

The Palestinian Strategic Report 2006



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Chapter Two

*The Israeli-Palestinian Scene:
The Year of Confusion*

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The Israeli-Palestinian Scene: The Year of Confusion

Introduction

The year 2006 was truly a year of “hesitation” and “confusion” for the Israelis. By the beginning of the year, they had great trust in their capacity to impose on the Palestinians their version of a peaceful settlement, and to implement the project of unilateral withdrawal. This optimism was further strengthened by Ariel Sharon’s solid political drive and popularity, and by his new Party Kadima. Besides, the Israelis enjoyed military might, prosperous economy and the relatively favorable local, regional and international environment. Moreover, the scaling down of the *Intifadah* and the engagement of the Palestinians in putting their house in order was presumed to lead by the end of the day to the disarmament of the resistance and the formation of a weak and helpless PA. But subsequent developments proved that these expectations were, at best, wishful thinking. Soon Sharon entered in a comma, Hamas won the elections and the Israeli army drastically failed in its war against Lebanon and Hizbullah. Hence, the Israeli became confused and perplexed, and their weak and unpopular leadership lost initiative and direction. This was reflected in its decision to suspend the plan of unilateral withdrawal, and to revise its options and priorities.

To penalize the Palestinians for their democratic choice that was contrary to the whims of the occupier, irrespective of the fairness and transparency of the elections, the Israelis imposed a brutal blockade on the Palestinian people that aimed at discrediting and toppling their government. But the customary steadfastness of the Palestinian people and the continuation of Hamas government aborted the Israeli plan and attempts.

The year 2006 witnessed political “defocalization” in both Israel and Palestine. The general optimistic feeling at the beginning of the year, that a peaceful settlement was on the gate, or could be imposed, was totally reversed by the end of the year. It was then realized that the situation has become more difficult and complicated, and that both parties has a long way to go.

First: The Internal Political Scene

The Israeli internal political scene had experienced during the course of the year 2006 a number of changes of which the most important were the following:

1. The restructuring of the Israeli partisan political map.
2. The deep coma of General Ariel Sharon, and the consequential vanish of a strong will to implement the program of unilateral withdrawal. Besides, was the fading away of the generals' role in formulating the Israeli political decision, and the glaring absence of the historical leaders at the head of the Zionist project and the Jewish state.
3. The inclination of the Israeli political parties towards the middle, but on its right track, particularly in so far as the relations with the Palestinians are concerned.
4. Current strong security, military and economic conditions, but accompanied by a tense concern of substantial futuristic dangers.
5. Progressive increase of corruption within the political circles, and retraction of trust in government institutions and in the army.
6. A state of disillusion and confusion following Hamas' victory in the PLC, the failure to topple its government and the drastic failure of the Israeli aggression on Lebanon.

By the beginning of the year 2006, the Israeli national security officers kept claiming that their country was in the best strategic, security and political status throughout its history. In Herzliya Conference, Israeli experts, specialists and politicians came to the conclusion that Israel has the capacity to effectively deal with security hazards, but there will be growing dangers in the short and long run. They also maintained that the general moral of the people is quite high, but observed a decline in the peoples' trust in government institutions and in the democratic system, coupled with a weakness in the national sentiment and in the social fabric. Hence, these experts recommended improvements in the arenas of leadership, education and the rule of law, and warned of future confrontation with the "enemies of Israel."¹ But the failure of the Israeli government in dealing with the Palestinian and Lebanese crises throughout the year 2006 had considerably weakened the people's trust in the government, the Knesset, the media and the army.²

Before his terminal illness on 4/1/2006, Sharon had pushed Israel into a state of political confusion that prepared the way for a change in the partisan map. Sharon's newly-formed party, Kadima, have become, since its inception, the most popular party in Israel, wherein many supporters and leader of the Likud, Labor and Shinui Parties joined its ranks. Opinion polls conducted during January and February 2006 gave Kadima 39-43 seats in the Knesset, though this popularity had slightly declined just before the elections.

With the absence of Sharon, Ehud Olmert assumed the leadership of Kadima presumably because of his absolute loyalty to Sharon. Olmert followed the footsteps of his predecessor, but he lacked Sharon's charisma, experience and leadership qualities. Moreover, being a civilian, he did not have the security-military status and prestige of Sharon. Additionally, Sharon, being the architect of the settlement drive, enjoyed high credibility among the settlers, which qualified him to speak and act authoritatively on the issue of evacuating the settlements in implementation of the notion of unilateral withdrawal. However, Olmert gained part of his popularity because of the comparative weakness of his competitors in the Labor and Likud Parties.

Olmert was born in 1945, earned a B.A. in Psychology, a diploma in Philosophy and studied Law. He participated in the military service through the Golani Brigade. He joined the Likud Party at an early date, occupied the presidency of Jerusalem Municipality for 10 years, and became the minister of industry in Sharon's cabinet. But, according to some Israeli personalities, he is artificial, full of himself, crude and corrupt. However, this brutal criticism does not negate his wide political experience.

With the incapacitation of Sharon, Kadima lost its glamour, though the driving force of Sharon was instrumental in the party's victory in the parliamentary elections. However, Kadima's slogan of a "strong leadership for peace" lost momentum and became virtually meaningless after Sharon's disappearance from the political scene, the regression of the peace process from the Israeli point of view, and the victory and prominence of Hamas.

As for the Likud Party, the dissention of its historical leader, Sharon, and his formation of Kadima constituted a serious blow to the party, as this was accompanied by the departure of more than half of its leaders and electorates. What remained within the party's ranks was the extremist faction under the leadership of Benjamin

Netanyahu, who did not appeal to the Israeli electorates largely because of his austere policies, as a minister of finance in Sharon's government, which infuriated the poor social sectors. Moreover, Netanyahu's candidates for the elections were neither strong nor well-known, that a prominent Israeli journalist, Sever Plocker, dismissed them, in article in *Yedioth Ahronoth*, by sarcastically describing them as "gray nominees" who had no qualifications except poor curriculum vitae. However, Netanyahu's motto for the election "let us be strong against Hamas"³ was compatible with the party's philosophy and outlook to provoke the apprehensions of the Israelis and secure dominance of the political process.

Meanwhile, Amir Peretz had surprisingly become the leader of the Labor, which was the first time in which a Sephardim (oriental Jew) assumes the leadership of a major Israeli party. Peretz, who was born in Morocco to a working family, tried to concentrate on the economic and local social issues. Some had seen in him a new blood and a young leadership that may come up with new ideas.⁴ But the victory of Hamas soon dragged him to focus, like the other leaders, on political and security matters, and to give statements close to the traditional plan of unilateral disengagement. On the other hand, Peretz had inherited a party that was gradually fading away, particularly after the devastating transfer of some of its leading cadre to Kadima. Those included Shimon Peres, Haim Ramon and Dalia Itzik, as well as many presidents of the municipalities and leaders of the Labor's Party branches. Moreover, Peretz was exposed to a smearing campaign because of his poor background and Sephardic origin.⁵ Since the Labor Party had traditionally been supported by the middle and upper middle classes of the Ashkenaz, Peretz found himself in a difficult position vis a vis his probable electorates.⁶ Hence, if he manages to maintain the party's parliamentary seats, this would be an achievement by itself.

For his electoral propaganda campaign, Peretz choose to affix to his photo the following expression "because it's time." But this triggered mockery and accusation of narcissism and "ego" which impelled him to change the slogan to we "fight terror, beat poverty." Furthermore, to appease the electorates, Peretz had "whittled down the Stalin mustache that scared away Russian voters, and he has even been seen wearing a tie. The screech in his voice has gone down a notch."⁷ However, what is important for our purposes here is that this new leadership had been instrumental in a gradual change of the party's traditional Ashkenazic image,

particularly so after many thousands from other backgrounds (Arab, Sephardim, etc.), joined its ranks.

The political programs of the major Israeli parties, including Kadima, the Labor and the Likud, were in agreement on most of the sensitive issues that relate to the question of settlement:

1. Rejection of the return of the Palestinians to the territories occupied in 1948, i.e., Israel.
2. Unified Jerusalem as the eternal capital of Israel.
3. Rejection of complete withdrawal from the lands occupied in 1967.
4. The maintenance of the Jewish settlements in the WB under Israeli control.
5. The completion of the Separation Wall.
6. Rejection of negotiation with the PA as long as led by Hamas.

However, the Israeli parties had their differences around some of the details of the future Palestinian entity, its form, function, boundaries, etc., and their visions vary from self-rule to a state with incomplete territories and deficient sovereignty. They also differ on the form of negotiations, and on the timing of unilateral actions.

Kadima's vision advocates the imposition of unilateral solutions and initiation of unilateral withdrawal, coupled with the existence of two states based on the prevailing demographic reality but provided that Israel's security and Jewish nature be guaranteed and never compromised. On the left of Kadima, comes the Labor Party that accepts the principle of two states for two peoples, allows more space and functions to the expected Palestinian state, calls for a final solution and refrains from undertaken measures unless and until the route of negotiation reaches to a stalemate. As for the Likud, it simply insists that the Jordan River is the political and security boundaries of the state of Israel, and does not offer the Palestinians anything more than self-rule under Israeli tight security control.

However, the "best" offer given by the Israeli parties comes from the leftist Party Meretz. Its program calls for the end of the occupation of the WB, the establishment of a Palestinian state with East Jerusalem as its capital (excluding Jewish quarters), and the conduct of peace negotiations with any leadership that the Palestinian people may choose irrespective of its identity.⁸ However, the party does not exclude the undertaking of unilateral measures if a political solution is not attained.⁹

On the extreme right, there are a number of parties, of which the most prominent is Yisrael Beitenu that is obsessed with the Jewish nature of the state and loyalty to it. The party call for the settlement of the conflict through reciprocal surrender of territories, wherein Israel gives up the densely Arab populated territories within its frontiers, including the Arab Triangle (*al-Muthallath al-‘Arabi*), in return for the areas of the Jewish settlements in the WB.

While the visions of the religious parties, like Mafdal and Shas, were near to those of the Likud, the Arab parties were all alone in the call for an independent and fully sovereign Palestinian state in the WB and GS.

The economic and social programs vary from one Israeli party to another. The Labor Party stands by a socialist-liberal approach based on the Scandinavian model, the Likud calls for a radical-liberal economy that swims with the tide of globalization, and Kadima advocates a middle of the road position, namely a free economy that does not succumb to poverty and unemployment. While the leftist Meretz concentrates on social justice, the rightist group Yisrael Beitenu is near to the position of the Likud that advocates *laissez faire* economy. As for the religious parties, they focus on the interest of their supporters, particularly security funds for their schools, programs and social services.

The third aspect of these electoral programs concerns the relationship between religion and the state, wherein the religious parties, like Shas, the Mafdal and Yahadut Hatorah, ask for a bigger role for religion in political life, and the secular parties advocate varying approaches to the issue. However, the big parties are essentially opportunist and pragmatic on this and other matters in the sense that they opted, whenever necessary, for alliances with the religious parties in lieu of ministerial posts and financial and other concessions. They include Kadima, the Labor and the Likud Parties, while the conduct of the Yisrael Beitenu, Meretz and Shinui Parties is secular-oriented and more assertive on the question of separation between religion and the state.

The Outcome of the Israeli Elections

The number of the eligible electorates for the 17th Knesset elections, held on 28/3/2006, totaled about 5.01 million persons, of whom 620 thousand were Arabs. But those who had actually participated in the elections were about 3.19 million individuals, a percentage of 63.5%. In these elections 31 lists contested, but those

who survived the condition of 2% of the total vote, which, incidentally, was 1.5% only in the previous elections, were 12 lists only.

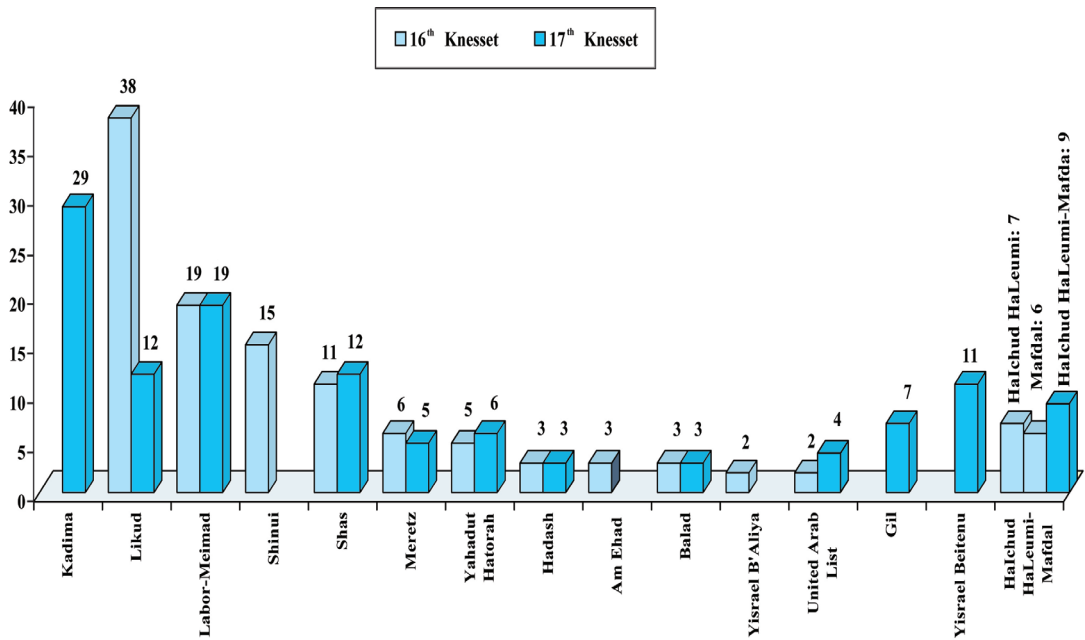
The below table compares between the election results of the 16th and 17th Knessets.

Table 1/2: A Comparison between the Election Results of the 16th and 17th Knesset¹⁰

List name	16 th Knesset 28/1/2003		17 th Knesset 28/3/2006	
	No. of valid votes	No. of seats	No. of valid votes	No. of seats
Kadima	-	-	690,901	29
Likud	925,279	38	281,996	12
Labor-Meimad	455,183	19	472,366	19
Shinui	386,535	15	4,675	-
Shas	258,879	11	299,054	12
Meretz	164,122	6	118,302	5
Yahadut Hatorah	135,087	5	147,091	6
Democratic Front for Peace and Equality (Hadash)	93,819	3	86,092	3
Am Ehad (One Nation)	86,808	3	-	-
National Democratic Assembly (Balad)	71,299	3	72,066	3
Yisrael B'Aliya	67,719	2	-	-
United Arab List	65,551	2	94,786	4
Pensioners Party (Gil)	-	-	185,759	7
Yisrael Beitenu	-	-	281,880	11
HaIchud HaLeumi*	173,973	7	224,083	9
Mafdal*	132,370	6		
Number of eligible voters	4,720,075		5,014,622	
Total ballots	3,200,773		3,186,739	
Valid ballots	3,148,364		3,137,064	

* HaIchud HaLeumi Party and the Mafdal Party contested the 17th Knesset elections under one list.

A Comparison between the Election Results of the 16th and 17th Knesset



The 2006 Knesset elections were the ninth in the history of Israel that were held before the scheduled time, a phenomena that had increasingly prevailed during the latest rounds of elections (i.e., 2, 5, 10, 11, 13, 14, 15, 16 and 17). This tendency reflects, in one way or another, increasing internal instability, political differences around the major challenges, and a state of dissension and reformulation within the Israeli political parties.

A close look at the top 10 nominees in the lists of the three major parties shows a reduction in the representation of the generals and the oriental Jews. While no general was among the first 10 of the Likud nominees, two were in the Labor list, Ami Ayalon and Binyamin Ben-Eliezer, and three in that of Kadima, Shaul Mofaz, Avraham (Avi) Dichter and Gideon Ezra. Amongst the top 10 nominees, the oriental Jews were represented by two in each of the list of the Labor and Likud and three in that of Kadima, though their percentage is as high as 45% of the Israeli population.¹¹

The results of the 17th Knesset elections had restructured the Israeli partisan political map. As expected, Kadima advanced, the Likud suffered a crushing defeat,

the Labor experienced internal focalization, and the Shinui Party vanished, while the Pensioners Party voted on sectarian and social basis. The major observations on this election may be summarized in the following:

1. For the first time in the history of Israel, a budding party of six months only gained victory through candidates who do not belong to the two traditional Parties, the Labor and Likud. Though the opinion polls estimated that Kadima will get one third of the electorates (40 seats), the 29 seats that the party had actually won (almost one fourth of the electorates) constituted a reasonable achievement. It signaled dissolution among the Israeli electorates with the two historical, but internally weak and feuding Parties, and their desire for change. The sizable vote that Kadima got was, furthermore, an expression of the support of the Israeli street for the notion of unilateral withdrawal.
2. The Likud Party lost 70% of its electorate and seats in the Knesset, as it maintained 12 seats only out of the 38 that it previously had. This expressed the disarray and virtual collapse of the party after it had been deserted by Sharon and his followers to be monopolized by rightists and hyper extremist groups. The crushing defeat of the Likud had, furthermore, revealed an internal crisis within its ranks over the vision and approach towards the Palestinian issue. However, these catastrophic developments provide a useful lesson on the extent of the damage that may result from internal feuds and rivalries within the leadership of a party or a political group.
3. The Labor Party maintained its previous seats, which was a kind of achievement for Peretz and the party that had suffered a major blow by the departure of thousands of its leader and cadre to Kadima. It also indicated that the party had succeeded to compensate this loss by new forces, particularly from the oriental Jews and the Arabs, which will certainly tilt the balance within its ranks with regard to the dominance of the Ashkenaz and the party's class structure.
4. The Shinui Party, which formerly had 15 Knesset members supported by 387 thousand electorates, totally collapsed. Most of its members joined Kadima, and those who remained split into two insignificant parties, Shinui and Hetz, that had both failed to get in the general elections the 2% required vote for survival, the former got as low as 4,675 votes and the latter 10,113 only. This humiliating defeat was due to the acquisition by Kadima of the

party's traditional middle voter, the transfer of the party's founder himself, Uriel Reichman, to Kadima, and the opportunism and failure of the party to honor its principles and election promises. On 25/1/2006, the president of Shinui, Yosef Lapid, announced that he resigned from the party's presidency and relinquished politics. He added that with its present structure, Shinui does not deserve the confidence of the public.¹²

5. The percentage of the voters in this election was the least in the history of Israel, 63.5% of the eligible voters, which was less by 4.3% than the previous elections. Elections in the past were usually very popular, with a percentage of 82-87% during the period 1949-1969, and 77-79% during the period 1973-1999. This sliding phenomenon may be attributed to a decline in the popular trust towards political parties and the political process, and to a general apathy, particularly among the youth. Moreover, the Israelis seem to have broadly felt that "business was as usual," and assumed that the economic and security conditions are so good that there are no dangers in the horizon.¹³
6. There are indicators of a decline in the influence and popularity of the ideologically oriented parties like the Likud, Meretz and the National Union-National Religious Party, probably because of a growing inclination among the Israeli voters towards pragmatism, which made them less receptive to ideologically committed parties. Other indicators indicate an increasing tendency towards voting on sectarian (Sephardim and Ashkenaz) and ethnic (Russian, Oriental, etc.) basis.¹⁴
7. The Pensioners Party achieved a surprising victory of seven seats, though it had not been previously represented in the Knesset, and its leader was obscure and apolitical. Here is an example of voting on social grounds to achieve personal gains, and not for national or political considerations. The pattern in which the Pensioners had voted may also be a wide protest against all political parties and governing institutions.¹⁵ It could also be an indicator of the increasing importance of the socio-economic element in the decision of the Israeli voters, compared with the security factor. The Israeli "peace indicator" pointed to a rise, in November 2005 to 53%, in the importance of the socio-economic factor, compared to 35% to the security factor. But the victory of Hamas reversed this tendency to be 47% to the latter and 37%

to the former. We should have in mind that the chances for security and/ or peace in 1969 reached to 98% among the Likud voters and to 80% among those of the Labor Party.¹⁶

8. Many viewed the outcome of the elections as an indicator of a substantial decline of the Israeli right, and a considerable shift towards the middle, particularly after the serious blow to the Likud Party. But a careful reading triggers us to view this hypothesis with a degree of reservation. The rightist and religious parties had admittedly officially won 50 seats only, but we have to remember that there are rightists in Kadima, like the settler Otniel Schneller, Deputy Minister Ruhama Avraham, Minister Tzachi Hanegbi and others, which raises the actual number of the rightists in the Knesset to 60 or more. Besides, is the substantial rise of the extremist rightist party Yisrael Beitenu, which won 11 seats.¹⁷
9. **The participation of Arabs in the elections:** The Arab eligible electors totaled 620 thousand, but the participants were 347 thousand, a percentage of 56%. The Arab lists won 257,374 voters, a percentage of 74.2% of the Arab voters. The United Arab list (an alliance of the southern branch of the Islamic Movement, the Arab Democratic Party and the Arab Movement for Change) won four seats, each of the Democratic Front for Peace and Equality and the National Democratic Assembly got three seats. The three parties had achieved substantial success in Arab towns and cities, while the Israeli parties maintained a strong position in the Druze villages and among the Bedouin groups in the North. In Arab cities and towns, (Nazareth, Umm al-Fahim, Shafa 'Amr, al-Taybah and other), the three Arab list won 81.2% of a total of 132,481 votes, while all the Israeli parties earned 14.9% of the votes. Among the Bedouin groups in the Negev (*al-Naqab*), the Arab parties got 78.1% and the Israeli parties got 15.2% of a total of 10,506 votes. Among the Bedouin groups in the North, where the participants totaled 9,528 voters, the Arab parties got 39.3% and the Israeli parties 52.2%. In the 12 Druze villages, the Arab parties got 20% only, while the Israeli parties got 75.9% of the total participant voters, 35,067 (see table 2/2).

Table 2/2: The Results of the Elections of the 17th Knesset in the Arab Quarters¹⁸

	No. of electors	Participants		Arab parties		Israeli parties	
		No.	%	No. of votes	%	No. of votes	%
Arab cities and towns	224,503	132,481	59	107,556	81.2	19,800	14.9
Bedouin groups in the North	21,781	9,528	43.7	3,746	39.3	4,977	52.2
Arab Druze villages	58,901	35,067	59.5	7,002	20	26,623	75.9
Bedouin groups in Negev	28,283	10,506	37.1	8,208	78.1	1,592	15.2

The most important observations on the participation of the Palestinian in these elections may be enumerated in the following:

1. A wide and influential sector of the Arabs, principally the Islamic Movement under the leadership of al-Sheikh Ra'id Salah had persistently boycotted the Knesset elections. The popularity of this Movement is clearly seen in their usual outstanding victory in the municipal elections.
2. The number of the Arab seats in the Knesset, 12 out of 120, is not proportionate to the actual numbers of the Arab population, who represent almost 17% of the total population. Thus, the Arab Knesset seats should have presumably been 21.
3. The overwhelming majority of the Arabs tend to vote on national and Islamic bases, particularly in major towns and cities and in Negev. However, the performance of the Arab parties in the Druze quarters was extremely weak in comparison with that of the Israeli parties. A number of explanations are readily given for this phenomenon, amongst which is the special status given by the Israeli to the Druze, notably their mandatory recruitment in the army. But this phenomenon needs to be extensively and thoroughly studied. This is, also, applicable on Bedouin groups in the North. However, whatever explanation may be, the national and Islamic forces must do their utmost best to overcome the Israeli influence in these regions.

The Israeli Government

Ehud Olmert formed the 31st Israeli government, which won the Knesset's confidence on 4/5/2006, by a majority of 65 to 49 votes. It was a coalition cabinet of four parties, Kadima, the Labor, Shas and the Pensioners Party. Of its 25 ministerial posts, Kadima had 12, including the Premiership and the Ministries of Foreign Affairs and Finance, the Labor seven of which the most important was the Defense portfolio, Shas four, and the Pensioners two. 12 of the ministers were ethnically Ashkenaz and 12 Sephardim, while one minister was born to an Iraqi father and a Polish mother.

On its formation, the new government did not have a comfortable majority in the Knesset and none of its senior posts was allocated to a general, while civilians were in charge of the Premiership and the all-important Ministries of Foreign Affairs and Defense. Amir Peretz, the minister of defense, had, however, found himself in a tricky position as he comes from labor unions environment (Histadrut), and was largely concerned with socio-economic issues. However, the cabinet had some generals like Shaul Mofaz for the portfolio of Transportation and Binyamin Ben-Eliezer for the Ministry of Infrastructure.

However, a cabinet reshuffle soon took place by the resignation on 22/8/2006 of the minister of justice, Haim Ramon, because of corruption charge, and the appointment on 30/10/2006 of Avigdor Liberman, the president of Yisrael Beitenu Party, a deputy premier and minister of strategic affairs. On the same day, Ophir Pines-Paz, the labor minister of the portfolio of science culture and sport resigned, and Yuli Tamir, the minister of education, took his position as an acting minister.¹⁹

The program of the new government strove to crystallize the permanent borders of Israel as a Jewish democratic state, and, in the absence of negotiations with the Palestinians, to fix them. Besides, it spelled out the governments' determination to complete the construction of the Separation Wall. The program had also promised, *inter alia*, a rise of the minimum wages, the reduction of the numbers of foreign workers, including Palestinians, and concentration on Jewish education to strengthen the Jewish identity of the state... etc.²⁰

However, Olmert's government soon experienced a number of political and military failures that exposed it to increasing and bitter criticism, and reduced its popularity to the benefit of the rightist trends. Prominent among those drawbacks

was its failure to topple Hamas' government and to crush Hizbullah in Southern Lebanon. Besides, were the charges of corruption, ethical scandals of some ministers, and the inability of the government to honor its election promise to initiate unilateral withdrawal that was associated with its political settlement plan. An opinion poll conducted by *Yedioth Ahronoth* and Dahaf Institute indicated that 27% of the Israeli populace considered Netanyahu the most suitable candidate for the premiership, followed by Liberman, the president of Yisrael Beitenu, who got 15%, while Olmert got 7% only.²¹ Other political polls, conducted in the first half of October 2006, suggested that if election were held by that time, the Likud will secure 22 seats, Yisrael Beitenu 20, and each of Kadima and the Labor 15 seats.²² This forecast impelled Olmert to include Yisrael Beitenu in his cabinet, which made it more rightist and extremist, and thus weakened its capacity for political maneuver.

Second: Significant Population, Economic and Military Indicators

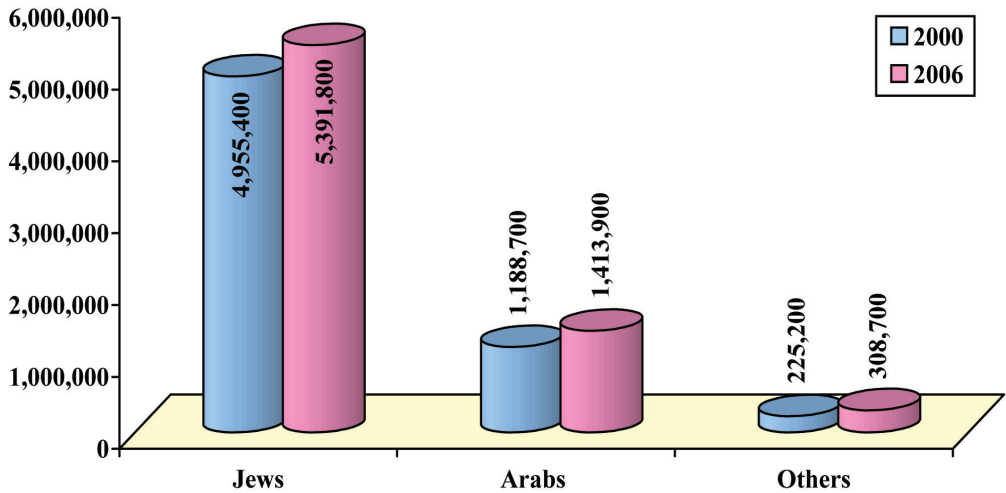
1. The Population Indicators

According to official statistics, the population of Israel by the end of 2006 totaled about 7.11 million, amongst whom 5.39 million are Jews, a percentage of 75.8% of the total population, while 309 thousand persons (4.3%) did not declare their religions. The latter are largely immigrants from Russia and East Europe whose Jewish identity have not been yet ascertained. The Arab population, including the 240 thousand Arabs living in East Jerusalem and the Golan Heights that were occupied by Israel in 1967, totaled about 1.41 million, a percentage of 19.9% of the total Israeli population. Thus, those who are known as the 1948 Palestinians total about 1.17 million, a percentage of 16.5% of the total population. 465 thousand Jewish settler stay in the WB, including East Jerusalem, and 20 thousand others stay in the Golan Heights (see table 3/2).

Table 3/2: Population of Israel 2000-2006
(Population estimates do not include foreign labor)²³

Year	Gross population number	Jews	Arabs (including the population of East Jerusalem and in the Golan Heights)	Others
2000	6,369,300	4,955,400	1,188,700	225,200
2001	6,508,800	5,025,000	1,227,500	256,300
2002	6,631,100	5,094,200	1,263,900	273,000
2003	6,748,400	5,165,400	1,301,600	281,400
2004	6,869,500	5,237,600	1,340,200	291,700
2005	6,990,700	5,313,800	1,377,100	299,800
2006	7,114,400	5,391,800	1,413,900	308,700

Population of Israel during 2000 and 2006



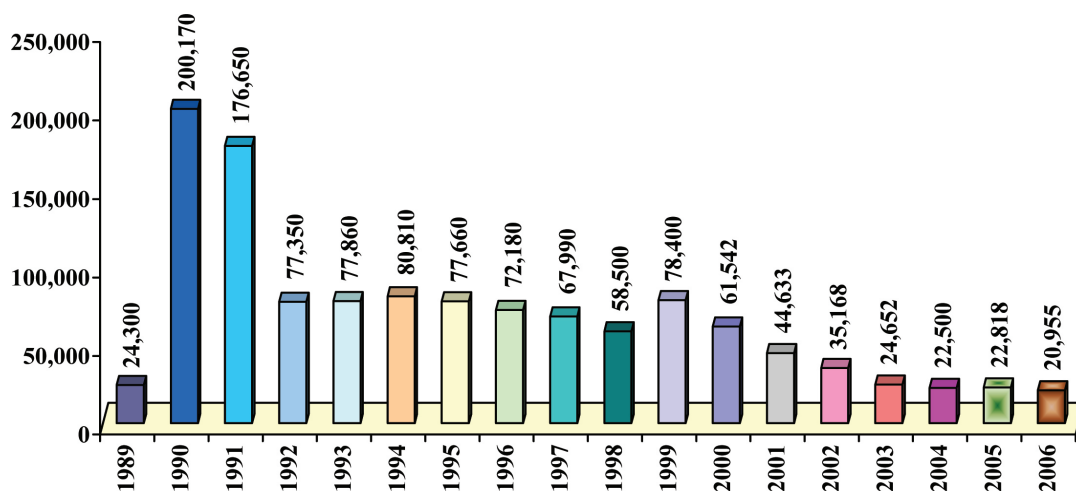
During the year 2006, the number of Jewish immigrants to Israel was 20,955, while the immigrants of 2005 were 22,818. The Jewish immigration to Israel during the five years 2001-2005 had generally been on the decline compared with the previous 12 years (see table 4/2).

Table 4/2: Number of Jewish Immigrants to Israel 1989-2006²⁴

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
No. of immigrants	24,300	200,170	176,650	77,350	77,860	80,810	77,660	72,180	67,990	58,500

Year	1999	2000	2001	2002	2003	2004	2005	2006	Total
No. of immigrants	78,400	61,542	44,633	35,168	24,652	22,500	22,818	20,955	1,224,138

Number of Jewish Immigrants to Israel 1989-2006



The 1948 Palestinians have been suffering from negligence and racial discrimination, and the extreme rightist Jewish forces persistently and openly call for their expulsion, the so-called population swap. An opinion poll conducted by GeoCartographia Research Institute showed that 40% of the Jews in Israel prefer that their government encourage the Arabs to depart, 68% are not prepared to live with them, 46% do not want to establish friendship with the Arabs, 63% consider them a security and demographic hazard and 50% will be hateful and disgusted when they hear any talk in Arabic.²⁵

The Israeli annual report issued by the Jewish People Policy Planning Institute (JPPPI), indicates that the Jewish population in Israel in 2006 had become, for the first time since two millenniums, the largest concentration of Jews in the world, with a percentage of 41% of their total numbers, which is just more than that of the Jews in the USA.²⁶ The decrease of the numbers of the American Jews may be due to their low fertility compared with their counterpart in Israel, their assimilation

in the American society and the rejection by many of them to reveal their Jewish identity.

On the other hand, it is estimated that some 700-750 thousand Israeli live outside Israel, of which 60% are living in North America and 25% in Europe,²⁷ largely in search for stability, better life and secured jobs. Some of them are originally citizens of these countries who had migrated to Israel in fulfillment of a presumed national and religious duty, or for a variety of economic and social reasons. They had then simply returned to their homeland, though they retained the Israeli nationality as well. The figures of the Israeli Embassy in Moscow indicate that 50 thousand of the Russian immigrants to Israel during the last decade of the 20th century had actually returned to Russia, of whom 28 thousand had already got once more permanent residence permits and the Russian citizenship.²⁸

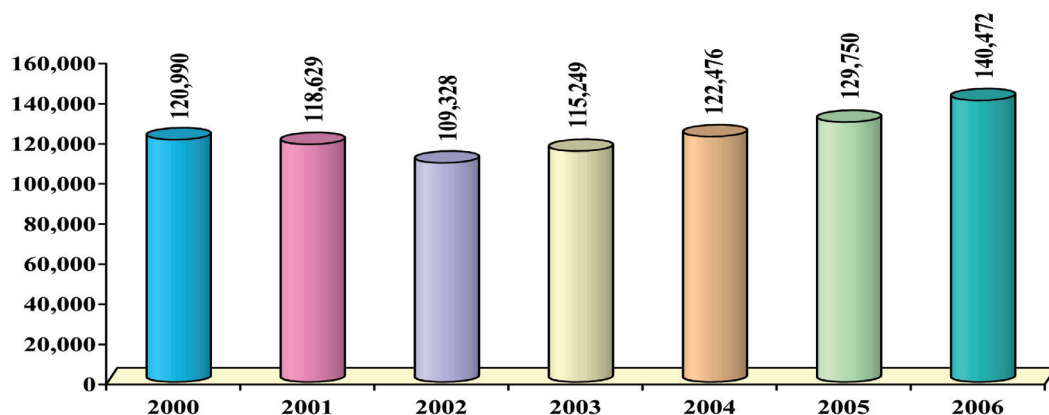
2. The Economic Indicators

The official Israeli statistics indicate that the Israeli economy grew in 2006 by 5%, compared to 5.2% in 2005. Moreover, the Gross Domestic Product (GDP) rose in 2006 to 626.01 billion shekel (about \$140.47 billion), compared to 582.29 billion shekel (about \$129.75 billion) in 2005, (see table 5/2). According to the Bank of Israel Annual Report-2006, the GDP per capita in Israel was \$19,900.²⁹

Table 5/2: Israeli Gross Domestic Product and Gross National Income (GNI)
2000-2006³⁰

Year	GDP		Less: Net income paid abroad		GNI		Shekel exchange rate (according to Bank of Israel)
	Million shekels	\$ Million	Million shekels	\$ Million	Million shekels	\$ Million	
2000	493,311	120,990	28,568	7,007	464,743	113,983	4.0773
2001	498,908	118,629	19,744	4,695	479,164	113,935	4.2056
2002	517,975	109,328	19,071	4,025	498,904	105,303	4.7378
2003	524,187	115,249	17,819	3,918	506,368	111,331	4.5483
2004	548,936	122,476	16,038	3,578	532,898	118,897	4.482
2005	582,291	129,750	11,719	2,611	570,572	127,138	4.4878
2006	626,015	140,472	6,574	1,475	619,441	138,997	4.4565

Israeli Gross Domestic Product 2000-2006 (\$ million)



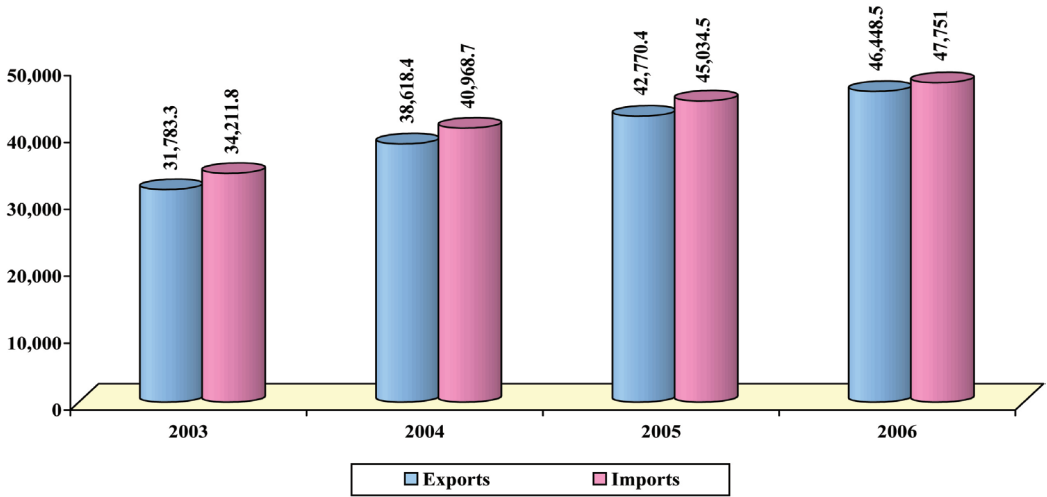
The budget of the Israeli government for the year 2006 expected an expenditure of 271.4 billion shekel (\$60.9 billion), while the actual expenditure will be 231.8 billion shekel (about \$52.01 billion). The rest will be the debt service of 39.6 billion shekel (about \$8.89 billion). The budget expected a deficit of 17.2 billion shekel (about \$3.86 billion).³¹ Israel's gross external debt increased in the year 2006 by \$8.2 billion, and its overall amount reached by the end of the year \$85 billion.³²

The Israeli exports for the year 2006 totaled \$46.45 billion, compared with about \$42.77 billion in 2005, i.e., an increase of 8.6%. As for the imports, they reached in 2006 to about \$47.75 billion compared with approximately \$45.03 billion in 2005, i.e., an increase of 6% (see table 6/2).

Table 6/2: Total Israeli Exports and Imports 2003-2006 (\$ million)³³

Year	2003	2004	2005	2006
Exports	31,783.3	38,618.4	42,770.4	46,448.5
Imports	34,211.8	40,968.7	45,034.5	47,751

Total Israeli Exports and Imports 2003-2006 (\$ million)



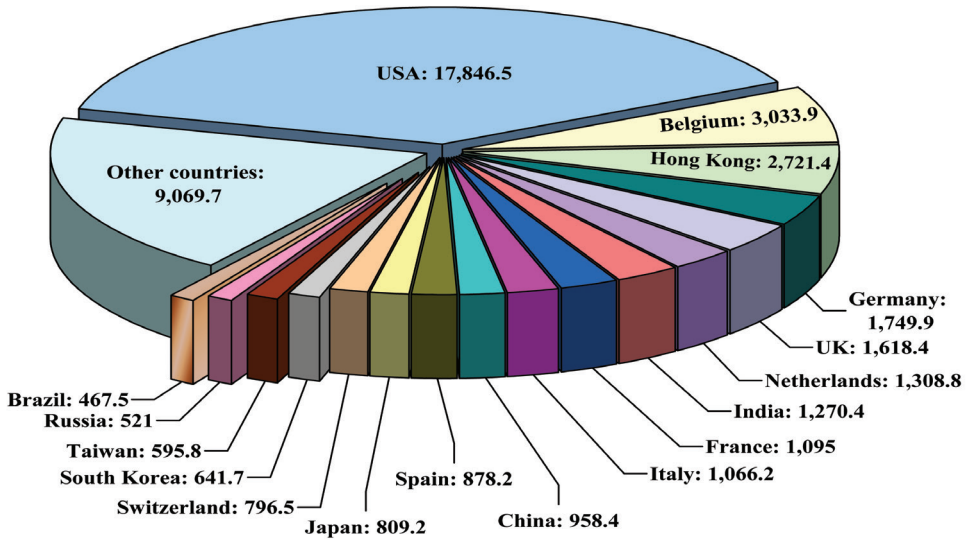
The USA is Israel's first trading partner. The Israeli exports to the USA during the year 2006 totaled approximately \$17.85 billion, compared with \$15.5 billion in 2005. On the other hand, the Israeli imports from the USA in the year 2006 totaled about \$5.92 billion, compared to \$6.04 billion in 2005 (see table 7/2).

Besides the USA, the most prominent importing countries of Israeli products are in a descending order: Belgium (about \$3.03 billion), Hong Kong (about \$2.72 billion), Germany (about \$1.75 billion), United Kingdom (UK) (about \$1.62 billion), Netherlands (about \$1.31 billion), and India (about \$1.27 billion). On the other hand, the most important exporting countries to Israel are in a descending order: Belgium (about \$3.92 billion), Germany (about \$3.2 billion), Switzerland (about \$2.8 billion), UK (about \$2.46 billion), China (about \$2.43 billion), and Italy (about \$1.84 billion). It is, thus, clear from the above statistics that Belgium is the second biggest trading partner of Israel, apparently because of the trade in diamond between the two countries.

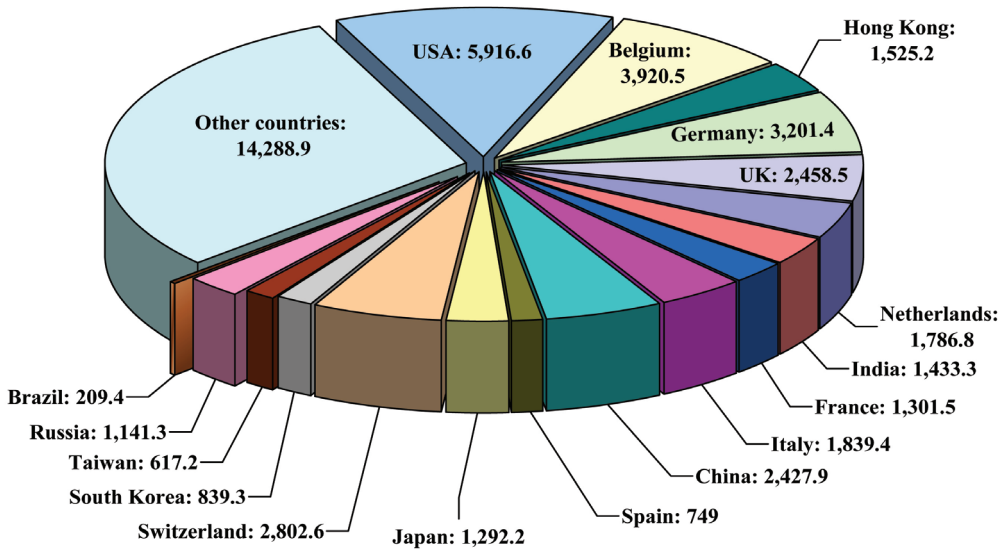
Table 7/2: Israeli Exports and Imports with Selected Countries
2003-2006 (\$ million)³⁴

Countries	Israeli exports to:				Israeli imports from:			
	2006	2005	2004	2003	2006	2005	2004	2003
USA	17,846.5	15,500.1	14,175.1	12,088.5	5,916.6	6,042.1	6,099.1	5,330.8
Belgium	3,033.9	3,679.5	2,898.1	2,320.9	3,920.5	4,557.7	4,130.8	3,179.9
Hong Kong	2,721.4	2,373.6	1,907.7	1,495.4	1,525.2	1,277.7	1,178.3	892.7
Germany	1,749.9	1,345.9	1,361	1,123.3	3,201.4	2,986	3,090.2	2,731.1
UK	1,618.4	1,649.9	1,447.8	1,224.5	2,458.5	2,552.1	2,482.8	2,283.4
Netherlands	1,308.8	1,259.7	1,232.8	1,085.1	1,786.8	1,626.7	1,483.8	1,196.5
India	1,270.4	1,222.8	1,037.9	717.8	1,433.3	1,276.2	1,107.7	888.8
France	1,095	882.6	764	684.6	1,301.5	1,203.8	1,248.9	1,182.6
Italy	1,066.2	897.8	810	772.5	1,839.4	1,733.7	1,565.7	1,398.2
China	958.4	747.9	786.9	612.6	2,427.9	1,888.3	1,418.4	1,008.1
Spain	878.2	687.8	616.2	525.4	749	613.7	652.3	624.6
Japan	809.2	799.1	782.3	626	1,292.2	1,238.1	1,197	843.7
Switzerland	796.5	900.3	782.3	504.9	2,802.6	2,464.7	2,682.1	2,062
South Korea	641.7	449.8	417.7	286.9	839.3	852.7	759.9	579.8
Taiwan	595.8	602.3	587.6	298	617.2	553.4	498.6	385.5
Russia	521	417.6	319.1	220.5	1,141.3	1,055.7	688	618.2
Brazil	467.5	467.3	488	364.1	209.4	166.5	207	127.8
Other countries	9,069.7	8,886.4	8,203.9	6,832.3	14,288.9	12,945.4	10,478.1	8,878.1
Total	46,448.5	42,770.4	38,618.4	31,783.3	47,751	45,034.5	40,968.7	34,211.8

Israeli Exports to Selected Countries 2006 (\$ million)



Israeli Imports from Selected Countries 2006 (\$ million)



According to official Israeli figures, the income from exported Israeli electronics and machinery reached in 2006 to about \$9.74 billion, from diamond exports \$9 billion, from chemical industries \$8.29 billion, and from fruits and vegetables \$1.05 billion.³⁵



The following two tables give a resume of the external trade of Israel:

Table 8/2: Israeli Exports by Commodity Group 2005-2006 (\$ million)³⁶

Year	Agricultural	Manufacturing	Diamonds		Others	Total
			Polished	Rough		
2005	1,027.1	25,274.4	6,658.4	3,492.2	158.7	36,610.8
2006	1,029.3	29,055.1	6,367	2,624.1	284.1	39,359.6

Table 9/2: Israeli Imports by Commodity Group 2005-2006 (\$ million)³⁷

Year	Consumer goods	Raw materials	Investment goods	Fuels	Diamonds rough and polished net	Others	Total
2005	5,329.5	16,818.5	6,192.8	6,764.2	9,179.8	171.9	44,456.7
2006	5,898.9	18,516.9	6,573.8	7,454.4	8,625.7	158.5	47,228.2

In 2006, Israel received official American aid support to the value of \$2.63 billion, of which \$2.28 billion was a military grant. This amount of military aid was equal to the one allocated by the USA to Israel in 2005. During the years from 1949 to the end of 2006, the official American aid to Israel totaled \$96.77 billion.³⁸

The Israeli war on Lebanon during the summer of 2006 had negative impact on the Israeli economy. For the direct loss from this war was \$2.7 billion, coupled with an indirect loss of \$2.4 billion.³⁹ Nonetheless, the performance of the Israeli economy during 2006 was relatively good, as the percentage of growth that it achieved, 5%, was, in the circumstances, impressive. This is partly due to the decline in the intensity of the *Intifadah* and to the progressive increase in the size of foreign investment in Israel that reached during the first 10 months of the year 2006 the sum of \$17.1 billion, an increase of 72% over the total investment in 2005.⁴⁰

3. The Military Indicators

The Israeli society is considered a military society, particularly so as it was formed and consolidated by groups of immigrant settlers, who, through military force, replaced the Palestinian people. The latter currently live either under the grip of the Israeli occupation or as refugees in the diaspora. However, since the conflict has not yet been resolved and the ingredients of the crisis and instability are ongoing, the Israeli mentally is predominantly obsessed with military might

and security. Hence, the strategy of Israel is based on having a striking military force that would defeat at all times the combined forces of all Arab armies, and to have a strong alliance with the USA to guarantee victory. Additionally, Israel wants to be ready at all times for offensive wars that adopt the tactics of quick and surprising movements and pre-emptive strikes.

Nonetheless, during 2006, the Israeli military institutions faced some predicaments and shocks that may be summarized in the following:

- a. The humiliation that the army had suffered by the arrest of an Israeli soldier in GS and two others in Southern Lebanon, and by its incapacity to liberate them.
- b. The drastic failure of the Israeli army in its war against Hizbullah and Lebanon, and the subsequent revelation of serious shortcomings in the structure of the leadership, the usage of the armament, and during the military confrontation on the ground. Besides, was the resignation of a number of officers and military commanders.
- c. The assumption of a civilian, Amir Peretz, to the Ministry of Defense, a rare occurrence in the history of Israel, and the decline of the ministerial role of the generals and in the Knesset.
- d. The reputation of the Merkava tanks, that had once been viewed as a mobile land bastion and a source of boastfulness for the Israeli army, was totally devastated in the war against Hizbullah and Lebanon. Israeli reports claim that 48 of these tanks were destroyed during the war, but other information gives a higher number, 118, with 46 others seriously damaged.⁴¹ Thus, according to the Israeli economic newspaper *Globes*, this scandal impelled the leadership of the Israeli army to order the suspension of the production of these tanks for the next four years.⁴²

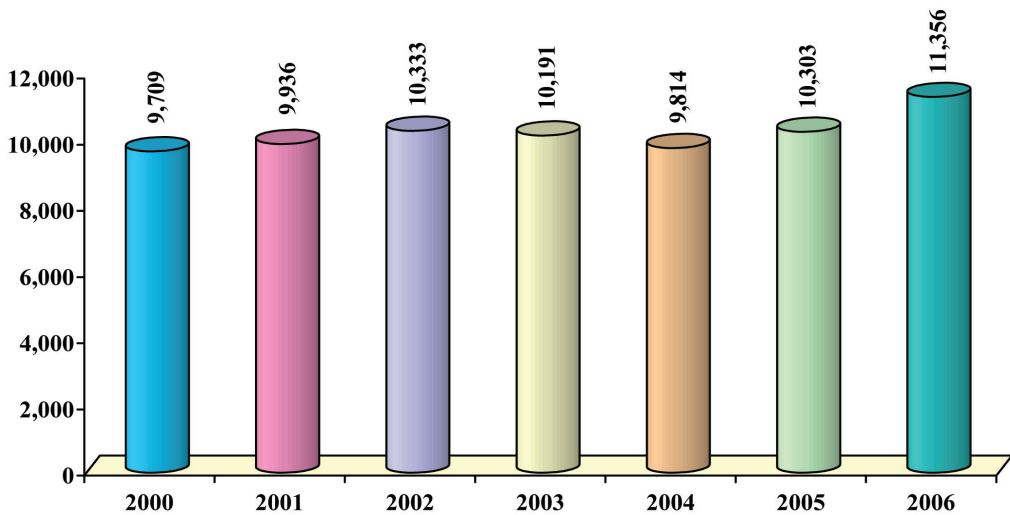
According to the Israeli Central Bureau of Statistics (CBS), the military expenditure for the year 2006 totaled 50.61 billion shekels (about \$11.36 billion).⁴³ But the Israeli authorities tend to conceal the real figures of their presumed country's military expenditure, as they usually include the revenue from the sale of armaments directly in the budget of the army without being recorded in the government budget. Moreover, the above figure is given by the Israeli on the net expenditure after they undertake a clearance with the revenue from the sales

that reach \$263 million. This means that the real military expenditure is almost \$11.62 billion.⁴⁴ However, this figure is doubtful as the revenue from the sale of the Israeli arms alone for the year 2006 totaled \$4.4 billion.⁴⁵

Table 10/2: Official Israeli Military Expenditure 2000-2006⁴⁶

Year	Million shekels	\$ Million
2000	39,587	9,709
2001	41,788	9,936
2002	48,957	10,333
2003	46,350	10,191
2004	43,988	9,814
2005	46,239	10,303
2006	50,609	11,356

Official Israeli Military Expenditure 2000-2006 (\$ million)



There is not a noticeable difference in the size of the Israeli military forces for the years 2005 and 2006. The official statistics give the numbers of the regular personnel armed forces as 176,500 individuals (the ground forces 133 thousand, the air forces 34 thousand and the naval forces 9,500). As for the reserve forces, they total 445 thousand persons (the ground forces 380 thousand, the air forces 55 thousand and the naval forces 10 thousand). Besides, is the border forces of 7,650 subjects. The ground forces are organized in 16 squads and 76 brigades.⁴⁷

In the year 2006, the Israeli army had *inter alia* 3,890 tanks (of which 3,510 were on service), 845 fighting airplane (of which 494 were on service), 291 helicopters (of which 183 were on service), three torpedoes, and 15 warships... etc. The Israeli army is still employing the fourth generation of the Merkava MKIV tanks, and it received the first batch of F-16I (Sufa) planes and will receive the second during the period 2006-2008. The air force received a batch of the Apache, Longbow (Saraf) AH-64D, helicopter planes, while the navy will receive two German (Dolphin) torpedoes that can be equipped with nuclear weapons. The German government will cover third of its total cost that amount \$1.17 billion.⁴⁸

According to some authentic sources, Israel posses 200 nuclear heads which make it the sixth biggest nuclear force in the world. Israel can fire these nuclear heads from the air through F-16S and F-15ES planes, or from the land through medium range ballistic missiles like JerichoII, or from the sea through the American missile model Harpoon that can be fired from warships or torpedoes. Israel also possess' at least 100 bunker-busting bombs, known as mini-nukes, that can be guided by the laser, and could penetrate undergraduate fortifications like nuclear laboratories and stores of weapons of mass destruction.⁴⁹

In its strive to develop its fighting capabilities, the Israeli naval force is reportedly engaged in studying the construction of an undetectable crewless submarine torpedo that will be difficult to locate and can be used to attack warships.⁵⁰ Moreover, there are news of Israeli-manufactured driverless tanks and bulldozers that Israel employed along the frontiers with the GS.⁵¹ Israel had also concluded a joint deal with India to manufacture for the naval forces of the two countries the interceptive missile Thunder 2, with a preliminary cost of \$350 million.⁵²

Israel increased during the course of the year 2006 its military sales to reach \$4.4 billion, as mentioned by Yossi Ben Hanan, the chairman of the department of military industries in the Ministry of Defense. India and the USA are the biggest customers for Israeli armaments, as the purchase of each of them in 2006 was more than one billion dollars. Israeli armament sales had increased from \$3.27 billion in 2003 to \$3.74 billion in 2004, but they decreased to \$3.5 billion in 2005 to sizeably increase again in 2006.⁵³

Israel concluded an important armament treaty with Nigeria to the value \$250 million. By this deal, it will supply Nigeria with drone systems planes and 15 warplanes, and train its pilots.⁵⁴

The year 2006 will be remembered as the year of drastic failure for the Israeli intelligence and military operations in the war against Hizbullah and Lebanon. This situation led to the voluntary or mandatory resignation of some leading generals in the Israeli army, including Udi Adam, the commander-in general of the Northern region, and Dan Halutz, the Chief of Staff.⁵⁵

Third: The Position of Israel towards the Victory of Hamas and its Attempts to Topple its Government

1. The Position of Israel towards the Victory of Hamas

Being disturbed by Hamas' good performance in the municipal elections of 2005, Israel refused the organization's participation in the legislative elections except after its disarmament and submission to the Israeli-American conditions. Hamas is, in fact, unwanted not only by Israel, but also by America, Europe and some Arab countries, in addition to some Palestinian leading figures in the PA. Nonetheless, Hamas managed to dictate its presence at these great odds through determination and increasing popularity among the Palestinian masses, who admired its insistence and persistence on the struggle against the Israeli aggression. It has become crystal clear that no sensible force could afford to disregard Hamas or supersede it. Any attempt to put the Palestinian house in order or to engage in reform or a truce cannot materialize without Hamas's agreement, participation, or, at least, implicit blessing. Any attempt to sideline or ignore the organization may lead to "double danger," namely the continuation of the resistance and/or the obstruction of the peace negotiations. If, on the other hand, accommodated in the political process, Hamas was likely to win the election and gain political and popular legitimacy, which will complicate the situation as the organization may dominate or, at least, become a partner in the leadership of the Palestinian people, particularly so as it had not been a member of the PLO, and does not recognize the peace treaties, and, of course, Israel. Such a scenario will be totally against the American-Israeli rules of the game that insisted on an always nodding PA.

However, the American project of democracy in the region may have persuaded the Bush administration to accept, though reluctantly, the participation of Hamas in the legislative elections, particularly as it was generally expected (by the polls)

to secure around 20-30% of the vote. Being in the minority that should respect the decision of the majority, Hamas may then be too embarrassed not to observe the rules of the democratic game. This would strengthen the legitimacy of 'Abbas, and encourage him to go ahead with the disarmament of the resistance organizations, including Hamas, and even assimilate them in the Palestinian political system. However, right from the beginning there seems to have been a strong tendency to disregard the results of these elections if they were contrary to what was expected. In April 2005, Netanyahu, then minister of finance, declared that Washington and Tel Aviv do not want to see Hamas in power even through the legislative elections.⁵⁶ Moreover, Shimon Peres, the deputy premier, declared that Israel will support Mahmud 'Abbas as the victory of Hamas will mark the end of the peace process.⁵⁷ While Olmert said just before the elections that Israel will not accept Hamas to be part of the political game, and added, "No difference whether Hamas be part of the PLC or the Palestinian government. We will continue our pressure to prevent such a development."⁵⁸

On 19/1/2006, Livni explained the Israeli efforts to convince the western leaders of the dangers inherent in the conduct of elections, before dismantling the military organizations. But, she added, Abu Mazin convinced them of the necessity of the elections for his campaign against "terrorism" and chaos, and that he "undertook to start this campaign immediately after the end of the elections and the foundation of the government." According to Livni, the leaders of the western powers assured Israel that they will stop supporting the PA and sever all relations with it if 'Abbas did not honor his promise. They, furthermore, undertook to support all the steps that Israel may take in the new circumstances.⁵⁹

As reported by the broadcasting station of the Israeli army, policy makers in Israel were confused, hesitant and unable to take a decisive position towards Hamas. While some felt that its involvement in the political process would moderate its policies, others argued that it would become more extreme and dogmatic.⁶⁰

In any case, the victory of Hamas gave Israel a stunning shock, as reflected in the following comment by the broadcasting station of the Israeli army:

Israel has been profoundly shocked. It is in a state of confusion and hesitation because it is not prepared as it should, and has no crystal clear future steps... The hurried manner in which Olmert called the ministers of defense and foreign affairs, the directors of the security organs and the commanders of the army for consultation reflects this perplexity caused

by the expulsion of the bomb or the earthquake, as a result of the victory of Hamas. Thus, this government has no clear cut policies, neither at the tactical, nor at the strategic level. It does not know what it should do now... The results has not only shocked Israel, but are a blow to the USA who assumed that the desired democracy would impel President 'Abbas to dismantle Hamas' infrastructure, but the reverse had apparently happened, Hamas is the one that is dismantling the authority of 'Abbas.⁶¹

Yuval Steinitz, the chairman of the Knesset Foreign Affairs and Defense Committee, considered the outcome of the Palestinian elections a political earthquake, which reveals the serious blunder that Israel had committed by allowing Hamas to participate in the elections.⁶² Netanyahu, the leader of the Likud, mentioned that he had warned against the establishment of a "Hamastan" state, and that the PA would effectively be, after a Hamas victory, an extremist regime like that of Iran and the Taliban.⁶³ The ultra-rightist member of the Knesset, Effie Eitam, called the Shabak (Israel Security Agency (ISA)-Shin Bet) to liquidate all Hamas' members of the PLC.⁶⁴ Meanwhile, the failure of the security organs to forecast Hamas' victory led to accusations and counter accusations between the Shabak and the Department of Military Intelligence.⁶⁵

The executive summary of the Herzliya Conference of 2006 admitted that the ascendancy of Hamas constitutes a strategic challenge, as the organization had captured power without changing its policies. The summary claimed that this is, in effect, a failure for the whole world because it did not require Hamas' prior recognition of Israel as a condition for its participation in the elections, and added "Paradoxically, the reforms and democratization process that the U.S. has been leading in the Palestinian Authority since June 2002, which were intended to cleanse the PA of terror, have now brought the terrorist leaders to power." It also indicated that Hamas will neither moderate its policies nor surrender its weapon or stop "terrorism" unless and until the major political Palestinian forces demand that it do so. It, furthermore, pointed out that Hamas' assumption of power had made the establishment of a Palestinian state with temporary boundaries extremely difficult.⁶⁶

However, the victory of Hamas had not seemingly weakened Kadima Party, but strengthened its claim of the lack of a Palestinian partner, and thus go ahead with its policy of unilateral withdrawal that had, in fact, constituted the core of the party's political program.⁶⁷

2. The Attempts of Israel to Topple Hamas' Government

Israel decided to boycott the government that Hamas was about to form unless and until it recognizes Israel, discard violence and “terrorism,” disarm the “terrorist” organizations, and accept all the agreements concluded by Israel on one side and the PLO and the PA on the other side.⁶⁸ These were almost the same conditions that the Quartet (the USA, EU, Russia and the UN) stipulated for dealing with the new Palestinian government.

Israel also decided to impose a tight economic embargo on the Palestinian people in the WB and GS, simply because they dared to opt for a choice that happened to be repugnant to Israel. It stopped paying the Palestinian treasury the monthly over \$60 million tax fund that it collected on behalf of the PA by virtue of the Paris Agreement, and ordered the Israeli Banks to suspend all bank transactions with their Palestinian counterparts. In corporation with the Americans, Israel prevented the transfer of foreign funds to the Palestinian government, and used its military might to close the Palestinian land, sea and air borders, as well as the movement of cargo across them without its prior approval and under its supervision.

Israel decided to inflict on the Palestinian people and government what some Israeli quarters sarcastically called a “dietary regime” that would starve them into submission to the Israeli conditions. The Jewish press reported that Dov Weissglas, the advisor and director of the prime minister’s office had provoked a meeting of the leadership of Kadima Party into laughter by saying that the Israeli hunger campaign would seriously weaken the bodies of the Palestinians but without killing them.⁶⁹ When informed that the Palestinians of Gaza cannot buy sugar, Ruhama Avraham, the deputy minister of interior, sarcastically said, “If they do not find sugar, let them manufacture jam”!!⁷⁰ In the words of Nehemia Shtrasler in *Haaretz* newspaper on 21/2/2006, the Israelis need to “make sure the Palestinian people understand that in order to receive food they have to return to Fatah, which has suddenly become a Lover of Zion”!!.⁷¹

This humiliating and inhuman treatment that does not respect the free democratic choice of the Palestinian people is by all means scandalous not only to the occupation but to all forces that participated, committed themselves or even turned a blind eye to the blockade, particularly so if they belong to the Arab-Islamic world. Rather than submitting to the Israeli-American whims of imposing an unfair siege on an oppressed and occupied people, civilized countries of the 21st century should besiege and penalize the invading occupiers.

During the first 10 months of the year 2006, the Israeli army broke into the buildings of 70 Palestinian charitable organizations in the WB and frozen or stolen their funds.⁷² It also attacked several bureaus of exchange under the guise that they were engaged in financial activities that fund operations against Israeli targets.⁷³

The Israeli oppressive measures included the continuation of the assassination policy, prohibition of contact between the WB and GS,⁷⁴ stoppage of joint security operations⁷⁵ and coordination with the Palestinian liaison offices.⁷⁶ In a meeting on 30/3/2006, the Israeli army adopted a new plan, called “the Southern Arrow,” which intensified air, land and sea attacks on the districts of GS.⁷⁷

Meanwhile, Israel maintained minimum contacts with Mahmud ‘Abbas through which it allowed his freedom of movement, but encouraged and/ or pressed him to overthrow Hamas government and hold new elections. Moreover, it triggered chaos, insecurity and Palestinian-Palestinian disputes.

In its issue of 14/2/2006, *The New York Times* newspaper revealed an American-Israeli plan that aimed at isolating the PA, and to intensify the economic hardships of the Palestinian people to such an extent that they would topple Hamas government and return authority to Fatah.⁷⁸ Amongst the Israeli secret scenarios was a move on the part of Abu Mazin to cancel the results of the elections and to hold fresh elections within six months. However, according to Israeli sources, the ilks of ‘Abbas preferred to give Hamas the opportunity to form the government, rather than canceling the results of the elections; but, at the same time, strive to effect its failure, and thus call for new elections.⁷⁹ Israel had also seriously considered the arrest of Hamas ministers as well as undertaken disproportionate reprisals against military operations within the Green Line (the 1949 Armistice Line). It also conducted a meticulous study to find an opportune time for waging a military strike that would overthrow Hamas government, and pave the way for a new generation from within Fatah to capture authority with regional and international blessing and support, as mentioned in an Israeli report.⁸⁰

Olmert sympathized with ‘Abbas, whom he described as “genuine, sincere,”⁸¹ “honest and serious,”⁸² but weak and incapable.⁸³ He urged him to take “courageous steps,” and to exert all his effort and ability to force Hamas to accept the international demands,⁸⁴ or else to dismiss its government. Olmert also expressed hope that the USA and moderate Arab countries would “support moderate Palestinian forces under the leadership of Abu Mazin to restore power and create conducive

environment for launching meaningful negotiations with Israel.”⁸⁵ On the margin of al-Batra Conference in Jordan, Olmert had on 22/6/2006 a reportedly cordial meeting with ‘Abbas in which they hugged each other,⁸⁶ a development that had been criticized by many Palestinian forces as it took place only days after the Israeli massacre of the family of Huda Ghalia on the shores of Gaza.

On 20/5/2006, the Israeli foreign minister, Livni, called upon ‘Abbas to replace Hamas government through new elections or a referendum.⁸⁷ Five days later, ‘Abbas called the Palestinian factions to reach within 10 days to an agreement on the “Prisoners’ Document,” otherwise he will order a referendum on the document within 40 days.⁸⁸ Several Israeli officials welcomed ‘Abbas’ move, amongst whom was General Ami Ayalon, a leader of the Labor Party, who praised ‘Abbas’ address as a very important ultimatum to the Palestinian factions, and a signal of cooperation with Olmert.⁸⁹ A day later, the latter and Peretz allowed a supply of limited amount of arms to the Palestinian Presidential Guard. Commenting on this report, Amos Gilad said, “The transfer of arms should be allowed in order to implement ‘Abbas’ courageous decision and to confront Hamas.”⁹⁰ Subsequently, *Yedioth Ahronoth* reported that Olmert told a British parliamentary delegation that he “recently allowed the supply of arms to protect ‘Abbas from Hamas.”⁹¹

Indeed, all this is part of a consistent Israeli policy to fish in troubled waters, incite disputes among the Palestinians and destroy the social fabric of their society. The Israelis are not concerned with supporting this or that side, but are engaged in a tactical maneuver that would ultimately serve their prime interest of weakening Fatah, Hamas and all other effective Palestinian forces.

Within this context, Binyamin Ben-Eliezer, the minister of infrastructure, told the Israeli television (Channel 10), on 3/10/2006, that he prays for Fatah victory in these conflicts, and that the confrontations between Fatah and Hamas provide an opportunity to bypass the negative impact of the elections’ results. He furthermore, urged his government to support and extend help to Abu Mazin and Fatah. By the end of October 2006, the minister of defense, Peretz, allowed the entrance of five thousand guns from Egypt and Jordan to the security organs under the direct guidance of ‘Abbas.⁹² Ten days later, Olmert expressed his readiness to allow forthwith the entry from Egypt of Badr Brigade and thousands of guns to GS to support pro-‘Abbas forces,⁹³ while Efraim Sneh, the deputy minister of defense, called for a joint strategy with the presidential authority to weaken Hamas.⁹⁴

Various news agencies reported American plans to supply the Presidential Guard with armaments and training,⁹⁵ and Reuters spoke of a \$42 million American aid to ‘Abbas to, *inter alia*, find alternatives to Hamas, fund the restructuring of Fatah and support some anti-Hamas secular politicians and parties.⁹⁶ But Fatah denied receiving such American aid.

However, the most important lesson that may be derived from these bloody confrontations between Fatah and Hamas, during 2006, is the urgency of a strong Palestinian internal front that would guard against any meddling in Palestinian internal affairs and in the country’s national project.

In its strive to topple Hamas government, and after four days of the operation “Fading Illusion,” Israel arrested 28 ministers and members of parliament, whose numbers shortly reached 40. The detainees included ‘Aziz Dweik, the president of the PLC, Nasir al-Din al-Sha‘ir, the deputy premier and minister of education and others.

Though the dominant trend in Israel refuses to deal with Hamas and insists on its total destruction, few pragmatic voices appeared during the course of the year 2006 that argued otherwise. They maintained the inevitability of dealing, talking and concluding agreements with this rising and most effective organization on the ground, which had, furthermore, gained legitimacy, and, unlike Fatah, is well organized and have the capacity to implement its commitments. Yossi Beilin advised both Olmert and Bush to negotiate with Hamas, and added “probably at the end of the day you will run after it to accept talking to you.”⁹⁷ Similarly, Shlomo Ben-Ami, a former minister of foreign affairs, felt that Olmert will not be able to implement the disengagement plan without a Palestinian partner, and that the only viable alternative is Hamas government. Agreements with Hamas, he added, are expected to last longer than those concluded with the PLO.⁹⁸

The subjugation of Hamas was by no means an easy job. The Americans and the Israelis, as well the anti-Hamas Palestinian forces, needed to be cautious and calculative, otherwise the policies of the blockade and the boycott might backlash. Hamas had the considerable advantages of legitimacy through the ballot box, a strong and highly organized system and widespread popular support that had hardly been affected by the negative impact of the chaos and confrontations that some quarters tried to foment in the Palestinian arena.

If the outcome of the elections is not honored and their organization is bypassed or cornered, Hamas threatened to end the PA once and for all, and pursue the military struggle and the resistance with no heed to any truce or commitments. Even if it does not have enough popularity and power to abolish the PA, Hamas is certainly capable of paralyzing any peaceful settlement and creating a state of instability in the whole region. Moreover, no Palestinian leadership could have full legitimacy if Hamas and its allies boycotted it.

Palestinian circles will continue for sometime to debate the issues of the PA and the continuation of the resistance. The true nature of the Israeli-Palestinian relationship as one between an occupying power and an oppressed people, and the moral responsibility of Israel to look after the well-being of the Palestinian people, rather than to starve and blockade them, will also be subjects of controversy. The debate will be particularly fueled and aggravated when the Palestinians fully realize the futility of the PA, and that their rights and interests are still being squeezed and confiscated; while in the same time, the Palestinians continued to be blamed for all the hardships and the predicaments.

Fourth: The Israeli Aggression and the Palestinian Resistance

In connection with the Israeli aggression and the Palestinian resistance, the year 2006 was characterized by the following:

1. The Israeli operations of assassination and infiltrations had substantially increased, particularly in GS, and the numbers of the Palestinians killed and wounded multiplied compared to previous years.
2. The toppling of Hamas government and the abortion of its experiment had become part and parcel of the Israeli military agenda.
3. Though the Palestinian factions declared on 31/12/2005 the end of the truce, Hamas was inclined to observe it for the sake of providing a reasonably conducive environment for its government. But the organization terminated the truce on 9/6/2006, after the assassination of Jamal Abu Samhadaneh and the Israeli bloody massacre along the shores of Gaza.
4. The Palestinian resistance was mainly defensive in the sense that it was essentially a reaction to the enemy's penetrations and aggressions.

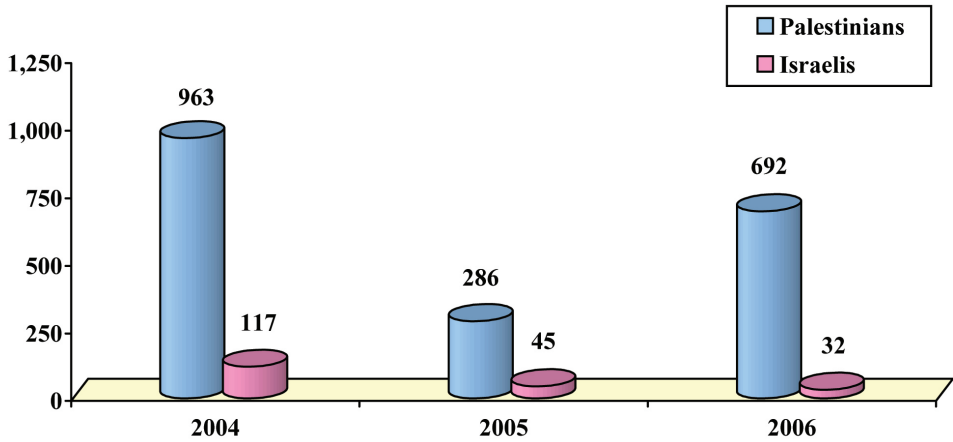
5. Increasing reliance on the launching of rockets, particularly from GS. The number of fired rockets against Israeli targets totaled 1,700 in the year 2006 which killed two Israelis and wounded 163 others, compared to 400 in 2005 which killed five Israelis and wounded 51 others.⁹⁹
6. Most of the power and capabilities of the Palestinian resistance movements had been exhausted in internal conflicts, in particular between Fatah and Hamas. This regrettable intra-fighting killed some men, weakened the resistance, damaged its image and caused great disillusion among the Palestinians and in the Arab and Muslim worlds at large. However, increasing calls and appeals were voiced to end this sedition and stop shedding the Palestinians blood.

Though the year 2006 was not a year of *Intifadah* per se, the Israeli program of assassination was intensified, and this accelerated military drive was mixed up with calls to free the Israeli captured soldier, Gilad Shalit, to topple Hamas government and to silence the Palestinians rockets launched from GS. During the year 2006, the total of 692 Palestinians were killed, of whom 556 from GS. Israel conducted 85 assassination operations in which 189 Palestinians killed of whom 134 were targeted and 55 happened to be in the theatre of these operations.¹⁰⁰ The statistics given by the Islamic Jihad, in the year 2006, reported that 79 of its members were killed,¹⁰¹ while Hamas recorded the killing of 70 of its members.¹⁰² Fatah did not provide statistics, but many of its members were reported to have been killed in this year, in addition to others from the other Palestinian factions. As for the year 2005, the total number of the Palestinians killed was 286 amongst whom 68 were children and 56 were victims of assassination operations. The dead among the Israelis in 2006, excluding those of the war on Lebanon, were 32 of whom one was a child, compared to 45 in 2005. The number of the wounded Palestinian during the course of 2006 totaled 3,126 of whom 452 were children, compared to 1,700 in the year 2005. As for the Israeli side, 332 were wounded compared to 406 in 2005. The Israelis admitted that they were subjected during the year 2006 to 2,135 attacks half of which were launched from GS, compared to 2,365 in 2005.¹⁰³

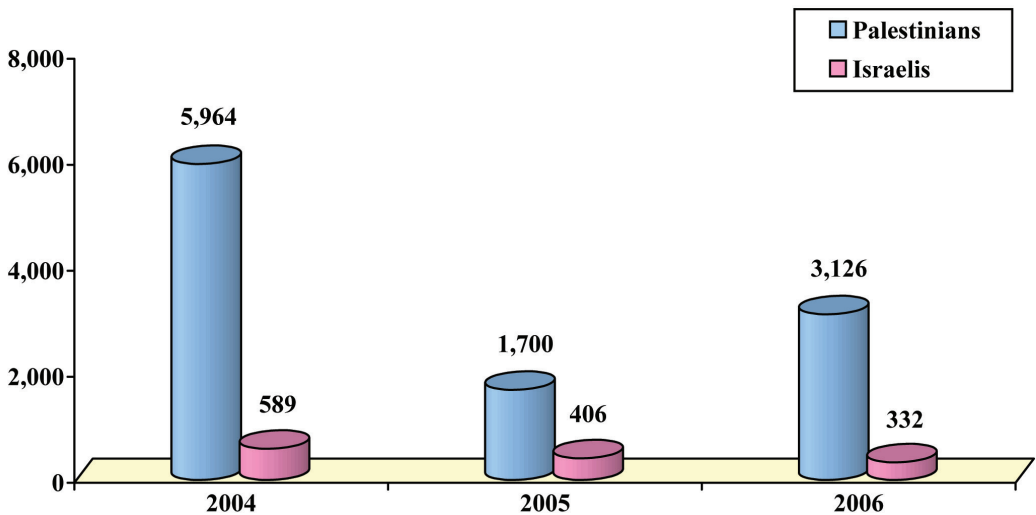
**Table 11/2: The Killed and Wounded among the Palestinians and the Israelis
2004-2006**

Year	Killed		Wounded	
	Palestinians	Israelis	Palestinians	Israelis
2004	963	117	5,964	589
2005	286	45	1,700	406
2006	692	32	3,126	332

The Killed among the Palestinians and the Israelis 2004-2006



The Wounded among the Palestinians and the Israelis 2004-2006



The Palestinian resistance waged four “self-immolation” operations only during the year 2006. On 19/1/2006, a member of the Islamic Jihad blew himself in the central bus station in Tel Aviv killing two Israelis and wounding 22 others. The PA officially condemned this operation, and Mahmud ‘Abbas dismissed its masterminds as outcasts.¹⁰⁴ The Islamic Jihad responded to the increased Israeli assassination attempts of its members by a second “self-immolation” operation on 17/4/2006 in Tel Aviv, in which the casualties were eight dead and 65 wounded.¹⁰⁵ Once more ‘Abbas condemned this, in his words as “despised” operation and that it ran counter to Palestinian interests.¹⁰⁶ Nonetheless, Mirvat Mas‘ud of the Islamic Jihad executed on 6/11/2006 another “self-immolation” operation that targeted a number of soldiers in the district of Beit Hanun of whom one was wounded.¹⁰⁷ The fourth operation was undertaken near Jabaliya camp on 23/11/2006, by a 57 years old, mother and grandmother of 20 siblings, Fatima al-Najjar, from Hamas, where four Israeli soldiers were wounded.¹⁰⁸

The Israel Security Agency, the Shabak, admitted that it arrested during the year 2006 about 279 persons under the guise of being potential members of the cadre of “self-immolation” operations compared with 154 arrested under the same pretext in 2005. Among those are 126 from Fatah, 96 from Islamic Jihad and 30 from Hamas. The Shabak also claimed that it aborted 71 “self-immolation” operations of which 45 were about to be executed as the resistant members had already put the explosive belts around their bodies. Most of these operations were undertaken by cells of the Islamic Jihad and Fatah of Jenin and Nablus. The Israeli security forces also claimed that it arrested in 2006 the sum of 6,968 Palestinians, compared to 4,532 in 2005, of whom 39% were loyalists of Hamas, and most of the rest belonged to the Islamic Jihad and Fatah.¹⁰⁹

The Israeli authorities had deliberately pursued a policy of brinkmanship, particularly after the formation of Hamas government in 31/3/2006. During the first 45 days of this government, the Israeli forces fired 5,100 artillery bombs at GS, an average of 110 bombs per day.¹¹⁰ According to similar statistics, prepared by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and published in the Palestinian newspaper *al-Ayyam* on 22/6/2006, the rockets that the Palestinians launched at Israeli targets during the last three months, totaled 479, i.e., an average of five rockets per day, while the Israelis had fired on GS during the same period 7,599 artillery bombs, an average of 84 bombs per day.

The Palestinian killed from 2/1-2/4/2006 reached 71 compared to 125 during the period 3/4-3/7/2006.¹¹¹

On 8/6/2006, Israel assassinated Jamal Abu Samhadaneh, the commander in chief of the Popular Resistance Committees and the under secretary of the Ministry of Interior, and three of his fellows. On 9/6/2006 and 13/6/2006, Israel committed two massacres, 14 Palestinians were killed in the former, of whom seven belonged to single family,¹¹² and 11 perished in the latter.¹¹³ Obviously, Israel was pushing towards explosion in order to get rid of Hamas government, which was confirmed by a senior Israeli security officer who admitted that Israel forced Hamas to end a 16 months truce and resume firing of rockets.¹¹⁴

On 25/6/2006, Hamas undertook, in cooperation with *al-Nasir Salah al-Din* Brigades (*Alwiyyat al-Nasir Salah al-Din*) and the Army of Islam, a quality operation, coded "Fading Illusion," in which two Israeli soldiers were killed, a third, Gilad Shalit, arrested and four wounded, while two of the attackers killed.¹¹⁵ This operation led to a great and spectacular elation among the Palestinians coupled with a measure of fear from the Israeli reprisals. In return for the release of the Israeli soldier, the architects of this attack demanded the release from Israeli prisons of all women and children plus other one thousand detainees, especially leaders of the Palestinian organizations and those sent for long terms of imprisonment.¹¹⁶ The issue of this Israeli prisoner and a proposed deal for exchange of prisoners remained till the end of the year 2006 a subject of intense negotiations and maneuvers, but with no conclusive outcome in the horizon.

Israel exploited the operation "Fading Illusion" and the kidnapping of the Israeli soldier to launch an extensive military operation, called "Summer Rains," in GS. However, reports published in the Israeli newspapers *Yedioth Ahronoth* and *Haaretz*, at that time, showed that this plan, as well as that of arresting Palestinian ministers and members of the PLC, was already on the shelf before these incidents.¹¹⁷ The Israeli continuous attacks during the period 26/6-31/10/2006 led to the killing of 400 Palestinians while other 1,852 were wounded. In early November 2006, Israeli forces launched another three weeks operation, named the "Autumn Clouds," that concentrated on northern GS, especially Beit Hanun, in which 105 Palestinians were killed and 353 others were wounded. In the morning of 8/11/2006, Israel committed another massacre in which six houses collapsed on the heads of their sleeping owners, and the casualties were 20 killed and 40 wounded.¹¹⁸

The Prisoners and the Detainees

According to official Palestinian statistics, the numbers of Palestinian prisoners in Israeli jails at the beginning of the year 2006 were 9,200, but they increased to 11 thousand by the end of the year. 5,671 Palestinians were arrested during the course of the year 2006, 5,425 from the WB and 246 from GS, of whom 2,500 remained in prison.¹¹⁹

The Israeli occupation customarily uses the policy of detention to confront the resistance and its organizations, and to demoralize the Palestinian people, and as a bargaining weapon in negotiations.

Geographically, the Palestinian detainees of the year 2006 were distributed as follows: 9,928 from the WB (including 540 from Jerusalem), 867 from GS, 150 of the 1948 Palestinians and 55 from Arab countries. 5,290 of the arrested were tried and sentenced before Israeli courts, 890 were administratively tried but without specific charges and 4,820 are awaiting trials. The numbers of the detainees before the outbreak of *al-Aqsa Intifadah* (on 29/9/2000) were 553, while those who remained in detention prior to the establishment of the PA on 4/5/1994 were 367 detainees.¹²⁰ By the end of 2006, there were 368 children and 120 women in Israeli prisons.

Table 12/2: The Prisoners and the Detainees in the Israeli Jails 2006

No. of detainees on 1/1/2006	No. of detainees on 31/12/2006	Detainees during 2006		No. of women by the end of 2006	No. of children by the end of 2006
		WB	GS		
9,200	11,000	5,425	246	120	368

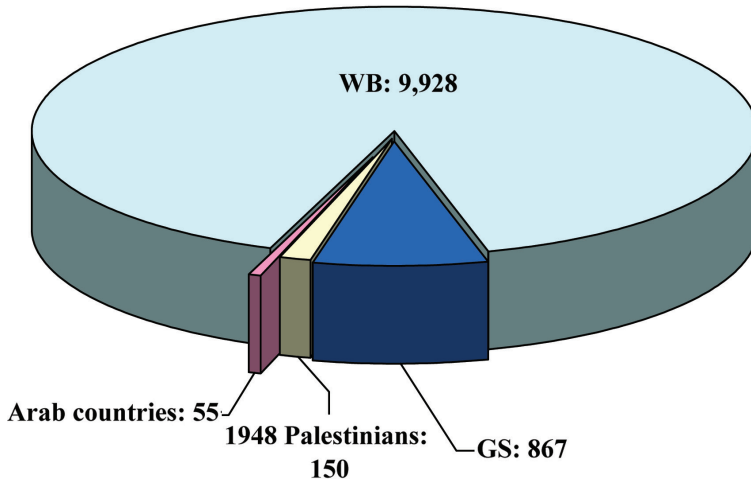
Table 13/2: The Prisoners and the Detainees in the Israeli Jails according to Geographic Locations by the End of 2006

WB	GS	1948 Palestinians	Arab countries	Total
9,928	867	150	55	11,000

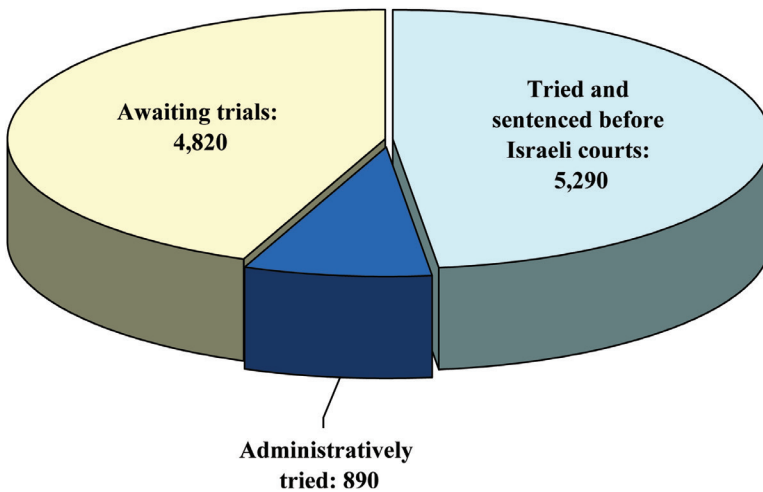
Table 14/2: The Prisoners and the Detainees in the Israeli Jails according to their Legal Status by the End of 2006

Tried and sentenced before Israeli courts	Administratively tried	Awaiting trials	Total
5,290	890	4,820	11,000

The Prisoners and the Detainees in the Israeli Jails according to Geographic Locations by the End of 2006



The Prisoners and the Detainees in the Israeli Jails according to their Legal Status by the End of 2006



On 14/3/2006, the Israeli forces attacked Jericho Prison (*Sijin Ariha*) and kidnapped Ahmad Sa'dat, the secretary-general of the Popular Front, and four of his comrades, who were all accused of killing the Israeli minister of tourism, Rehavam Zeevi. Major-General Fu'ad al-Shubaki, a member of Fatah Revolutionary Council was also kidnapped. During this attack, three other Palestinians killed and 35 were wounded, while 200 of the prison's detainees and security officers were

temporarily arrested. Since Jericho Prison (a PA prison) was under the guard of American-British forces, it is most likely that the two powers collaborated with the Israeli invading force.¹²¹

Since 26/6/2006 (after the kidnapping of the Israeli soldier Gilad Shalit) and until the end of the year, the Israeli forces arrested 3,500 Palestinians as well as 10 of the ministers of Palestinian government, of whom four remained in detention until the end of 2006: ‘Umar ‘Abd al-Raziq, ‘Isa al-Ja‘bari, Khalid Abu ‘Arafa and Nayef al-Rajoub. By the end of the year 2006, 34 members of the PLC, including the council’s president and secretary, respectively ‘Aziz al-Dweik and Mahmud al-Ramhi. Out of those 34 members of the PLC, 24 were considered as representative of Hamas and had been arrested after the kidnapping of Gilad Shalit. Of the remaining who were arrested before the elections, six were from Hamas, three from Fatah and the tenth is Ahmad Sa‘dat.¹²²

The issue of the prisoners and the detainees is one of the major concerns of the Palestinians society. But, for the Israelis, it will continue to be a means of blackmailing and suppression as long as the occupation exists, and until real pressure will be exerted on Israel to respect the rights of the Palestinian people.

Fifth: The Peace Process and the Unilateral Withdrawal

Since the beginning of 2006, Israel has been increasingly convinced of the necessity to bypass the project of the “Road Map,” and to impose a unilateral solution. The idea of unilateral withdrawal is not a monopoly of the Kadima Party per se, but other Israeli trends, from the left, middle and right, has in one way or another supported the notion.

The Israeli strategists had come in Herzliya Conference of 2006 to the conclusion that the insistence on the so-called “land of Israel” (*Eretz Yisrael*) is the stumbling block that hampers the reconciliation between the two alternatives of a democratic Jewish state with a comfortable Jewish majority, and the protection of the Jewish existence. For the former means to surrender parts of this land to establish a Palestinian state to resolve the burden of the Palestinian population, while the latter requires support to the Jewish projects of settlements and expansion, and the continuation of the occupation of the lands of the promised “Palestinian state” with all of its security hazards.¹²³

These strategists admit that this major predicament affects all proposed peace projects, and questions the wisdom of a speedy settlement to the Palestinian issue through negotiations, or by unilateral solutions. They also alerted that time is not in favor of achieving both the Israeli goals of a democratic Jewish state and the two states' project. The overwhelming Jewish majority cannot possibly be achieved as long as Israel continues to rule the WB. For the Palestinian population in historical Palestine (the 1948 occupied lands, the WB and GS), is expected to supersede by 2010 that of the Jews. Such a "dangerous" course may persuade the Palestinian to stop calling for the two-states solution and insist on a single state that protect their civil and political rights. Ultimately, this would lead to a Palestinian drive to end the Israeli apartheid system following the model of the black nationalists in South Africa, which would open the way for the end of the Jewish nature of the state along basis acceptable to the international community.¹²⁴

The crux of the Israeli difficulties is that what they offer to the Palestinians does not meet the latter's minimum consensus. In particular, the Palestinian refugees' right to return to their lands from which they had been expelled in 1948, the future of Jerusalem, particularly *al-Aqsa* Mosque, the future of Jewish settlements, and the extent of the sovereignty of the Palestinian state, including the formation of the army and the state's control over the borders and the sources of water.

The victory of Hamas and its formation of the government had strengthened the notion of a lack of a Palestinian partner, and hence added to the excuses of a unilateral solution. But, on the other hand, an evacuation from sizeable territories of the WB would be viewed as such a great victory to Hamas that the Israeli government could not sell to its own people, particularly so as the possibility of establishing a Palestinian state with secured borders with Israel has become very remote after Hamas' ascendancy to power.

Thus, the rise of Hamas, the increasing Palestinian population in mandatory Palestine, the Iranian nuclear threat and the increasing strength of political Islam in the Middle East coupled with the strong Iraqi, Lebanese and Afghani resistance and the spread of the so-called "terrorism," that is squarely against America and Israel, has all constituted a complicated strategic challenge to Israel. The Israelis seem to bet on their present military strength, their alliance with America and on the time factor that may provide a conducive Palestinian-Arab environment for an Israeli version of a settlement. But the dangers inherent in this time factor is that

the Israeli casualties and loss may be so heavy that the Israelis would be compelled in future to offer such lucrative concessions that they could not have dared to put on the table before. However, such concessions that may be accepted now by some Palestinian factions and trends may then be rejected by most Palestinians as being too little too late.

However, the Israeli rush to solve their problem, but not the Palestinian issue, and the lack of a Palestinian partner that accepts their “meager concessions” had triggered the Israelis towards an imposed unilateral solution. But the ascendancy of Hamas and the Israeli war against Hizbullah and Lebanon had placed them in a dilemma, and returned them during the course of the year 2006 to square one of “impossible,” or “extremely difficult” alternatives.

On his assumption of the premiership, Sharon, who was accustomed to military solutions, decided to impose the settlement that he wanted. He considered Oslo Accords as dead and obsolete, refused and ridiculed the Arab Initiative and made the project of the Road Map meaningless by his 14 reservations. By all this, he wanted to establish that the Israelis could move forward without negotiating the Palestinians. Hence, he continued building the Separation Wall, extended the settlements and hampered ‘Abbas’ attempts to consolidate his authority. When the Palestinian resistance attacks, the Israeli’s “response often seemed calculated not to punish the guilty but to infuriate the innocent,” as mentioned by Gideon Lichfield. Sharon’s unilateralism gave the impression that he was a tactician rather than a strategist. Tactically, the weakness of ‘Arafat and ‘Abbas, the unilateral withdrawal, the building of the wall and the conduct of the affairs on a day-to-day agenda seemed to have been acceptable. Meanwhile, the Palestinian population problem triggered Israel to undertake a withdrawal that would maintain its Jewish identity, but the possibility of an eventual by product Palestinian state was not a central goal of this unilateral project.¹²⁵

This unilateralism of Sharon and his Kadima Party was in essence a basic departure from the previous philosophy of a win-win situation through bilateral negotiations to a win-lose approach in which the Israelis will be solely responsible for the implementation of the project. Such a strategy may have a minimal impact in the short run, but it will be disastrous in the long run.¹²⁶

Two days before Sharon went into coma, an article, written jointly by the senior editor and the chief correspondent of *Ma'ariv* newspaper, spelled out what the writers called the real political plan that was prepared during the last few months in preparation for Sharon's (or Kadima's Party) next term of office. The plan was meant to be an alternative to the Road Map, and its chief ideas were as follow:

- The PA will not be able to dismantle the infrastructure of "terrorism," which means that the initial stage of the Road Map would not materialize.
- The Road Map will be a mere piece of paper "Fig Leaf" used by the Israeli leadership in any manner that they want.
- Israel and the USA will initial secret negotiations to fix the eastern borders of Israel, in which America will play the role of the guardian of the "incapacitated Palestinians." Hence, negotiations between the Palestinians and the Israelis were ruled out as nothing tangible would presumably come out of them.
- The discrepancy between Tel Aviv and Washington on the areas in the WB to be incorporated in Israel will be minimal, around not more than 8% to 12% of the territories that Israel wanted to annex.
- America will recognize and guarantee Israel's sovereignty over all old Jerusalem, though the Arab quarters there will be under Palestinian sovereignty, and assure Israel of its total rejection to the Palestinian right of return to the land from which they were expelled in 1948.
- Completion of the Separation Wall, and a gradual evacuation of the settlements, though the major six settlements will be maintained.
- The USA will extend a generous financial aid to Israel.
- The agreement will be posed as a historical American achievement, and the USA will be presented as the only power who forced Israel to evacuate from most of the WB, and to accept the establishment of a Palestinian state that extends geographically to the WB.

Hence, the essence of this project is unilateral withdrawal in the absence of a Palestinian partner, and according to prior arrangement with the USA and with its official recognition of the new boundaries of Israel. Efforts will also be made to rally international support to this agreement.

Ma'ariv newspaper indicated that the American administration had not yet agreed to this plan, but its senior officials expressed their interest, and listened attentively to the details of the plan. Amongst the early supporters of this plan was the godfather of American foreign policy, Henry Kissinger, who advised that the confidentiality of the Israeli-American negotiations should be strictly maintained, and the whole project be finally introduced as an American plan imposed on Israel.¹²⁷

The plan was thus designed for implementation in the absence of negotiations with the Palestinians, and irrespective whether Fatah or Hamas win the elections. The expressions of sympathy with Abu Mazin, and the claim of the Palestinians' predicament to the Road Map were just a piece of eyewash to prepare for the project of unilateral withdrawal. Israeli declarations and leaks on and around this project continued throughout the first half of the year 2006, which had all emphasized Israel's determination to draw its frontiers by itself, and to impose a settlement on the Palestinians.¹²⁸ Olmert had publicly declared that Israel will emerge in a new shape after four years, it will have new frontiers that will be effectively supported by the powerful and important states in the world, though they may not be officially recognized. Olmert added that the Israeli leadership will decide, will move and will lead. It will fix its agenda, their agenda and the time table.¹²⁹

Olmert explained that in the "convergence plan" settlements outside the security wall will eventually be removed and their residents will be converged into the settlements that will remain under the Israeli control. The rest of the territories will not have any Israeli presence, either for security reasons, or to allow territorial continuity for a future Palestinian state. He added that if the Israelis agree upon the fact that Palestinians are not ready for real negotiations, he will try to reach an understanding with the American administration about the steps that Israel should undertake, regarding the issue of the borders.¹³⁰ In another statement, Olmert said that Israel is in hurry to implement the disengagement with the Palestinians, and that it cannot wait for another 20 years "for Hamas to be mature"; and that in the absence of a Palestinian partner, "the Israelis will take unilateral initiatives, in coordination with the USA and the Europeans, and will try to reach a national and international consensus."¹³¹

The theorization for the "convergence" or the unilateral withdrawal was associated with the maintenance of the Jewish nature of Israel. Tzipi Livni,

the Israeli minister of justice (later minister of foreign affairs), argued that the acceptance of the international community to the existence of Israel as a Jewish state will gradually erode, and pressure will be intensified on Israel to transfer into a binational state in which the Palestinian and the Israelis share power. Thus, Livni maintained, “It is necessary for Israel to surrender some of its biblical lands, including the WB, to maintain a democratic and Jewish state.”¹³² Livni refused the definition that Israel is state for all its citizens, and insisted that it is a national home for the Jewish people, i.e., a Jewish state with a majority of Jewish population.¹³³

Haim Ramon, the Labor leader who joined Kadima to be the minister of justice, used strong expression to describe his concern about the future of Israel. He said that the Israelis live in the mouth of a volcano that they very well know the time of its eruption. He added, “We know that within 5-10 years Israel will end as a Jewish democratic state. Once the Palestinians constitute the majority in the territories that extend between the sea and the river..., they will collectively demand that this be one state. This is a monumental danger.” He added, “The control of the Palestinian regions is like a cancer,” and “The only danger that Israel could not overcome is the loss of democracy in the Jewish state.” Hence, the disengagement plan constituted, in his opinion, the only means to confront this development.¹³⁴ Olmert considered the withdrawal project a necessity “to rescue Zionism,” though he theoretically believed in the Zionist project of the land of greater Israel.¹³⁵

Some indicators pointed to the completion of drawing the final frontiers by the end of George Bush’s second term in office (early 2009),¹³⁶ or by early 2010.¹³⁷ Olmert considered this to be the prime concern of the next Knesset,¹³⁸ and emphasized the incorporation of six settlements under Israeli sovereignty, namely Ma‘ale Adummim, Gush Etzion, East and South Jerusalem, Ariel and Kedumim-Karnei Shomron and Shaked north of the WB and Kiryat Sefer east of Tel Aviv.¹³⁹

In its political program, the new Israeli government incorporated the drawing of the final borders of Israel as a Jewish state with a majority of Jewish population. If no agreement on the issue was concluded with the Palestinians, Israel will go ahead and fix its own frontiers.¹⁴⁰ In the first session of his government, Olmert declared that its central concern was to unilaterally draw the new frontiers of Israel, and the formation of a strong Jewish state that can be defended.¹⁴¹ In its issue of 8/5/2006, *Haaretz* newspaper revealed that Sharon had formed half a year ago a team of experts from various ministries to crystallize the plan of convergence or

collectivization, estimate budget for its execution, and suggest the legal means for its implementation and for the rally of international recognition for the frontiers from which Israel will withdraw.¹⁴²

After less than three weeks from his assumption of the premiership, Olmert traveled to Washington to sell himself, his ministry and his plan of convergence and collectivization to the Americans. He met the American President George Bush, and gave a speech before the Congress that was interrupted by clapping 38 times and by 18 standing ovations.¹⁴³ No wonder, Olmert was in his “own home” and among his “close relatives.” Incidentally, under the coaching of the Jewish republican strategist Frank Luntz, Olmert read the speech 30 times before its delivery, which seems to have been instrumental for his good performance.¹⁴⁴

Olmert managed to improve his relations with Bush, who expressed his admiration of the “courageous” Israeli plan, and added that it is impossible to wait forever. Bush had, furthermore, for the first time, described “Israel as a Jewish state,” which was enthusiastically welcomed in Israel. However, Bush did not promise to recognize the suggested boundaries as final boundaries, emphasized his vision of a Palestinian state capable of existence, and the necessity of conducting serious negotiations with Mahmud ‘Abbas, the real peace partner, and never to obstruct his mission or weaken him.¹⁴⁵

Since his election to the chairmanship of the PA and the PLO, Mahmud ‘Abbas exhibited the readiness of the Palestinian leadership to enter in negotiations and prove that it is a reasonable partner for concluding a final settlement. During the year 2005, ‘Abbas tried to bolster the image of the PA through several security and economic measures, and by holding the municipal elections. One of his major goals behind conducting the legislative elections was to accommodate Hamas in the Palestinian political system, to disarm it after the elections,¹⁴⁶ and to control its activities within those of the PA and the PLO, particularly as it was generally assumed that Fatah will win the elections. Furthermore, ‘Abbas had emphasized, about two months prior to the legislative elections, the possibility of striking a deal with Israel, and went to the extent of saying that a final settlement is feasible within six months if there is a serious Israeli negotiating partner.¹⁴⁷

But the Israeli leadership ignored ‘Abbas and went ahead with its policy of unilateral withdrawal from GS, and with its plan of convergence. It also continued

to press ‘Abbas to disarm Hamas and the rest of the Palestinian factions on the grounds that this was a condition of the initial stage of the Road Map, a development that infuriated ‘Abbas who accused Israel of triggering a civil war between the Palestinians.¹⁴⁸

‘Abbas insisted on the continuation of the negotiations notwithstanding the victory of Hamas and its formation of the government. But Israel accused him of weakness and inability to implement his commitments. Rather than been engaged in negotiations, Israel decided to concentrate on toppling Hamas government and to ensure the failure of its experiment. This development had its repercussions on the political scenario of the year 2006.

Despite the controversy around the Prisoners’ Document, it contained important ideas on any future peace project, particularly with regard to relations with Israel and the Palestinian rights. Moreover, the document exerted extensive political pressure on Hamas government to the extent that ‘Abbas vowed to hold a referendum on its content. Nonetheless, Israel did not consider this document as a basis for settlement and refused to deal with it. Olmert said, “It does not constitute a basis, not even a starting point, for negotiations with the Palestinians.”¹⁴⁹ Its final version, entitled “National Conciliation Document,” was officially and categorically rejected by the Israeli Ministry of Foreign Affairs.¹⁵⁰ While its primary importance lies in its attempt to formulate a consensus on a Palestinian national program, the document had its impact on the peace process in the sense that it tried to accommodate Hamas along the position taken by Fatah, the Arab countries and the international community.

By the second half of the year 2006, the plan of convergence and collectivization suffered serious setback,¹⁵¹ and was exposed for criticism and demands for amending its content. It was no longer a prime priority for the government. It lost its glamour and forcefulness for the following reasons:

1. Hamas’ winning of the elections and formation of the government, and the failure of the attempts to topple it spread the concern that a withdrawal may be viewed as a victory to the organization, and consolidate its authority on the ground.
2. The failure of the Israeli war in the summer of 2006 on Hizbullah and Lebanon coupled with the 2000 Israeli withdrawal from Southern Lebanon under the pressure of Hizbullah increased the fear that a similar scenario might be repeated in the WB.

3. The decrease in the popularity of Olmert, his party and government, and the rise in the popularity of the Israeli rightist force weakened Olmert and limited his ability of manipulation.
4. Rising tendency to support 'Abbas and the institution of the presidency, and to coordinate with them to confront Hamas and overthrow its government.
5. The preoccupation of the Israeli public with the corruption scandals and the investigation on the army's weak performance during the war on Hizbullah and Lebanon.
6. The emergence of practical security, economic and legal difficulties that deter the implementation of the plan on the ground. This was highlighted in a report issued in mid August 2006 by the "Convergence Committee" that was asked to study the proposal of unilateral withdrawal. Amongst the concerns of this committee were the inherent dangers of launching missiles from the WB, and the inability of Israel to secure international recognition of the end of the occupation as it intended to continue controlling parts of the WB.¹⁵²

The first sign of this retreat from the convergence plan came on 18/6/2006, through some declarations by a senior minister of Kadima ruling party to the effect that the implementation of the plan "is virtually impossible" because of the lack of international support, and that Israel will get nothing out of such course of action, which, anyhow, will not be supported by the government, the Knesset and, possibly, Kadima Party itself.¹⁵³

The aftermath of the Lebanese war was instrumental in obvious disintegration within the ranks of Kadima Party, and many of its ministers and members of the Knesset. opposed the convergence plan,¹⁵⁴ which had further weakened its driving force. A few days after the Lebanese war, Olmert told a number of his ministers that this plan was no more a priority to his government.¹⁵⁵ His deputy, Shimon Peres, was reported to have said to the Israeli newspaper *Yedioth Ahronoth* on 8/9/2006 that the notion of convergence and collectivization had "ended politically, psychologically and practically." He even warned that Kadima will vanish from the political scene if it does not polarize new political agenda.¹⁵⁶

Within this confused environment, the ruling coalition had apparently lost vision and direction. Some Israeli circles urged the government to coordinate the

withdrawal with Abu Mazin, and to hand some limited districts in the WB to his Presidential Guard.¹⁵⁷ In late September 2006, 68 prominent Israeli personalities (largely from Kadima and the middle parties) addressed a message to Olmert that asked him to respond favorably to the Arab Peace Initiative, and to officially negotiate with the governments of Syria and Lebanon as well as with Hamas government on a comprehensive peace settlement.¹⁵⁸ In the mid of November 2006, Tzipi Livni, the minister of foreign affairs, had reportedly advocated ideas similar to those presented in Camp David in the summer of 2000. She talked about a 90% withdrawal from the WB to be subsequently followed by other withdrawals and border amendments, as well as withdrawal from the Arab quarters in Jerusalem with the exception of *al-Aqsa* Mosque, which will be handed in the third stage. Livni suggested that the UN issues a resolution that talks about an independent Palestinian state within the 1967 borders that lives in peace and tranquility with its neighbors. The minister's plan do not reject the Palestinian right to return to their lands, but suggests that Israel will not allow them to return to their lands occupied in 1948 (officially annexed to Israel), but will allow them to return to the promised Palestinian state. By the end of the day, two fully sovereign states will be recognized. However, the plan mentions that what will be agreed upon should be implemented without connecting it to other issues.¹⁵⁹

If substantiated, Livni's idea represents a major change in the thought of Kadima Party and the Israeli leadership. This is reflected in their retreat from their previous position of a unilateral withdrawal, and acceptance, in principle, of a Palestinian state in most of the territories in the WB and GS without having an official proviso of a Palestinian surrender of the right of return, or associating the agreement with other issues as was the case in the past. The plan also indicated that the Israelis had become more inclined to deal with the Palestinian factions that do not recognize their state, like Hamas and the Islamic Jihad.

This change in attitude and policy is also reflected in a speech that Olmert gave on 27/11/2006 on the occasion of the 33 memorial of David Ben-Gurion's death. He maintained that he extends an olive branch to the Palestinians in general, and a sincere offer to 'Abbas to "conduct a genuine, honest and transparent dialogue." This implies that Kadima and the Israeli government gave up the convergence plan and the unilateral withdrawal in favor of the resumption of bilateral negotiations.¹⁶⁰

In December 2006, there were persistent reports of what had been known as Geneva Convention or the Document of Ahmad Yusuf, the political adviser of Premier Isma'il Haniyah. It reportedly entailed a five years truce between Hamas government and Israel by which the latter stops all attacks on the Palestinians and withdraws to an agreed line in the WB, while the former undertakes to stop all attacks on Israeli targets in the WB, GS, Israel and the world at large. Israel also undertook to stop building settlements and constructing roads, allows freedom of movement within the WB and between the WB and Jerusalem and across a free passage to Egypt and Jordan, and to release all the prisoners without any exception. The draft also visualized after five years the establishment of a Palestinian state on all the 1967 occupied territories with East Jerusalem as its capital as well as a Palestinian demand of the right of return.¹⁶¹

This document led to a lot of confusion within the Palestinian arena. While Hamas was accused of negotiating behind the back of the PLO, the PA leadership and Fatah, and of offering concessions to Israel, Hamas officially denied any association with this document, refused to recognize it and ridiculed the insistence of its opponents to speak on its behalf.

By the conclusion of the year 2006, the peace process had thus lost dynamism and direction. Once more, the Israelis realized that they cannot subjugate the Palestinians and impose their will on them, and that all their peace projects entailed seeds of failure.

Conclusion

The year 2006 was a very difficult, perhaps disastrous, year for the Hebrew state. It was a year of “confusion,” strategic “hesitation” and inability to fix directions and priorities. It was a year in which Israel failed to assess the power of Hamas that imposed itself on the Palestinian scene, and to topple its government. Moreover, Israel failed to demoralize the Palestinians and suffered serious setback in its war against Hizbullah and Lebanon.

In the year 2006, the Israeli historical leaders lost their domination over the Israeli political scene, and the grip of the generals had relatively weakened. Besides, the Israeli parties' affairs were messed up. While a new party of not more

than six months assumed political leadership, the historical parties, like the Likud, were devastatingly defeated.

However, Israel is still economically, politically and militarily powerful at a time when the conditions in Palestine as well as in the Arab and Muslim worlds are miserable. Nonetheless, Israel has become extremely concerned that time is not in its favor as the numbers of the Palestinians in historical Palestine have been progressively increasing. Besides, Israel failed to impose its solutions on the Palestinian side. In addition, the power of Hamas, Hizbullah and other Islamic movements is ascending and the Iranian nuclear threat is on the horizon.

Israel continued to talk to itself, but it is neither willing nor serious to negotiate with the Palestinians or the Arabs even on the basis of the international resolutions and legitimacy. The essence of a settlement to the Israelis is the one that resolves their problem not that of the Palestinians. Hence, their overwhelming majority is inclined towards unilateral withdrawal under the guise of the lack of a Palestinian partner, who, to them, will be absent forever as long as it does not swim with their tide and accept their dictates. The Israelis are not yet conscious that the Palestinians have a humanitarian right to return to their land to live in a free and dignified manner, nor do they deserve to have the right of self determination in a completely sovereign state.

The Israeli right, left and middle do not want to face reality. Rather than dealing with the crisis, they are beating behind the bush, which will ultimately backlash and aggravate the problem that would entail future real threats to the Zionist project.

With this pessimistic and gloomy situation at hand, the year 2007 is not likely to witness any breakthroughs or tangible achievements as long as the Israeli mindset remains as it is employing the same futile means and approaches.



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¹⁴⁹ Arabs 48, 27/6/2006.

¹⁵⁰ *Al-Quds al-Arabi*, 30/6/2006.

¹⁵¹ The Israeli think tank, The Reut Institute, had given early warnings on the dangers that may arise by the implementation of the convergence plan, see The Reut Institute, *Difficult Transition from Negotiations to Convergence*, 14/5/2006, <http://www.reut-institute.org/Publication.aspx?PublicationId=340>

¹⁵² Arabs 48, 15/8/2006.

¹⁵³ *Alghad*, 19/6/2006.

¹⁵⁴ Arabs 48, 17/8/2006.

¹⁵⁵ Arabs 48, 18/8/2006.

¹⁵⁶ *Annahar*, 9/9/2006.

¹⁵⁷ *Asharq Alawsat*, 13/9/2006.

¹⁵⁸ *Asharq Alawsat*, 26/9/2006.

¹⁵⁹ Report of Muhammad Yunis, *al-Hayat*, 19/11/2006.

¹⁶⁰ *Al-Hayat*, 28/11/2006.

¹⁶¹ See *al-Khaleej*, 23/12/2006; and *al-Ayyam*, Ramallah, 23/12/2006.

This Report

Al-Zaytouna Centre is glad to present to its readers The Palestinian Strategic Report 2006, the second in an annual series. The Report aims at monitoring the Palestinian issue through an informative and analytical approach. The Report covers the Palestinian internal political situation, issues concerning the Land and the holy sites, the economy, the Palestinian demographic indicators, the Israeli scene and the Israeli-Palestinian relations. It focuses on the Arab, Islamic and international stances towards the Palestinian issue. In addition, it devotes a chapter to discussing the Israeli war on Hizbullah and Lebanon.

This Report is distinct for its updated information till the end of 2006 and for its outstanding team of academics and experts.

Al-Zaytouna team did its best to be professional, scientific and objective. They hope that this Report be a distinguished addition to the Palestinian studies.

The Palestinian Strategic Report 2006



Al-Zaytouna Centre for Studies & Consultations

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