israelis, was heavily criticized by fellow ministers. On October 9, the government took the extraordinary step of issuing a statement “firmly rejecting” the notion of limiting immigration. Official Ministry of Absorption statistics showed that Namir’s assertion was widely off the mark. Only 1 percent of immigrants were handicapped; only 10 percent of immigrant families were one-parent; and only 15 percent of immigrants were retirees.

One survey carried out in the days after Namir’s remarks indicated the damage she had caused to her party. Three-quarters of immigrant respondents said they would vote against Labor if elections were held soon.

Comments like Namir’s, combined with the anger many Russians felt at having to take jobs outside their professions or at a level beneath their skills, led to renewed pressure for the formation of a Russian immigrant party to run in the 1996 elections. Such a party had competed in 1992, but had not been particularly well organized and had not been backed by the highest-profile Russian immigrant leader-activist, Natan Sharansky. It received fewer than 11,000 votes, far below the level needed to secure Knesset representation. Private opinion polls suggested that a Sharansky-
led party could cross the Knesset threshold, perhaps winning as many as five or six seats in 1996. Low-level preparations for the launching of such a party continued throughout 1994 and into 1995.

ETHIOPIANS

Immigrants from Ethiopia continued to arrive at a rate of approximately 100 per month, most of them from the “Falas Mura” community, whose members had converted to Christianity and were left behind when the mass of Ethiopian Jews were brought to Israel. Argument continued over the religious status of Ethiopian Jews, with the Orthodox Chief Rabbinate still insisting that all Ethiopians undergo symbolic conversions as a precondition for marriage.

The High Court of Justice in the summer of 1994 ordered the rabbinate to establish regional marriage registries, where Ethiopians could be married without converting. By early 1995, two such registries were known to be handling Ethiopian marriages.

Religion

The Orthodox rabbinical establishment continued to resist efforts by the Reform and Masorti (Conservative) movements to achieve greater influence and standing, prompting controversies and confrontations in a number of fields.

On January 26, 1994, for example, the High Court of Justice granted petitions filed by a number of groups, including the Israel Religious Action Center (of the Reform movement), to the effect that candidates for seats on Israeli town and regional religious councils could not be rejected merely on grounds of non-Orthodoxy, as had been the norm. Within a month, however, a group of about 50 leading rabbis approved a resolution blocking non-Orthodox candidates, in defiance of the court. In practice, this meant that, as the months went by, Masorti and Reform candidates were rejected in turn in Jerusalem, Haifa, Tel Aviv, Petah Tikvah, and elsewhere. Finally, in December 1994, a Conservative rabbi, Rafi Friedman, was nominated to the religious council in Karmiel by the town’s ruling Labor-Meretz coalition. And in February 1995, a non-Orthodox woman, Bruriah Barish, was voted onto the Tel Aviv religious council.

While the Reform movement maintained its efforts to secure unequivocal government recognition of its conversions inside Israel, the Israeli wing of the Conservative movement launched a new offensive by converting 14 children adopted abroad by Israelis at a spring 1995 ceremony in a ritual bath at the Masorti kibbutz, Hanaton, in the lower Galilee. The Chief Rabbinate had refused to convert the children—adopted from Eastern Europe and South America—since the parents did not observe the Sabbath and dietary laws or send the children to religious schools.

Orthodox politicians and the rabbinate voiced a torrent of protest in early December 1994 over a High Court decision upholding gay rights. The court had ruled on
November 30 that El Al must grant the same benefits to the live-in partner of a homosexual flight attendant as it does to the partner of a heterosexual employee. The rabbinate issued a statement claiming that the ruling “provides a dangerous opening toward justifying a way of life defined in the Torah as an abomination.”

**DEATH OF THE REBBE**

The death on June 12, 1994, at age 92, of the Lubavitcher Rebbe, Menachem Mendel Schneerson, in New York, was received without visible signs of mourning at Kfar Chabad, the Hassidic village near Ben-Gurion Airport, the center of the Chabad movement in Israel and home to 500 families. In the last weeks and months of the Rebbe’s life, Chabad had frantically stepped up its campaign implying that the messiah was none other than Schneerson himself. In the immediate aftermath of his death, Chabad activists preached that the Rebbe had merely gone on a mission to heaven and would soon return to redeem the world. Chabad spokesmen pledged to intensify their outreach program, to open new kindergartens around the country, expand the “tefillin” booths around Israel, and maintain and expand the various educational institutions at Kfar Chabad itself.

**Media Competition**

Concern that too much of the Israeli media network was controlled by too few people reached new heights in 1994, as the handful of media moguls tightened their grip.

In the newspaper market, the closure of the tabloid daily *Hadashot* and the perilous economic position of the kibbutz-affiliated *Al Hamishmar* and Labor-linked *Davar* meant that Israel had only three thriving mainstream Hebrew daily newspapers: *Ha’aretz*, *Ma’ariv*, and *Yediot Aharonot*.

Each of the three was owned by a family with extensive interests elsewhere in the media. The Schocken family, owners of the prestigious *Ha’aretz* broadsheet, also owned a string of local weekly newspapers and was competing for a share in the new regional radio market. The Mozes family, owners of the biggest-selling tabloid daily, *Yediot Aharonot*, which held two-thirds of the daily market, also owned 14 weeklies, a leading women’s magazine, a teen magazine, a 30-percent share in one of the country’s cable television firms, and a quarter share of one of three companies behind Israel’s commercial Channel 2 television station. And the Nimrodi family, owners of *Yediot’s* main competitor, *Ma’ariv*, which held about a fifth of the daily market, also owned women’s and teen magazines, a 20-percent share of a cable TV firm, and an 18-percent share in one of the Channel 2 companies.

Worries over this kind of pervasive “cross-ownership” led to the formation of a group of academics, jurists, politicians, and others urging legislation to loosen the moguls’ grip—to little immediate effect.

Concerns were heightened by the potential conflicts of interest involved in the
Mozes and Nimrodi families’ holdings outside the media world in advertising, publishing, real estate, insurance, hotels, private medicine, and more. Some journalists at Yediot and Ma’ariv spoke privately about receiving instructions from their owners to drop articles that reflected badly on the owners’ outside interests, or to give disproportionate coverage to firms backed by the owners.

The fierce competition between the trio, and especially between Yediot and Ma’ariv, led to the newspapers themselves making headlines in late summer. Police arrested two private detectives suspected of bugging the phones of Yediot and Ma’ariv staffers, and called in senior editorial staff at both newspapers for questioning. The inquiry deepened over the following months, continuing well into 1995, with allegations that Yediot and Ma’ariv had routinely been bugging each other’s journalists and editorial offices, and that several of the private detectives involved had also been bugging politicians’ offices, military facilities, and even the residence of Israel’s president.

In the first steps toward curbing the media moguls’ power, the state barred Mozes and Nimrodi from buying into regional radio, since they already had shares in TV. And Communications Minister Shulamit Aloni pledged that when Channel 2 licenses came up for renewal later in the decade, she would push for the Nimrodi and Mozes shares to be scaled down.

While the newspaper market constricted, the television industry continued to expand with the success of commercial Channel 2 (introduced in late 1993) and the relentless spread of cable television (piped into almost half of Israeli households by the end of 1994). The new competition left state Israel Television floundering, since Channel 2’s mix of sitcoms, talk shows, game shows, and streamlined news programs regularly outstripped the more staid state TV channel in the monthly ratings. Cable TV, bringing channels such as MTV and CNN into Israeli homes, contributed to what was seen as a growing Americanization of Israel, a phenomenon reflected in the invasion of American fast-food chains and clothing stores.

**Teenage Murderers**

When Herzliyah taxi driver Derek Roth was found dead at the wheel of his cab on January 9, having been shot in the back at close range, police and indeed the media immediately assumed that Palestinian terrorists were responsible. Within hours of his funeral the following day, however, police were uncovering an even more unpalatable truth: that Roth had been killed by his fellow countrymen, teenagers at that, apparently imitating cinema violence. Two middle-class Herzliyah teenagers, one aged 15, the other 16, were arrested and taken into custody, suspected of planning and executing the murder, which one of them told police had been carried out “for the fun of it.” The youths were apprehended after they bragged about the killing at school. The killing set off a wave of public soul-searching, with newspaper columns and radio phone-ins questioning whether Israeli youth had “gone bad” and lamenting that Israel had now become so “normal” that its teenag-
ers, like those in the West, were aping the violent murders that were the staple fare of movies and television. Once the initial furor had abated, however, and there was time for more serious reflection and analysis, most people concluded that Israeli teens were a generally quite impressive group, and that the Roth murder had been a tragic aberration.

On October 24, after a month-long trial, the two Herzliyah teenagers were convicted and jailed for 16 years each.

"Missing" Yemenite Children

Ever since the late 1940s and early 1950s, when some 50,000 Jews were brought to Israel from Yemen in what was known as “Operation Magic Carpet,” many in the Yemenite community had charged that some of their children were missing, that soon after they arrived, healthy children were forcibly taken away from them for “medical treatment” and never returned. Some claimed that the infants were given to Holocaust survivors to replace offspring killed by the Nazis; others believed the children were sold off to rich American Jews to raise funds for the fledgling state; still others asserted that the babies were used in medical research.

A government inquiry in the 1960s, which followed up the alleged disappearance of hundreds of Yemenite children, found four cases of illegal adoption but absolutely no evidence of children being deliberately taken from their families. Investigators concluded that in many cases children had died from diseases they were carrying when they entered Israel and that in the prevailing confusion their families were not properly informed.

That investigation did little to satisfy the Yemenite community, however. Another probe launched in 1988, headed by retired judge Moshe Shalgi, dragged on for years. Its report, issued on December 19, 1994, also found no evidence to support claims that children had been taken from their parents by the authorities for illegal adoption.

In March 1994, the whole affair was brought back into the headlines by a self-styled Yemenite “rabbi,” Uzi Meshulam, who barricaded himself and 40 armed militant followers inside his home-synagogue complex in the central Israel town of Yehud. Meshulam refused to come out until the government had agreed to set up a new, independent inquiry into the “missing” children, 4,000 of whom, he claimed, had been kidnapped in a systematic government operation.

The siege of Yehud lasted for almost two months; it ended on May 10 in an exchange of fire in which one of Meshulam’s followers was killed, and the “rabbi” and several of his followers were arrested. In February 1995, Meshulam was sentenced to an eight-year jail term by Tel Aviv district court, and 11 of his followers received prison terms ranging from 15 months to four-and-a-half years. A month earlier, though, he had achieved his ostensible aim: on January 8, 1995, the government appointed a state commission of inquiry into the issue of missing Yemenite children, which was still hearing testimony late in the year.
Noteworthy Events

National Police Chief Rafi Peled resigned on April 9 amid publicity over his alleged acceptance of favors from a hotel chain and a private contractor. He was succeeded by Assaf Hefetz.

Rabbi Moshe Teitelbaum, leader of the Brooklyn-based, virulently anti-Zionist Satmar sect, visited Israel in early June 1994 to inaugurate a $5-million yeshivah complex in the Jerusalem ultra-Orthodox neighborhood of Ezra Torah. Teitelbaum and his followers do not recognize the secular state, do not vote in any elections, and do not converse in Hebrew. Accordingly, the rabbi refused to fly to Israel on the national carrier El Al and declined to visit the “Zionist-liberated” Western Wall. His followers said he was visiting the “Holy Land” rather than the State of Israel. In an address to thousands of followers, Teitelbaum declared that “Zionism destroyed Diaspora Jewry, and brought about bloodshed with Islam.”

Archaeologists working at a site near Kiryat Gat, in the northern Negev, in early August found a 2,100-year-old marriage contract, written in Aramaic, on a ceramic tablet. The ketubah, bearing wording similar to modern equivalents, was believed to be the oldest ever discovered.

In October, Health Minister Ephraim Sneh signed a controversial regulation limiting smoking in the country’s 60,000 workplaces to outside an office’s premises or to a designated smoking room. The regulation had waited months for final approval, having passed through the Knesset in February. But Yitzhak Rabin, a heavy smoker himself, who was serving as acting health minister in the period between Haim Ramon’s resignation and Sneh’s appointment, refused to implement the law himself, saying that it would be hypocritical for him to do so.

On October 30, Prince Philip, husband of Britain’s Queen Elizabeth II, arrived in Israel for a private visit. At a ceremony at the Yad Vashem Holocaust Memorial, he accepted an award recognizing his late mother, Princess Alice of Greece, as a Righteous Gentile, for having hidden a Jewish family in her palace in Athens during World War II.

On December 4, Yihyeh Avraham, who for 44 years had refused to grant his wife, Ora, 66, a divorce, died at the age of 70. The couple had married in Yemen when Ora was 12, and she had first asked for a divorce in 1950, saying Yihyeh had never loved her. He consistently refused to divorce her and spent the last 32 years of his life in Ramleh prison, as the Chief Rabbinate sought in vain to pressure him to grant Ora a get (a Jewish divorce document).

Kibbutz chicken farmer Russell Hessayon, 40, became the biggest-ever winner in the national Israel lottery in late December. An English-born immigrant who lived on the Golan kibbutz Mevo Hammah, Hessayon had hoped to keep his identity secret, covering his face when telling reporters, as he went to collect his prize, that he intended to stay on at the kibbutz, getting up as usual by 6 A.M. to work with the chickens. After his name leaked out, however, he dropped out of sight.

A Gaza man won $2 million in the lottery in February 1995, but had to wait
almost a month before he could pick up his prize in Tel Aviv because the Gaza Strip was sealed off from Israel following the Beit Lid suicide bombing.

There were red faces at the Chief Rabbinate at Passover 1995, when it was discovered that Ahmad Mugrabi, an East Jerusalem businessman who for years had been paid to buy Israel's "hametz" each Passover, was actually born to a Jewish mother. Mugrabi was rapidly replaced by fellow Jerusalemite Salim Daoud.

The McDonald's fast-food chain rapidly established a foothold in Israel in the first half of 1995, opening more than a dozen restaurants, including one at a kibbutz. The chain was also set to open its first-ever kosher restaurants later in the year—at Mevasseret Zion outside Jerusalem and at Rehovot.

Vital Statistics

Israel's population at the end of 1994 stood at 5,460,000 million, of whom 81.1 percent—4,430,000 million—were Jews. That compared with 4,335,200 Jews in 1993. There were 777,000 Muslims (14.2 percent), 161,000 Christians (3 percent), and 92,000 Druse and others (1.7 percent). By June 30, 1995, Israel's population had increased to 5,533,000. The Central Bureau of Statistics put the number of Jews living in the territories as of that date at 133,000.

Road violence continued to take a terrible toll. In 1994, although there was a 6.7-percent decline in total casualties, there was a 4.3-percent increase in fatalities: 528 people were killed on the roads, compared to 506 the previous year.

Personalia

Among Israeli personalities who died in 1994 were Maj. Gen. Nehemia Tamari, the head of Israel's Central Command (including the West Bank), when his helicopter crashed in heavy fog near Jerusalem, on January 12, aged 47; Yigal Hurvitz, finance minister under Menachem Begin from 1979 to 1981, on January 10, aged 75; Haim Bar-Lev, Israel's ambassador to Russia and the IDF chief of staff (1968–72) whose "Bar-Lev Line" on the Suez Canal fell when Egypt attacked in the Yom Kippur War, on May 7, aged 69; Aharon Yariv, the former head of military intelligence (1964–72) and director of Tel Aviv University's Jaffee Center for Strategic Studies, on May 7, aged 74; Dr. Yohanan Bader, a longtime leader of the Herut Party and a Knesset member from 1949 to 1977, on June 17, aged 93; Knesset member and Nazareth mayor Tawfik Ziyad, head of the Democratic Front for Peace and Equality and of the Israeli Communist Party, in a car accident, on July 5, aged 65; former Mapam Knesset member Mohammad Watad, in a car crash, on September 24, aged 57; Eliahu Lankin, a former ambassador to South Africa, commander of the Altalena, the prestate Irgun arms ship that was sunk in 1948 on orders of David Ben-Gurion after the underground group refused to turn over its cargo to the new state's army, on August 10, aged 79; Yehoshafat Harkabi, the former chief of military intelligence and a Hebrew University Middle East expert, one of the first
major ex-military figures to call for negotiations with the PLO and a withdrawal from the territories, on August 26, aged 72; Zajneba Hardaga-Susic, a Muslim woman who saved Jews from the Nazis in wartime Yugoslavia and who came to Israel with her family from war-torn Sarajevo in February along with members of the Jewish community, in October, aged 77; Shlomo Goren, the former Israeli and army chief rabbi, of a heart attack, on October 29, aged 77.

Prominent Israelis who died in the first half of 1995 included Yisrael Galili (Balashnikov), developer of the Galil assault rifle and co-developer of the Uzi submachine gun, on March 9, aged 72; Mattityahu Peled, retired general, Tel Aviv University Arabic professor, and Knesset member for the Jewish-Arab Progressive List for Peace (1984–88), on March 10, aged 72; Drora Havkin, leading singer-songwriter of the '60s and '70s, on April 23, aged 60; David Avidan, poet renowned for his inventive use of Hebrew, on May 11, aged 61; Rabbi Shaul Yisraeli, head of Jerusalem's Merkaz Harav Yeshivah and spiritual leader of religious Zionism, on June 17, aged 85; Meir Zorea, former general, Knesset member, and head of the commission that investigated the Shin Bet's killing of two Palestinians who hijacked bus 300 in 1984, on June 24, aged 72; Simon Herman, South African-born professor of social psychology at the Hebrew University and pioneering researcher on Jewish identity, on June 28, aged 83; Ya'akov Meridor, commander of the prestate Irgun underground and economics minister under Menachem Begin, on June 30, aged 81.

David Horovitz