The Israeli-Palestinian Conflict:
A Hopeless Case for U.S. Policy in the Middle East?

A Monograph
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Abstract


The Israeli-Palestinian issue remains one of the most significant and difficult dilemmas facing the international community. The ongoing conflict between Israelis and Palestinians has directly and indirectly spawned several regional wars in the past five decades, threatened Western access to critical oil resources in the Middle East, provided a justification for increased militarization throughout the region, and caused a high number of civilian deaths as result of terrorism.

To end the Israeli-Palestinian conflict is not simply a question concerning Israel’s security and finding a just solution for the Palestinians, it is vital for the interests of the U.S. in the region. Israeli-Palestinian peace prospects, however, are not hopeful. Many peace plans have been advocated to reach a settlement and the U.S., under every president from Truman to George W. Bush, has undertaken efforts on its own.

Almost every peace plan has focused on persuading Jewish and Arab leaders to divide the land lying between the Mediterranean Sea and the Jordan River. However, numerous groups on both sides reject the idea that land division is the solution and the more peace initiatives move forward between Israelis and Palestinians, the more extremists on both sides are resorting to ever more outrageous acts of terrorism to compromise the progress toward a peaceful resolution. Neither the Israeli government nor the Palestinian leaders seem to be able or willing to combat these subversive elements. This leaves only one possible path to progress: an externally imposed solution. A trusted outside force will have to act not only as guarantor of any agreement, but also has to be willing to apply diplomatic, economic and military pressure on all concerned parties involved in the conflict.

The U.S. should take the lead in a renewed diplomatic initiative of the international community to facilitate a sustainable settlement. Only through direct and firm U.S. commitment to a renewed peace process can the current cycle of violence be broken and a sustainable settlement be reached. A new strategy should involve the Arab nations, has to be based on international consensus on the end state for both conflict parties up front, and should establish firm milestones on the “road to peace”. A successful long-term approach has to consider all issues preventing a peaceful coexistence of Israelis and Palestinians. Besides defining borders and addressing issues, like security for the region, refugee return and compensation, the framework has to answer the question on how to build a survivable sovereign Palestinian state and to define the future status of Jerusalem.

Taking the broader regional security issues into contemplation, a diplomatic U.S. engagement with Syria and Iran should be considered as supporting effort in an attempt to stabilize the region. Potential economic incentives as well as security cooperation could provide the opportunity to discuss the cessation of Syrian and Iranian support to radical groups in the region, particularly in Lebanon and Palestine.
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I. INTRODUCTION

The Israeli-Palestinian issue remains one of the most significant and difficult dilemmas facing the international community. The ongoing conflict between Israelis and Palestinians has directly and indirectly spawned several regional wars in the past five decades and has threatened Western access to critical oil resources in the Middle East. In addition, it has provided a justification for increased militarization throughout the region and has caused a high number of civilian deaths as result of terrorism. The terrorist attacks against the United States (U.S.) on 11 September 2001, the subsequent American-led Global War on Terror, and especially Israel’s comprehensive offensive throughout the Gaza Strip and Lebanon, following the capture of three Israeli soldiers by the Palestinian Islamic Resistance Movement (Hamas) and the Lebanese Party of God (Hezbollah) in late June 2006, once again, placed the Israeli-Palestinian conflict in the forefront of international debate.

The U.S. National Security Strategy, in its currents version, emphasizes that Washington is “seeking to build a framework that will allow Israel and the Palestinian territories to live side by side in peace and security as two democratic states”.\(^1\) It appears though, that the present Bush administration has almost ignored the Israeli-Palestinian conflict, and has instead focused mostly on Iraq and the Global War on Terrorism, leaving Israelis and Palestinians to devise their own schemes for negotiations.

Reviewing the history and looking at the current Israeli-Palestinian relations, it seems apparent that Israeli-Palestinian peace prospects are not hopeful. Numerous peace plans have been advocated to reach a settlement; however, no real success has been achieved. In 1947, the United Nations (UN) made the first of its many efforts at a resolution, and the U.S., under every president from Truman to George W. Bush, has undertaken efforts on its own. Almost every peace plan has focused on persuading Jewish and Arab leaders to divide the land lying between

\(^1\) National Security Strategy of the United States of America, 16 March 2006, p. 38, at
the Mediterranean Sea and the Jordan River. However, several groups on both sides reject the idea that land division is the solution. The more peace initiatives move forward between Israelis and Palestinians, the more extremists on both sides are resorting to ever more outrageous acts of terrorism to compromise the progress toward a peaceful resolution. Neither the Israeli government nor the Palestinian leaders are able or willing to combat these subversive elements. This leaves only one possible path to progress: an externally imposed solution. A trusted outside force will have to act not only as guarantor of any agreement, but also has to be willing to apply diplomatic, economic and military pressure on all concerned parties involved in the conflict. With its strong influence and presence in the Middle East, the U.S. has to take on the leading role to coerce Israeli officials and the Palestinian authority to achieve a comprehensive settlement.

To end the Israeli-Palestinian conflict is not simply a question concerning Israel’s security and finding a just solution for the Palestinians, it is vital for the interests of the U.S. in the region. Opinion polls conducted in 2002 and 2004 revealed that the Israeli-Palestinian conflict is the most important public concern in the Arab and Islamic world. America’s policy toward the Palestinian problem continues to generate significant criticism from the Arab public in the Middle East leading to an extremely negative image of the U.S. in the region. Studies conducted by Zogby International found that, even among such traditional U.S. allies as Egypt, Jordan and Saudi Arabia, in 2004 between 78 and 98 percent of the public had unfavorable attitudes about America. When asked for the reason for their negative attitude toward the U.S., more than 75 percent replied that it was rooted largely in Washington’s policies toward the Israeli-Palestinian conflict. The U.S. is generally regarded as being responsible for Israeli policy and as being the only power, which has the capacity to influence that policy. Alfred B. Prados in


his study of Middle East attitudes toward the U.S. concluded that, “perhaps the most frequently cited reason of resentment against the United States among Arabs is their conviction that U.S. policy regarding the Israeli-Palestinian conflict is biased toward Israel.”

Anti-Americanism in the Middle East is obviously counterproductive to Washington’s interest for stability in the region. It has a negative impact on the Global War on Terrorism by aiding recruiting efforts of terrorist organizations like al-Qaeda, helping to create safe havens in Arab and Islamic societies and reducing the public desire to cooperate with U.S. efforts to destroy terrorist networks. In addition, the Israeli-Palestinian conflict intensifies friction between the U.S. and its allies especially in the Middle East: allies, essential in stabilizing the region and supporting the Global War on Terror. The members of the Iraq Study Group, also known as the Baker-Hamilton commission, concluded in their December 2006 report that the “United States will not be able to achieve its goals in the Middle East unless the United States deals directly with the Arab-Israeli conflict.”

Republican Senator Chuck Hagel, a day after the report was issued, delivered an even more robust version of the Baker-Hamilton group’s position in his speech to the School of Advanced International Studies at John Hopkins University. According to Hagel, “the core of instability and conflict [in the Middle East] is the underlying Arab-Israeli problem”. He concluded “until the United States helps lead a renewed Israeli-Palestinian peace process, there will be no prospect for broader Middle East peace and stability.”

To establish context for understanding the current environment, the chapters that follow examine both the roots of the Israeli-Palestinian conflict and potential solutions to achieve a comprehensive settlement. The term “Israeli-Palestinian conflict” is used throughout this monograph to define the struggle between Palestinian Arabs and Jews over the area of the Middle


5 See Robert Nowak’s article, *Will Bush focus on Arab-Israeli peace?*, (Chicago Sun-Times, 18
East, which in the years prior to the establishment of the state of Israel was known as Palestine.
After the creation of Israel, as the Arabs states, determined to destroy Israel, engaged in military
operations against Israel, the local dispute widened and became the “Israeli-Arab conflict”.
Today, after the recognition of Israel by most Arab nations and the signing of peace treaties
between Israel, Egypt, and Jordan, the focus of the conflict is again the struggle of Israelis and
Palestinian Arabs over the division of the land lying between the Mediterranean Sea and the
Jordan River.

Providing the background, Chapter II traces the origins of the problem starting with the
Zionist movement in the last decade of the nineteenth century to its present day. Chapter III
examines the policy of the U.S. toward the Israeli-Palestinian conflict from the partition of
Palestine in 1947 through the current administration. Chapter IV discusses the core issues in the
ongoing conflict, addresses recent peace initiatives and looks at underlying trends preventing a
sustainable peaceful arrangement. Chapter V intends to provide readers with a framework for a
possible resolution strategy for further exploration. It also addresses implications for U.S. policy
aiming on a resolution of the conflict between Israel and its Palestinian neighbors.

II. HISTORY OF THE ISRAELI-PALESTINIAN CONFLICT

Already during the Ottoman Empire (1299 to 1922), the Middle East has often been in a
state of turmoil. Following its partition after World War I, the Middle East found itself in a
period of transformation, characterized by increased regional unrest and instability. In Palestine,
Israel as a state evolved in this uncertain political, military, and social environment and since the
day of its creation half a century ago, Israel’s turbulent history has placed the region at the center
of the world’s political stage. Israel often draws the world’s attention - usually because of wars,

19 December 2006.
political and social divisions, but in particular due to the conflict with her Arab neighbors and the Palestinians.

Without intending to do so, Israel fueled the already existing turbulence in the Middle East since the Declaration of Statehood in 1948. Theodor Herzl, one of the founders of Zionism and his supporters did not perceive an atmosphere of continuous hostility between Arabs and Jews. Their vision was a neutral Jewish state in Palestine with close ties with its Arab neighbors based on peace and prosperity. The unfolding of events, however, starting with the War of Independence, followed by the conflicts of Suez, the Six Day War of 1967, the formal adoption of terror and mass murder in 1968 by the Palestine Liberation Organization as its primary policy toward Israel, the October War of 1973, and the first and second intifadah, decreed otherwise. Through these events, it has become apparent that a peaceful co-existence between a neutral Jewish Israel and its Arab neighbors is a vision that has remained far from reality.

What is the nature of the Israeli-Palestinian conflict? The core of the conflict focuses on the Jewish nation itself: its evolvement, legitimacy, and place in the Middle East. To understand the unfolding Israeli-Palestinian conflict requires a review of the defining moments in the history of the state of Israel. It begins with the Balfour Declaration of 1917, followed the by Holocaust, the United Nations Partition Resolution of 1947, the founding of the State of Israel in 1948, and lastly the War of Independence.

The reality is, that “in the Israeli-Palestinian conflict, mythologies too often tend to shape discussions. Facts are routinely ignored in favor of fictions that permit those in the region - and, too often, their supporters elsewhere - to avoid facing unpleasant truths.” It appears that history, and different perceptions of history, are perhaps the most significant factors in the Israeli-

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Palestinian conflict. The following is an attempt to provide a balanced overview of major events that triggered the conflict and hostilities between the two parties.

**Foundation and Origins of the Conflict**

Zionism, a movement promoting the establishment of a Jewish state in Palestine originated in the 1890s. While the desire for statehood long preceded the declaration of the State, the prayer “Next Year in Jerusalem” seemed a fantasy, until Theodor Herzl, in the last decade of the nineteenth century, transformed Zionism into a modern political movement calling for the establishment of a Jewish state in the land of Palestine. At that time, the Jewish population in Palestine was a small minority. In 1880, less than 25,000 Jews resided in Palestine and the unfavorable political and economic conditions of the region did not attract large numbers of Jews leaving Eastern Europe at the end of the nineteen century. In comparison to later Jewish immigration waves, which would bring large numbers of Jewish immigrants to the region, between 1880 and 1903 relatively small numbers immigrated to Palestine. Jews returning to Palestine during that time found themselves in a land occupied by Arab farmers and many of the early Zionist settlers built scattered settlements among Arab towns. Since Jewish presence was small during those years, it did not arouse major opposition by the local Arab population.

Arab opposition to the Jewish presence in Palestine began to rise when the British made formal commitments to Jewish nationalism and settlement in Palestine, starting in the early years of the 20th century. In 1917, the British Foreign Secretary, Arthur Balfour, endorsed the idea of a

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8 The first Zionist Congress organized by Theodor Herzl and held in Basel, Switzerland, 1897, formally declared the aim of establishing a national Jewish homeland in the Land of Israel. See Calvin Goldscheider, *Cultures in Conflict: The Arab-Israeli Conflict*, (Westport, CT: Greenwood Press, 2002), p. XVII.


Jewish national home in Palestine in his famous Declaration. Balfour was motivated partly by philo-semitic sentiment, spurred by a desire to weaken the Ottoman Empire - an ally of Germany during the First World War, and partly by a desire to strengthen support for the Allied cause in the United States, home to the world's most influential Jewish community. In the Declaration, Balfour was careful to use the word “home” rather than “state”, and to specify that its establishment must not “prejudice the civil and religious rights of existing non-Jewish communities in Palestine”. The British government’s intent was not to advocate the early establishment of an independent Jewish state but strive towards some form of British, American, or other protectorate. However, in the history of the Jewish people and of Palestine itself, it marked a turning point. The Jewish nationalist movement felt, although the Declaration was very vague and the extent of the British commitment to it was uncertain, that the Balfour Declaration provided international sanction for Jewish aspirations toward a Jewish homeland in Palestine and encouraged waves of European Jewish immigration to Palestine. While the Jewish community in Palestine was expanding and Jewish nationalism encouraged further Jewish immigration, Arab nationalism began to develop and the Arabs started to pressure for a restriction of Jewish immigration. Especially Jewish land purchases, conducted to secure possession of strategic tracts of land to consolidate Jewish settlements and to ensure control of coastal and valley areas in an effort to shape the partition of Palestine, caused growing Arab opposition. Violence against Jewish settlements broke out late in 1919, followed by riots against Jews in Jerusalem in April.

11 The declaration stated that “his Majesty’s Government views with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavour to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country…”, see Donald Neff, Fallen Pillars, U.S. Policy towards Palestine and Israel since 1945, (Washington, D.C.: Institute for Palestine Studies, 1995) p. 15.


1920, and it became obvious that the Arabs rejected the idea of a national Jewish homeland as addressed in the Balfour Declaration.

In 1922, following World War I, Great Britain received Palestine as a mandate from the League of Nations. The militant opposition of the Arabs to Jewish immigrants and a Jewish state in Palestine as well as the inability of the British to solve the problem eventually led to the establishment of the UN Special Committee on Palestine in 1947. The UN, confronted with two practical options: either to partition the Mandate and thus creating two nations; or to maintain the unity of the land, meaning giving control to the Arab majority, proposed a plan to divide Palestine into a Jewish state, an Arab state, and a small internationally administered zone including Jerusalem. The General Assembly adopted the recommendation on Nov. 29, 1947. The plan awarded almost 57 percent of the mandate territory for a Jewish state, while the Arabs, who then occupied about 92 percent of the land, should be assigned only 43 percent. Predictably, most Jewish groups favoured the plan; all Arab members of the UN objected the disproportionate figures and consequently opposed the partition resolution. In retrospect, the Arab’s rejection of the United Nations recommendation, have cost the Palestinians dearly. Never since have they had the opportunity to control about 43 percent of Palestine.

Even before the passage of the resolution, the Political Committee of the Arab League met at Sofar, Lebanon, on September 19, 1947, and adopted a secret resolution to dispatch Arab

18 According to Donald Neff, 1,327,000 Arabs and 608,000 Jews inhabited Palestine at the time of the resolution; thus, the Arabs constituted two-thirds of the population. The partition solution awarded the Jews 5,893 square miles, while the Arabs received 4,476 square miles. See Donald Neff, *Fallen Pillars, U.S. Policy towards Palestine and Israel since 1945*, (Washington, D.C.: Institute for Palestine Studies, 1995) p. 51.
troops to Palestine if the partition became reality.\textsuperscript{19} In Palestine, the adoption of the resolution set off demonstrations and violence between Jews and Arabs in Tel Aviv, Jerusalem, and other cities. Casualties mounted on both sides and as the as the British began to withdraw early 1948, Arabs and Jews prepared for war.\textsuperscript{20}

The Zionist campaign and the international support for a Jewish state were aided by the Holocaust. The death of six million Jews not only promoted the Zionist cause in the U.S. and Europe but also persuaded the overwhelming majority of Jews that such a state had to be created and made secure whatever the cost, to themselves or to anybody else. Zionists also realized that if they were ever able to secure a nation of their own, the immediate post World War II period would provide the most favorable time. Consequently, on May 14, 1948, when the British high commissioner for Palestine departed, Israel proclaimed its independence.\textsuperscript{21}

While the Jews, in their own historical frame of reference, reclaimed their own land, to the Arabs the Jews came as intruders – colonialists and invaders. Predictably, the surrounding Arab states joined the Palestine Arabs in their militant rejection of the Jewish state and only a few hours after Israel had announced its coming into existence, the regular armies of Egypt, Lebanon, Syria, Jordan, and Iraq invaded Palestine to free the Holy Land from Zionism, forcing Israel to defend the sovereignty it had regained in what became known as Israel’s War of Independence. The newly formed, poorly equipped, Israel Defense Forces repulsed the invaders with fierce fighting, which lasted over 15 months. During the first months of 1949, direct negotiations were conducted under UN auspices between Israel and each of the invading countries, with the


\textsuperscript{20} Seth P. Tillman, \textit{The United States in the Middle East: Interests and Obstacles}, (Bloomington: Indiana University Press, 1982), p 17.

\textsuperscript{21} Ibid., p. 19f, and John Snetsinger, \textit{Truman, the Jewish Vote and the Creation of Israel}, (Stanford: Hoover Institution Press, 1974), p. 4.
exception of Iraq which refused to negotiate with Israel. The negotiations resulted in armistice agreements which reflected the situation at the end of the fighting.\textsuperscript{22}

The events of 1947-48, which established the state of Israel, also created new sources of conflict, which endure to this day: refugees and frontiers. According to UN figures, 726,000\textsuperscript{23} Arab inhabitants of mandatory Palestine fled from Israeli-held territory. While debates continue over the question of whether they fled on their own will in response to the urging Arab leaders, or were forcibly driven from their homes by Israeli force and terror, it can not be denied that the Israelis, wishing to create a Jewish state and being concerned about the ethnic purity of that state, had no interest in their return.\textsuperscript{24} Unwelcome in most of the surrounding Arab states, the majority of them settled in refugee camps in the West Bank of Jordan and the Gaza Strip, others in Lebanon, Syria, Egypt, and Iraq. On the other hand, there were Jews encouraged or forced to flee from the Arab states, where in some cases, Jewish communities had existed for 2,500 years.

While the Israeli government systematically resettled all its refugees as part of its national-home policy, the Arab governments, with the assistance of the UN, kept the Arab refugees in camps, pending a re-conquest of Palestine, which never came. Hence, as a result of natural increase, there were more Arab refugees in the late 1980s than there had been forty years before. The difference in their reception and treatment was entirely a matter of short-sided policy. Both, Israel and the Arab states in 1948 failed to view the refugee problem in long range terms and today the refugees are not only a source for Arab nationalism and terrorism against Israel but are also a source for instability within the Arab states. The problem could have been

\textsuperscript{22} John Snetsinger, ibid., p. 115-116.
avoided or at least limited, if their plight would have been divorced from power politics of the national actors in the Middle East.25

Hardship, exile, and oppression generated self-confidence and solidarity within the Arab community, giving force and militancy to an emerging concept of the “Palestinian People” and the core of today’s Israeli-Palestinian conflict was born. The camp Palestinians retained a bitter resentment of their expulsion from Palestine and of their statelessness and eventually the ideology of armed struggle against the “intruders” emerged. Palestinian guerilla operations on a small scale began already in the early 1950s; and in the mid-fifties, the first autonomous Palestinian resistance group – al Fatah – was founded by Yasser Arafat.26

The establishment of the Palestine Liberation Organization (PLO) in 1964 paved the way for a Palestinian entity. At the founding conference of the PLO in the Arab part of Jerusalem in May 1964, the Palestine National Charter was adopted. The Charter outlined the Palestinian identity as an inherent characteristic and proposed the establishment of a united Palestinian state in Palestine. An additional outcome of the conference was the establishment of a Palestine national council as the supreme representative body for Palestinians,27 and in October 1974, the PLO was recognized by twenty Arab heads of state as the “sole legitimate representative of the Palestinian people on any liberated Palestinian territory”.28

As a result of the War of Independence, the Israeli State ended up with 80 per cent of Palestine, as opposed to the 57 per cent awarded to a Jewish state by the 1947 UN partition resolution, and frontiers which could be more easily defended against a conventional aggressor. The Palestinian Arabs ended with no state at all: just the Gaza Strip controlled by Egypt, and the West Bank run by Jordan. While Israel was willing to surrender some territory in favor to get an

agreement on permanent frontiers, the Arabs refused peace talks with the Israelis. None of the Arab states were willing to accept Israel’s right to exist. Consequently, the Arab side never considered implementing a two-state solution by turning the Jordanian-ruled West Bank and the Egyptian-controlled Gaza Strip into a Palestinian state.29

**Consolidation of the State of Israel**

Following the War of Independence, Israel focused on building its state. World War II and the Holocaust had left hundreds of thousands of Jewish refugees scattered throughout Europe. About 750,000 Jewish refugees and immigrants from Europe and the Arab countries came to the new Jewish nation between 1948 and 1951, providing a stable, viable Jewish community in its new homeland.30 Jews now made up the majority of the population within the 1948 cease-fire lines, which became Israel’s de facto borders until 1967. The initial Israeli government was formed at Tel Aviv, with Chaim Weizmann as president and David Ben-Gurion as Prime Minister, in December 1949, and the capital was moved to Jerusalem, a contested area sacred to Christians, Muslims, and Jews, in order to strengthen Israel’s claim to that city.

The years of state building, however, were overshadowed by serious security problems. The 1949 armistice agreements had not only failed to pave the way to permanent peace, but were also constantly violated. The Arab states saw the Jewish community in Palestine as the colonial creation of Great Britain and as a disaster to their own people, while Jews argued that “Palestinians have no legitimate stake in the control of the greater Land of Israel and that only Jews have a historic right to live there.”31

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28 Seth P. Tillman, The United States in the Middle East: Interests and Obstacles, p. 179.
30 Calvin Goldscheider, Cultures in Conflict: The Arab-Israeli Conflict, p. 9.
31 Ibid., p. 17.
It is not surprising that tensions in the Middle East mounted as Egypt, Syria, and Jordan tried to secure their respective boundaries, while Israel expanded its territorial limits at the expense of the Palestinian population in the territory seized during the War of Independence. In July 1956 Egyptian President Nasser nationalized the Suez Canal and Israel-bound shipping was prevented from passing through. During this time incursions into Israel by terrorist squads from neighboring Arab countries for murder and sabotage occurred with increasing frequency; and with military assistance provided by the Soviet Union, the Sinai Peninsula was gradually converted into a huge Egyptian military base.  

On October 29, 1956, Israel conducted a preemptive attack on Egyptian territory and within a few days had conquered the Gaza Strip and the Sinai Peninsula. Britain and France, seeing Western strategic interests in the Middle East threatened by the Soviet support of Egypt, invaded the area of the Suez Canal. Israel eventually yielded to strong pressure from the U.S., the USSR, and the UN and removed its troops from the Sinai Peninsula in November 1956, and from Gaza by March 1957, as UN forces were sent to Sinai and Gaza to keep peace between Egypt and Israel.  

**Renewed Arab-Israeli Hostilities: The 1967 and 1973 Wars**

In May 1967, Egypt again moved large numbers of troops into the Sinai desert and ordered the UN peacekeeping forces, deployed since 1957, out of the area, re-imposed the blockade of the Straits of Tiran and entered into a military alliance with Jordan. Israel now found itself faced by hostile Arab armies on all fronts. With no confidence that the international community would defuse the situation, Israel, on 5 June 1967 launched a preemptive strike against Egypt and Syria. Jordan subsequently attacked Israel. At the end of six days of fighting,

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previous cease-fire lines were replaced by new ones. With the Sinai Peninsula; the West Bank of the Jordan River, including all of East Jerusalem; Gaza, with its Palestinian refugee camps; and the strategically important Golan Heights now under Israel’s control, Israel had obtained defensible frontiers for the first time and, with the whole of the city of Jerusalem, controlled a famous portion of her historic heritage.34

Yet this celebrated victory did not bring security for Israel. In fact, the outcome of the 1967 War aggravated the Israeli-Palestinian conflict for three major reasons. First, with the occupation of Jerusalem, the Temple Mount with its mosques, the second most holy Moslem site, was now in Israeli hands. Second, and more importantly, the war changed the demographic balance within the territory controlled by Israel and “saddled Israel with a large and increasingly hostile, Arab population within its borders”.35 Israel considered the occupied territories as its “trump card” for a negotiated settlement with the Arabs, especially with Jordan. Yet, at a summit meeting discussing the Arab-Israeli conflict in Khartoum in late August-early September 1967, the Arab states pointed out that “there would be no peace, no recognition, and no negotiation”36 with Israel.

As time passed, Israel found itself in a situation, which would evolve in a way, very few in Israel or elsewhere could have foreseen in the weeks and months following the astonishing Israeli victory. While Israel ended up keeping the occupied territories, it could not just transfer the Palestinian population to the surrounding Arab states, particularly Jordan and Egypt. Nor was Israel prepared to assimilate the Palestinians. Based on the Israeli position that “the solution to the conflict would have to be found in negotiations with the countries from which Israel had

captured the West Bank and the Gaza Strip”\textsuperscript{37}, the only choice for Israel was to continue the occupation until a political settlement could be reached to resolve the conflict, or until the Palestinians living in the West Bank and Gaza left of their own accord. By doing so, Israel, without taking notice, caused an increased sense of nationalism and emancipation among the Palestinians, thus fueling the Palestinian resistance. However, at the end of the 1967 war, no Israeli politician seriously considered a Palestinian option, a Palestinian state, as a solution for the occupied territories. The belief was that the matter would be resolved in negotiations with Jordan, Syria, and Egypt, and Israel was prepared to completely withdrawal from the occupied territories in exchange for full peace with the Arab states. Consequently, Israeli administration of the territories was considered temporary and Palestinian attempts towards self-rule were suppressed, fearing that Palestinian political organizations would arouse Palestinian demands for independence. The fact, that the Arab states rejected Israel’s offers to return land for peace, left Israel with a problem it was not prepared for.

Initially Israel tried to minimize friction and provocations in the occupied areas, allowing the Arabs to live as normal lives as possible. However, over the years, Israel retreated from its original policy that saw a future political settlement being based on an Israeli withdrawal, and moved towards an annexation policy, characterized by an aggressive settlement strategy and the adoption of a policy of demonstrative Israeli military and civilian presence. This policy change and the refusal of the Israeli political leadership to recognize the existence of a Palestinian national movement on one hand, and the increased Arab-Palestinian nationalism on the other side, led inevitably to violent confrontations between the occupier and the occupied, eventually setting the stage for the Palestinian uprising, the first intifada, that broke out in late 1987.\textsuperscript{38}


\textsuperscript{38} Ibid., p. 189-203, 333 – 338.
The third factor affecting the Israeli-Palestinian conflict today is the settlement movement. The first Israeli settlers arrived on the Golan Heights soon after the war. In the following years more and more settlements were built – not just on the Golan Heights but, increasingly, in the West Bank and the Sinai as well, creating the need to defend them. Some of the settlements were set up with full government authorization, others without any authorization from the Israeli government at all. Even if, as Martin van Creveld asserted, the political logic behind the settlements is questionable\(^{39}\), the settlement movement at least created “facts on the ground”, making it more difficult for Israel’s political leadership to surrender the occupied terrain in the various attempts to negotiate a peace. Often characterized by a conspicuous and provocative display of presence, the militant settlers’ movement in the occupied territories also posed a provocation to the other side and contributed to the increase of Palestinian resistance\(^{40}\).

In light of the overwhelming Israeli victories in all wars, in which the Arab armies were shattered, the Arab states in the post-war period produced its own characteristic form of violence directed against the Jews in the form of state-sponsored terrorism. In addition, the occupation of the West Bank and the Gaza Strip, which brought large numbers of Palestinian Arabs under Israel’s control, created a new set of grievances against Israel, contributing to an increasing Palestinian identity. Sporadic guerilla attacks by Palestinians against Israel had occurred ever since the creation of the Jewish state but had not been very organized. In the aftermath of the 1967 war, however, the Palestinians realized that they could no longer count on the Arab nations to defeat Israel. They concluded that they had to wage their own coordinated campaign for the liberation of Palestine. The fusion of Fatah with the PLO following the 1967 war, the formal adoption of terror and mass murder as its primary policy towards Israel in 1968 by the PLO\(^{41}\),


\(^{41}\) During a meeting in Cairo, in July 1968, the Palestine National Congress adopted the
and the election of Yasser Arafat as the organization’s new chairman in 1969, were the beginning of an extremely militant Palestinian strategy. In the following years, Palestinian resistance achieved great popularity among the Palestinians and became an important factor in Israeli-Palestinian relations through highly spectacular attacks, launched inside Israel and against Israeli targets abroad during the 1970s and 1980s. Operations outside the Middle East included, for instance, the killing of eleven Israeli athletes at the Munich Olympics in 1972 and the hijacking of an Italian cruiseliner, the *Achille Lauro* in 1985.42

However, terrorism was not the only threat to the Israelis. On Oct. 6, 1973, on the Jewish holy day of Yom Kippur, Egypt and Syria attacked Israeli positions in the Sinai and the Golan Heights. Both the Egyptians and the Syrians broke through the Israeli lines and for the first time in the quarter-century of the state’s existence, Israel faced the possibility of a major defeat and even a second holocaust. In response to desperate Israeli pleas, the U.S. began an emergency airlift of advanced weapons and the Israeli Defense Forces were able to turn the tide of the battle, finally crossing the Suez Canal into Egypt and advancing to within 20 miles of the Syrian capital, Damascus. As in 1956 and 1967, the UN Security Council imposed a cease-fire on Israel.43

**Development until Today**

The 1967 Arab-Israeli War transformed Israel into a regional superpower and the magnitude of the Israeli victory caused the belief in Israel, that not even the strongest Arab army was a match for the Israeli military forces. Yet, the absence of a negotiated settlement made another Arab-Israeli war a certainty. After the 1967 war, Egypt perceived its honor could only be

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“Palestinian National Covenant”, which became the PLO’s charter and declared the partition of Palestine in 1948 and the establishment of Israel as “fundamentally null and void” and asked for armed struggle as strategy as the “only way to liberate Palestine”. See Seth P. Tillman, *The United States in the Middle East: Interests and Obstacles*, p. 177.

42 Malcom E. Yapp, The Near East since the First World War, p. 304-306.

retrieved in a renewed war. The war in 1973 marked a major turning point in the Israel-Arab confrontation. For Egypt, the Yom Kippur war’s opening was a major accomplishment. For Israel, it was a painful lesson about the limitations of its power and the danger of overconfidence.

The October 1973 war proved, for instance, that Israel was not invincible, that the Arab states could militarily cooperate, that their soldiers could fight bravely and that they were able to operate advanced weapon systems when properly trained. By restoring pride to Egypt and a sense of realism in Israel concerning its military capabilities, the Yom Kippur War opened the way for peace negotiations.\textsuperscript{44} In December 1973, the first Arab-Israeli peace conference opened in Geneva, Switzerland, under UN auspices. An agreement to disengage Israeli and Egyptian forces was reached in January 1974, largely through the mediation of U.S. Secretary of State Henry Kissinger. Israeli troops withdrew several miles into the Sinai, a UN buffer zone was established, and Egyptian forces reoccupied the east bank of the Suez Canal and a small, adjoining strip of land in the Sinai. A similar agreement between Israel and Syria was achieved in May 1974, again through the efforts of Kissinger. Under its terms, Israeli forces evacuated the Syrian lands captured in the 1973 war, while continuing to hold most of the territory conquered in 1967, such as the Golan Heights.\textsuperscript{45}

Egypt began peace initiatives with Israel in late 1977, when Egyptian President Sadat visited Jerusalem. A year later, with the help of U.S. President Jimmy Carter, terms of peace between Egypt and Israel were negotiated at Camp David. A formal treaty, signed on March 26, 1979, in Washington, D.C., granted full recognition of Israel by Egypt, opened trade relations between the two countries, returned the Sinai to Egyptian control (completed in 1982), and limited Egyptian military build-up in the Sinai.\textsuperscript{46}

\textsuperscript{44} Seth P. Tillman, \textit{The United States in the Middle East: Interests and Obstacles}, p. 22.
\textsuperscript{46} Ibid.
Following the Israeli-Egyptian peace treaty, the PLO as well as other Palestinian groups stepped up terrorist attacks against Israel, primarily from southern Lebanon territory. Rather than waiting for terrorist attacks, Israel adopted a policy of pre-emptive strikes against Palestinian concentrations in Lebanon. In 1982, Israel invaded southern Lebanon to prevent terrorist incursions from the Lebanon territory. For the next 18 years, Israel maintained a 6-mile deep security zone in Lebanon adjacent to its northern boarder to protect its population in Galilee against terrorist attacks. On 23 May 2000, Israel completed the withdrawal of all military forces from the security zone in Lebanon. However, Lebanon failed to take control over the returned territory and today, Israel is facing Hezbollah guerilla fighters, supplied with modern weapons systems by Iran, at her northern border.

Since the signing of the Egypt-Israel peace treaty, various initiatives were put forth by the U.S., the UN, and others to further the peace process in the Middle East. These efforts eventually led to the convening of the Madrid Peace Conference in October of 1991, held under American and Soviet auspices, which brought together representatives of Israel, Syria, Lebanon, Jordan and the Palestinians. The formal proceedings were followed by bilateral negotiations between the parties and by multilateral talks addressing regional concerns. Three years of talks between Jordan and Israel, following the 1991 Madrid Peace Conference, culminated in a declaration by King Hussein of Jordan and Israeli Prime Minister Rabin, which ended the 46-year state-of-war between these two countries. A Jordan-Israeli peace treaty was signed on 26 October 1994, in the presence of U.S. President Bill Clinton. Within the framework of the Madrid formula, talks between Israel and Syria were held from time to time at ambassadorial level, with the

47 Seth P. Tillman, The United States in the Middle East: Interests and Obstacles, p. 185.
involvement of high-ranking U.S. officials. However, these negotiations did not bring about a breakthrough and at the present time, no negotiations between Israel and Syria take place.49

Attempts to resolve the Israeli-Palestinian conflict have so far been unsuccessful. The Oslo Accords, a series of secret and public agreements negotiated between the Israeli government and the PLO in 1993 as part of a peace process expressed high hopes for a normalization of Israel’s relations with the Arab world. Though many of the details were purposely avoided, the Accords signaled the mutual recognition by Israel and the Palestinians of each other’s national rights, and “at their core was a promise by Israel’s most senior statesmen, Rabin and Peres, that the Palestinians would obtain an independent state at the end of five years”.50 However, continued terror acts, like suicide bombings conducted by Hamas terrorists in Jerusalem, followed by the first Palestinian intifada, and the Israeli military response to it have created an even more hostile environment and most Israeli and Palestinians lost faith in the idea of peace. Seven years after the ceremonial signature at the White House, and two years after the final peace treaty between Israel and the Palestinian authorities should have been signed, there was no real movement towards a peaceful solution to the Israeli-Palestinian conflict and the Palestinians started the second, the Al Aqsa intifadah, in September 2000.

Terror and counter-terror practiced by the Palestinians and Israelis on each other are part of their daily life since then. Especially the second intifadah, a continuing period of unprecedented violence, hampered the negotiation process between Israel and the Palestinian Authority. Until today, more than 1,000 Israelis have lost their lives, two thirds of them civilians.51 Operations by Israel’s security forces could not put an end to terrorist acts and

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although the Palestinians suffered terribly\textsuperscript{52}, “they never even came close to the point where their will to resist the Israeli occupation was broken”.\textsuperscript{53} Martin van Creveld even argued that the Israeli operations to suppress the terrorists by force have made them even more radical.\textsuperscript{54} Because of Israel’s failure to prevail against Palestinian terrorism, and the fact that the Palestinian Authority has taken no serious steps to stop groups like Hamas, Islamic Jihad, or the al-Aqsa Martyrs Brigades from carrying out terror attacks, the Israeli government initiated a unilateral disengagement strategy. Part of the strategy is the completion of a 600 kilometers long security fence that will separate Palestinian population centers in the West Bank from Israeli-held territory and Jewish settlements.\textsuperscript{55} 

Since Hamas won a majority of seats in the Palestinian parliament in the January 2006 elections, negotiations between Israel and the Palestinians became even more complicated, and the future progress depends in part, on how much influence Hamas actually has on the political front. The Israeli disengagement strategy calls for a negotiated solution to the conflict, but if a Palestinian partner cannot be found, Israel intends to continue to act unilaterally. While Israeli Prime Minister Ehud Olmert publicly addressed that he would favor negotiations, he insists that the Palestinian Authority must recognize Israel’s right to exist and abandon terror as a first step to resume peace negotiations.\textsuperscript{56} The two parties representing the Palestinian Authority are sending conflicting messages. On one hand, President Abbas, representing Fatah, supports Israeli-

\textsuperscript{52} Over 3,300 Palestinians lost their lives in Israeli raids during the first four years following the outbreak of the second intifada. See: Isabel Kershner, Barrier: The Seam of the Israeli-Palestinian Conflict, 1\textsuperscript{st} ed., (New York: Palgrave, 2005), 2.


\textsuperscript{54} Ibid.

\textsuperscript{55} Isabel Kershner, Barrier: The Seam of the Israeli-Palestinian Conflict, 1\textsuperscript{st} ed., (New York: Palgrave, 2005), p. 2-5.

\textsuperscript{56} See statement of Prime Minister Ehud Olmert of Israel Participate in Joint Press Conference with President Bush, May 23, 2006.: “I intend to exhaust every possibility to promote peace with the Palestinians, according to the road map, and I extend my hand in peace to Mahmoud Abbas, the elected President of the Palestinian Authority”, availability at http://www.whitehouse.gov/news/releases/2006/05/20060523-9.html, accessed Dec 18, 2006
Palestinian negotiations; on the other hand, Hamas government representatives have rejected talks with Israel under Israeli terms. Hamas leaders still defend violence as a legitimate tool of resistance against the Israeli occupation, refuse to recognize Israel’s right to exist, and reject past Israeli-Palestinian agreements.

III. THE UNITED STATES AND THE ISRAELI-PALESTINIAN CONFLICT: A BRIEF REVIEW OF PAST UNITED STATES POLICY REGARDING THE CONFLICT IN PALESTINE

Difficulties between the Palestinians and Israelis continue to complicate the United States’ policy in the Middle East. In recent times U.S. policy in this important region has been especially challenging because of the differing regional perspectives on the Global War on Terrorism, the U.S. invasion of Iraq, the post-war U.S. military presence in that country, and most recently the 2006 Israeli-Hezbollah war in the southern Lebanon. As the lone remaining superpower, the U.S. has become a convenient target to be held responsible for today’s world problems. Particularly in the Middle East, there is a sense that the U.S. can impose its will on international organizations and other countries and use its overwhelming military capabilities to pursue its objectives with little regard to the view of the international community. Washington is also generally regarded as being responsible for Israeli policy and as the only power which has the capacity to influence that policy. A frequently cited reason for resentment against the U.S. among Arabs is their perception that U.S. policy regarding the Israeli-Palestinian conflict is

57 In a recorded speech on May 15, 2006 Abbas, asked Israel to “sit [at] the negotiations table away from the policy of dictations and unilateral solutions, and let us stop using the excuse that there in no Palestinian partner, because the partner exists and we extend our hand to you to make peace, a peace we seek to achieve through negotiations …”. For an English translation, see http://www.jmcc.org/news/06/may/nakbaspeech.htm, accessed 19 December 2006.
biased toward Israel. Whether a U.S. bias towards Israel implies blindness in regards to the Palestinian plight or the fact that Israel’s security ultimately depends on its ability to find a way to live in peace with its neighbors, especially the Palestinians, however, is at least questionable.

Although President Wilson supported the concept, articulated in Britain’s 1917 Balfour Declaration, prior to World War II, the U.S., a latecomer to the Middle East, was not involved in any of the regional conflicts and had no discernable colonial ambitions in the region. As a result, the U.S. enjoyed a more favorable image in the Middle East than did most European countries in the 19th and early 20th centuries. In fact, many Middle Eastern nations just emerging from colonialism admired the United States. For them, America stood as a model for independence and national development. However, the rapidly expanding presence of U.S. oil companies in the region, the proximity of the region to the Soviet Union, and Great Britain’s incapacity to control the situation in the Middle East drew American attention to the region, and at the end of World War II, U.S. officials recognized that they had to take an active role in shaping the Middle East.

U.S. policy goals for the Middle East between World War II and the 1991 collapse of the Soviet Union included ensuring reliable access to Middle Eastern petroleum resources, containing Soviet Union involvement in the region and fostering democracy and free market economies in the Middle East. Goals also included guaranteeing the survival and security of the state of Israel, and ensuring access to Middle Eastern lines of communication and trade.

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59 Ibid., p. 12.
The United States and the Israeli-Palestinian Conflict during the Cold War Era – Superpower Confrontation through Surrogates

Between 1945 and 1948, President Harry Truman played a crucial role in bringing the U.S. decisively to the support of the Zionist program. Despite the State Department’s objection, fearing that U.S. backing of a Jewish state would negatively impact relations with Arab states in the Middle East, limit access to oil, and destabilize the region, on May 14, 1948, only minutes after the Zionists declared the independent state of Israel the U.S. under President Harry Truman, became the first country to recognize Israel.64 Truman also endorsed the first U.S. loan to Israel, marking the beginning of America’s financial commitment to Israel.65 Israel still receives about US $ 3 billion per year in economic and military grants, refugee settlement assistance, and other aid.66

Like later U.S. presidents, Truman was confronted by ideological divisions within his administration. Those opposing the support for an Israeli state, argued that a Jewish state would seriously damage American relations with the Arab states and that the U.S. could not afford to alienate the Arabs because Europe as well as the U.S. depended on oil supplies from the Middle East. They also claimed that a partition of Palestine would lead to increased extremism in the Arab world and that the establishment of a Jewish state would push the Arabs toward Russia. In addition, they argued that the idea of a Jewish state was contradictory to the UN Charter and American principles of self-determination and, if a partition were instituted, the Palestine problem would become a permanent feature of international politics.67

64 Seth P. Tillman, *The United States in the Middle East: Interests and Obstacles*, p. 15-18. For a detailed discussion of Truman’s policy towards Israel, see John Snetzinger, *Truman, the Jewish Vote, and the Creation of Israel*, (Stanford: Hoover Institution Press, 1974).
The pro-Israel camp maintained that the UN partition plan was equitable. It offered each side a state, provided a solution for the Jewish refugees in Europe, and protected the holy sites of Jerusalem for members of all religions. “Many supporters of a Jewish state in the Middle east also maintained that it would be a bastion of democracy in the area and would therefore enhance America’s new world role”\textsuperscript{68}. An additional important argument was that an independent neutral body of the UN had developed the partition plan. Particularly the latter argument had an important effect on Truman. He saw the Palestine question as a model for future UN intervention in international conflicts and was willing to support any resolution the General Assembly endorsed to solve the dispute as long as it was enforceable. Reluctant to play an active role in the Palestine issue, his hope was that somehow the UN would be able to come up with a fair resolution without involving either the president or the U.S. government.\textsuperscript{69}

After the UN vote on the partition of Palestine, rational U.S. government decision-making was overcome by events. Whatever theoretical consequences of a Jewish state were debated within the U.S. administration, the partition resolution escalated the conflict in Palestine itself and the Jews of Palestine declared their independence leading to the first Israeli-Arab war.

Following the recognition of Israel, the Middle East became more central to American foreign policy because of the altered Soviet-American competition. The Arab world in particular was seen as a significant area for containing the Soviet Union and Washington found itself caught in a complex process of having to balance its Israeli and Arab relations through regulating arms sales and financial aid, restraining Israel during times of war, challenging the development and proliferation of weapons of mass destruction in the region, and promoting attempts to mediate in the Israeli-Arab conflict. “Determined to show sympathetic and impartial friendship toward the Arabs and Israelis”\textsuperscript{70} and to contain international communism and Soviet advances in the Middle

\textsuperscript{68} Ibid.
\textsuperscript{69} Ibid, p. 25-34.
\textsuperscript{70} Ibid, p. 55.
East, President Eisenhower, for instance, opposed the 1956 Anglo-French-Israeli Suez campaign and forced Israel to withdraw its forces from Sinai because of the potential escalation and the concern that the intervention by American allies might have a negative impact on U.S. interests in the Middle East.  

Viewing the Middle East as critical due to its geopolitical importance and the value of its oil resources to Western Europe and the U.S., and convinced that if only the Arab-Israeli conflict could be settled, the Arab states would align themselves with the U.S. against the Russians, Washington, during Eisenhower’s term, applied a comprehensive approach toward the Middle East. However, Eisenhower “underestimated the intensity of feelings on both sides: first, the Israelis’ psychological need for manifest support, and second, the Arabs’ hostility toward Israel and imperialism”72. By the time Eisenhower left office, no progress had been made in resolving the Israeli-Arab conflict: a second Israeli-Arab war had been fought, the Russians had not been prevented from increasing their influence in the region, and U.S. ties with the Arab world were more uneven than they had been at the beginning of Eisenhower’s first term. As during the following short-lived Kennedy administration, the Palestinians and their rights were essentially ignored. Palestinians during this period had no corporate identity and existed in U.S. political terms only as refugees.73

It fell to the administration of Lyndon B. Johnson to define a new strategy for dealing with the Arab-Israeli conflict. The Six-Day War in 1967 raised the global importance of the Middle East and the U.S. set its sights on a final resolution of the Arab-Israeli conflict because of its conviction that the pursuit of U.S. vital interests in the Middle East required a definitive

73 For U.S. policy toward the Israeli-Arab dispute until the 1967 war, see Lorenza Rossi, *Who Shall Guard the Guardians Themselves?*, An Analysis of U.S. Strategy in the Middle East Since 1945, p. 55-69.
It was evident though, that the parties involved in the Arab-Israeli conflict were locked into mutually unacceptable positions. The Arab regimes were still reluctant to recognize Israel’s right to exist and demanded Israel’s return to the boundaries laid down in the 1947 UN resolution. The Palestinians had established their own corporate identity and national agenda, demanding that all displaced persons must have the right of return to their original homes or should be compensated. For Israel, the claims of the Palestinians were impossible to deal with and concerning their Arab neighbors “territory would not be returned for less than peace, recognition, and security”. The Johnson administration insisted on an interconnected resolution of all matters in dispute and developed a position somewhere in between. In Washington’s view, Israel should be entitled to more than a return to the old armistice arrangements. Some form of peace contract should be achieved, and Israeli security concerns would have to be met. On the other hand, if the Arabs were willing to meet those conditions, Israel should return most, if not all, of the territory seized in the 1967 war. Basically, the Johnson position was that Israel should withdraw from the occupied territory, but only in return for a peaceful settlement. This position—the “territory-for-peace” formula - was addressed by President Johnson soon after the 1967 war and became the core for UN Resolution 242, of November 22, 1967.

The American position initially developed by the Johnson administration in 1967 has remained the basis for Washington’s diplomatic efforts to solve the Arab-Israeli dispute. With minor adjustments, every U.S. president from Lyndon B. Johnson to George W. Bush has subscribed to the following six fundamental positions for a settlement of the conflict, outlined by William B. Quandt in his study of American policy toward the Arab-Israeli conflict since 1967. First, Israel should not be required to return the territories seized in 1967 without “a quid pro quo

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76 William B. Quandt, *Peace Process: American Diplomacy and the Arab-Israeli Conflict since*
from the Arab parties involving peace, security, and recognition”. Second, Israeli settlements beyond the 1967 armistice lines are obstacles to peace and no U.S. funds should be used for settlements beyond that line. Third, East Jerusalem is legally considered occupied territory whose status is seen as subject to peace negotiations. Fourth, however Palestinian rights may eventually be defined, they do not include the right of unrestricted return to homes within the 1967 lines. Fifth, Israel’s military superiority over any plausible coalition of Arab parties is in the interest of the U.S. and should be maintained, if necessary, through American military assistance, and sixth, the existence of Israel’s nuclear capabilities is tolerated, with the understanding that “they will not be brandished and can be regarded only as an ultimate deterrent”.

The Nixon administration, through the initiative of Secretary of State William Rogers recognized UN Resolution 242 and called upon Israel to withdraw from the territories occupied in the 1967 war. Israel, feeling secure in its military superiority and insisting in recognition of Israel’s right to exist prior to direct peace negotiations, opposed Roger’s effort and Washington failed to force Israel to yield to the UN resolution. While the Nixon administration played a major role in the successful restoration of peace between Egypt and Israel, following the October 1973 war, Palestinian territorial demands were not seriously addressed by the U.S. during Nixon’s terms.

The transition toward a U.S. position that acknowledged the existence of Palestinian claims took place under President Jimmy Carter. From 1948 on until Carter took office, the United States treated the Palestinians as one of the problems to be solved in ending the Arab-

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77 William B. Quandt, ibid., p. 5-7.


80 Lorenza Rossi, Who Shall Guard the Guardians Themselves?, An Analysis of U.S. Strategy in
Israeli dispute rather than as an independent national movement and important entity in the peace process. Carter considered the Palestinian nationalism as a legitimate force that had to be satisfied in a settlement. He recognized UN Resolution 242 as the basis for lasting peace in the Middle East and defined three core principles for a comprehensive peace in the Middle East. “These entailed the need for concrete manifestations of peace and normal relations, such as trade and the exchange of diplomats; the need for security arrangements for all parties, but without pre-justice to the establishments of recognized borders along the 1967 lines; and the need for a solution to the Palestinian problem, which had a political as well as a humanitarian dimension.”

Convinced that the U.S. needed to get more directly involved in the peace process, Carter invited President Anwar Sadat of Egypt and Prime Minister Menachem Begin of Israel to a summit meeting at Camp David and presided over the Camp David accords in September 1978 hoping to establish self-rule for the Palestinians. The negotiations resulted in an agreement between Sadat and Begin to “reach a just comprehensive and durable settlement of the Middle East conflict through the conclusion of peace treaties based on UN Security Council Resolutions 242 and 338 in all their parts”.

Israel promised “full autonomy” for the Palestinian refugees in the accords signed in September 1978, however, the agreement ultimately turned out to be no more than a bilateral peace treaty between Israel and Egypt. In the end, the Camp David “Framework for Peace in the Middle East” was never implemented; Israel returned only the Sinai Peninsula to Egypt, but refused to surrender Israeli control over the West Bank and Gaza. Instead of using American leverage, such as Israel’s reliance on American military and financial assistance, to bring about Israeli compliance, Carter remained silent, fearing that a strong stand

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82 Ibid., p. 276.
against Israel could have a negative impact on his political future. Subsequent administrations - Reagan, Bush I, and Clinton - continued to support UN Resolution 242 as the foundation stone of America’s Middle East peace effort, but also failed to take a hard-line against Israel’s refusal to return Palestinian land. By doing so, Washington not only allowed Israel to retain the occupied territory but also encouraged political extremists in Israel, thus serving as an obstacle for a peaceful settlement of the Palestinian issue.

**Rationale for the Special United States-Israeli Relationship**

There appear to be many reasons for the special U.S.-Israeli relationship. Most studies of U.S. - Israel relations, emphasize the role of American domestic politics, others mention broader security considerations. The argument that the intensity of the “friendship” between the two is rooted in mutual national interests is difficult to accept, “since both Israel and the United States are pluralistic in their social, ideological, and political makeup”. Seth P. Tillman, in his analysis of United States policy in the Middle East, argued that Washington’s initial support for the creation of the state of Israel was primarily based on domestic political considerations. In his view, American early commitment to Israel was rooted in “shared values and sentiment, duty and affiliation”. Eytan Gilboa in his study of U.S. public opinion polls came to a similar conclusion. He recognized the existence of common values as the most important basis for the favorable American attitude towards Israel. Others argued that the emotional bond to Israel was caused by biblical and historical sentiments, “galvanized by feelings of guilt” and that especially

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84 Donald Neff, Fallen Pillars, U.S. Policy towards Palestine and Israel since 1945, p. 118-120, and Seth P. Tillman, The United States in the Middle East: Interests and Obstacles, p. 163.
86 Seth P. Tillman, The United States in the Middle East: Interests and Obstacles, p. 53.
the reality of the Nazi Holocaust, which resulted in the murder of 6 million Jews, generated powerful support for Israel in the U.S.88

During the Cold War years, special ties to Israel were justified by claims that Israel was the only sure democratic ally in the region, and helping Israel to become the strongest military power in the Middle East was defended on grounds that Israel had a strategic value to the U.S. in its defense against the spread of communism in the Middle East.89 Especially Israel’s overwhelming military success in the 1967 war led policymakers in Washington to see Israel as a strategic asset, as an extension of American power in the Middle East. Thus, U.S. support for Israel grew in the late 1960s and early 1970s as Israel demonstrated its military power and a potential to contain Soviet influence in the Middle East.90 Edward N. Luttwark discussing the “strategic aspects of U.S.-Israeli relations” concluded that by defeating the Soviet equipped and trained Arab armies, Israel caused the Arab world to turn away from the Soviet Union in favor of the United States, thus being of great strategic value for the U.S. during the Cold War.91 While the perception of Israel’s important strategic value for the U.S. during the Cold War was not shared by everybody, it gained widespread legitimacy and assured almost unconditioned U.S. military, economic, diplomatic and political support for Israel.92 None of the various reasons discussed suffices in itself to explain the close U.S.-Israeli relationship: they all form together a strong root system for almost unconditioned U.S. support to the State of Israel since it’s coming into being.

88 Seth P. Tillman, The United States in the Middle East: Interests and Obstacles, p. 53.
The United States and the Israeli-Palestinian Conflict during the Post Cold War Era

With the end of the Cold War and the disappearance of the communist threat, Washington saw new opportunities for peace and stability in the Middle East, and the Israeli-Palestinian conflict received sustained attention under the first Bush administration. After the first Gulf War, Washington, owing gratitude to Saudi Arabia, Egypt, Syria and other Arab States, was determined to bring the Arabs and Israelis back to the negotiation table. With considerable effort, the Bush administration - trying to exercise a more balanced policy towards the Israeli-Palestinian conflict - succeeded in convening the Madrid conference in 1991, as well as in persuading all parties to engage in subsequent peace negotiations, and to accept Palestinian representatives as participants in the Madrid conference although under the umbrella of the Jordanian delegation, thus giving them for the first time a direct voice concerning their own future.  

Bush followed the “land-for-peace” principle and insisted that the project of “Greater Israel” had to be abandoned. He strongly opposed the Israeli settlement policy and pressured the Israeli government with the delay of financial aid as long as the settlement activities in the West Bank and Gaza would go on. Israel’s former Foreign Minister and Defense Minister Moshe Arens considered Washington’s attempts to interfere in Israeli’s internal politics as being “without precedent in the history of the relations between the United States and Israel, and probably without precedent in the relationship between any two democratically elected governments”. By forcing Israel to choose between financial aids or continuing its aggressive

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96 Moshe Arens, *Broken Covenant: American Foreign Policy and the Crisis Between the U.S. and*
settlement policy in the West Bank, Bush contributed to Itzhak Shamir’s, the right-wing Likud party’s leader, electoral defeat in June 1992. When the Bush presidency ended, American prestige was high in the view of the majority of the Arab public, because the U.S. had given the Israeli-Palestinian peace process new momentum. Nonetheless, the Palestinian problem remained unresolved when Bush was voted out of office in the 1992 elections.

When Bill Clinton took office, he reversed the more even-handed policy of his predecessor and replaced it with an “Israel-first” policy. Under the Clinton administration Israeli settlements were no longer viewed as illegal or obstacles to peace, they became just a “complicating” factor and settlements in the West Bank and East Jerusalem for the first time went ahead without being opposed by Washington. Regarding the Israeli-Palestinian dispute, the U.S. “in effect abdicated its independent role as the manager of the peace process” and took the side of Israel. During the Oslo negotiations in 1993, the U.S. played only a minor role and the Declaration of Principles was negotiated directly between Israel and the PLO without U.S. involvement. The need for an active American role to achieve a resolution to the Israeli-Palestinian conflict was recognized by the Clinton administration after the election of Binyamin Netanyahu of the Likud Party in 1996. Netanyahu rejected the Oslo accord, “viewing it as incompatible both with Israel’s security and with its historic right to the Biblical homeland”.

Attempts by the U.S. to re-energize the peace process in 1998, eventually lead to the Wye River Memorandum, an agreement between Israel and the Palestinian authority to continue the peace process, signed at the White House on October 23, 1998 and to the Camp David summit.

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98 Donald Neff, Fallen Pillars, U.S. Policy towards Palestine and Israel since 1945, p. 165.
99 Avi Shlaim, The United States and the Israeli-Palestinian Conflict, p. 185.
100 The Declaration of Principles, signed in September 1993, outlined a process for transforming the nature of the Israeli occupation but left numerous issues unresolved, including the status of Jerusalem, the right of return for Palestinian refugees, the disposition of Israeli settlements, security arrangements, and final borders between Israel and a Palestinian state. See Carol Migdalovitz, The Middle East Peace Talks, CRS Issue Brief for Congress, IB91137, p. 12-13.
which failed to resolve the Israeli-Palestinian dispute, in July 2000. Following the outbreak of renewed Israeli-Palestinian violence in September 2000, the second intifadah, Clinton was committed to bring both sides back to the negotiation table. He presented a bridging proposal recommending an “independent Palestinian state over the whole Gaza and 94-96 per cent of the West Bank; Palestinian sovereignty over all the Arab parts of Jerusalem except for the Jewish Quarter in the Old City and the Western Wall; and the right of the Palestinian refugees to return to their homeland in historic Palestine, subject to Israel’s sovereign decision to absorb them in its own territory”. Clinton’s attempt to renew the peace process promoted negotiations between Israeli and Palestinian representatives in January 2001, at the Egyptian resort of Taba. However, like the Camp David summit before, the Taba talks ended inconclusively and marked the end to the entire Oslo peace process started in Madrid in 1991.

Opposed to Clinton’s “Israel first” policy, President George W. Bush took a different approach to the Israeli-Palestinian conflict. He wanted to resume the role as an independent, balanced broker for a comprehensive settlement between both sides. Already in his 2002 National Security Strategy, he explicitly stated that, “there can be no peace for either side without freedom for both sides” and that “America stands committed to an independent and democratic Palestine”. In the same document, he also challenged “Israeli leaders to take concrete steps to support the emergence of a viable, credible Palestinian state” and called for a stop of “Israeli settlement activity in the occupied territories”. On June 24, 2002 in a White House speech, Bush issued the strongest statement of an American president yet endorsing an independent Palestinian state, by saying: “My vision is two states, living side by side, in peace and security.”

He further argued for a new and different Palestinian leadership, “so that a Palestinian state can

101 Avi Shlaim, The United States and the Israeli-Palestinian Conflict, p. 186.
102 Ibid.,
103 Avi Shlaim, ibid., p. 188.
be born” and called for an end to terrorism, increased humanitarian assistance to the Palestinian people, and the normalization of relations between Israel and the Arab world.106

To renew the stalled peace process, the Bush administration outlined the “Roadmap for Peace”107; released by the U.S. State Department April 30, 2003, as a new initiative aiming for a permanent solution to the Israeli-Palestinian conflict. The roadmap specified the steps for the two parties to take to reach a settlement, and a timeline for doing so, under the auspices of the Quartet, composed of the United States, the European Union, the United Nations, and Russia. Bush reiterated his vision of a “two-state solution”, including the establishment of a democratic Palestinian state in a joint press conference with British Prime Minister Tony Blair on November 12, 2004, by re-committing himself to the two-state vision and to the establishment of a peaceful, democratic Palestinian state.108

Since the Hamas victory in the January 2006 Palestinian parliamentary elections, the Bush administration has followed a strategy of using financial and diplomatic isolation to either coerce Hamas to change its political positions toward Israel or to force Hamas from power. Supported by the European Union and the Quartet, the United States determined the following conditions to be met by Hamas for both financial aid and diplomatic relations: Recognition of Israel’s right to exist, renouncement of the use of terrorism, and acceptance of all previous agreements between the Palestinian Authority and Israel.109

Conclusions

The brief review of Washington’s policy towards the Israeli-Palestinian conflict leads to a few major conclusions.

Increased anti-U.S. and anti-western radical Islamists movements who exploit America’s support of Israel to deepen popular distrust of the United States characterize today’s development in the Middle East. The Israeli-Palestinian conflict is a leading source of discontent and unrest in the Middle East and U.S.-Arab/U.S.-Muslim relations will not improve while the conflict persists. Accordingly, the U.S. should treat the Israeli-Palestinian issue as a serious threat to U.S. national security.

America’s strategic interests and internal politics regarding the Middle East in the past have constrained its ability to deal with Israel head-on. This is obvious from the fact that the U.S. has always refused to apply pressure that would have forced Israel to return territory on terms that the Israeli government felt unacceptable. The close relationship between Israel and the U.S. has limited Washington’s ability to serve as a neutral mediator. Successful diplomatic efforts by the United States to resolve the conflict, however, require an evenhanded policy: the U.S. has to be recognized by all involved parties as a true honest broker. This will only be possible if Washington addresses the issue of sovereign Palestinian statehood consequently against Israeli resistance.

The policy of using unconditioned U.S. moral, financial and military support to persuade Israel to move on in the peace process, has not achieved the desired outcome. On the other hand, the persistent U.S. efforts in 1991/1992 to link the loan guarantee issue to Israel’s settlement activity influenced the public opinion in Israel and caused the defeat of the Likud government in the Israeli parliamentary elections in June 1992, thus setting the stage for a more pragmatic Israeli policy, particularly in its attitude toward the settlement issue and the establishment of Palestinian

Unfortunately, the window of opportunity closed when Clinton reversed the even-handed policy of his predecessor and replaced it with an “Israel-first” policy. Yet, it is obvious that the U.S. is able to persuade Israel to work toward a resolution of the conflict. Israel’s substantial military and economic dependence on the U.S. gives Washington leverage over it.

Washington failed to settle on a consistent and sustained policy seeking a resolution. Primarily because of domestic political factors, U.S. diplomacy shifted from being essentially reactive, leaving conflict management to the regional actors, to phases where the U.S. tried to assume the role of a “peacemaker” and vice versa; from periods with a more balanced policy to phases with an obvious bias toward Israel. Particularly the refusal to recognize the Palestinian demands for a sovereign state contradicted U.S. efforts for a comprehensive settlement of the Israeli-Palestinian conflict in the past.

The failure of the United States to resolve this ongoing dispute challenges its credibility and status as a world leader. Furthermore, the conflict over Palestine destabilizes the entire Middle East and has a negative impact on the global war on terror by aiding recruiting efforts of terrorist organizations like al-Qaeda, helping to create safe havens in Arab and Islamic societies and reducing the public will to cooperate with U.S. efforts to destroy terrorist networks. In addition, the Israeli-Palestinian conflict fuels friction between the U.S. and especially its Allies in the Middle East: Allies, essential to stabilize the region and support in the Global War on Terror. The perceived success of Hezbollah against Israeli forces in 2006 will most likely further fuel the vicious cycle of violence. Utilized by Islamic extremists to incite hatred and terrorism, the Israeli-Palestinian conflict requires a resolution and should be considered with high priority within the overall U.S. strategy for winning the Global War on Terror. As the members of the Iraq Study Group, the Baker-Hamilton commission concluded in their December, 2006 report the

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“United States will not be able to achieve its goals in the Middle East unless the United States deals directly with the Arab-Israeli conflict.”

George W. Bush started his first term with a clear statement that he wanted to resume the role as an independent, balanced broker for the peace process. It is open to question, however, whether the current Bush administration will fulfill its promises to continue working energetically for a peace formula that will be acceptable to both sides: Israel and the Palestinian people. With the current focus on Iraq, the Israeli-Palestinian conflict no longer seems to be a priority for the Bush administration. A review of past U.S. involvement shows, however, that the U.S. can advance in the search for peace between Israel and the Palestinians neither by simply playing “the mailman”, nor by being one-sided. An even-handed, consistent, and active U.S. commitment, using “carrots and sticks”, sometimes together is required to influence the reluctant parties.

IV. CORE ISSUES, PEACE EFFORTS, AND UNDERLYING TRENDS PREVENTING A SUSTAINABLE PEACEFUL SETTLEMENT

Core Issues of the Israeli-Palestinian Conflict

Core issues of the Israeli-Palestinian conflict have remained relatively constant over the years. Negotiations for an enduring peace must address the nature and boundaries of a future Palestinian state; the status of Jerusalem, including the sovereignty over Jerusalem's holy sites; Israeli settlements in the occupied areas; a solution for Palestinian refugees; the allocation of natural resources, particularly water; and the assurance of mutual security for all states in the region; including the role of the international community in supervising a negotiated settlement.

The search for solutions for these questions turns out to be difficult: most issues are interrelated and include political, economic, humanitarian, as well as security aspects. A durable

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resolution of the Israeli-Palestinian struggle that is likely to open the way to reconciliation and cooperation between both sides requires a holistic approach and must be based on a peaceful coexistence of Jews and Arabs in Palestine. Whatever final borders between Israel and Palestine are agreed upon, whatever form of Palestinian state or political entity is envisioned: the solution must assure the Palestinians the right to self-determination and provide a frame for a successful, survivable Palestinian state. It also has to assure the continued secure existence of Israel as an independent, democratic Jewish state.

A formula that appears to meet these requirements is some version of a two-state solution: one state with a Jewish majority, one with an Arab one, sharing the Land between the Jordan River and the Mediterranean Sea. The idea of physically separating the Israelis and Palestinians is an old one. As noted earlier in this monograph, the 1947 UN partition resolution called for establishing Arab and Jewish states in Palestine. Only the Zionist movement, however, at that time accepted the proposed partition. The Arabs in Palestine, as well as the surrounding Arab nations rejected it.

Palestinian nationalism did not exist in the early years following the birth of the Jewish state. Refugees were seen, not only by Israel but by the world community as well, simply as Arabs and a solution to the refugee problem was considered a responsibility of the existing states in the region. Following the wars of 1967 and 1973 the Palestinian Arabs emerged as a distinct entity. However, recognition of the legitimacy of Palestinian nationalism and the PLO as the sole legitimate representative of the Palestinian people was a slow and painful process, particularly for Israel and the United States. Even during the Camp David Process in 1977, Israel still opposed the rights to self-determination, to independence, and to sovereignty of the Palestinians.

Consensus in Israel was, “that a separate Palestinian state would pose a mortal threat to Israel – a

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threat consisting not only in what such a state might do but in the very fact of its existence”. Consequently, the Israeli government at that time was firm in its insistence that a withdrawal from the occupied territory could only be partial, that Israel had to retain military presence in the West Bank, and that there could be no independent Palestinian state.

Self-determination for the Palestinians remained the central issue in peace negotiations after Camp David. Today the two-state approach seems to offer the only possibility of resolving the contradiction between Israel’s goals to maintain a Jewish and democratic state within defined political borders and the Palestinian quest for an independent sovereign state in Palestine. Since the 1993 Oslo I Accords, the Government of Israel and the Palestinian Authority have been officially committed to an eventual two-state solution. However, the Hamas victory over Fatah, the movement that had led the Palestinians for about 40 years, in January 2006 complicated the search for solutions, because Hamas does not respect any previous agreements between Israel and the Palestinian Authority, including the recognition of Israel115. The majority of the Palestinians of the Gaza Strip and West Bank, though, consider the establishment of two sovereign countries still a viable solution.116 Amongst Israeli Jews, an overwhelming majority also favors a two-state solution. Only a small percentage of the Jewish public supports the idea of a bi-national state.

The vast majority of Israeli Jews is concerned about the consequences a bi-national state would

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113 Seth P. Tillman, The United States in the Middle East: Interest and Obstacles, p. 140.
115 See for instance Palestinian Foreign Minister Mahmoud Zahar, who declared during his visit to China in June 2006 that he opposes the 2002 Arab peace initiative, which calls for a two-state solution to the Israeli-Palestinian conflict, Kansas City Star, June 2, 2006.
116 According to a poll conducted in Jun 2006 by the Jerusalem Media & Communication Center, 52.4 per cent of respondents thought the Israeli-Palestinian Conflict would be solved if two sovereign countries can be established. Only 23.6 per cent favored a bi-national state on all of historic Palestine. See Angus Reid Global Monitor, at: http://www.angus-reid.com/polls/index.cfm/fuseaction/viewItem/itemID/12493, accessed 10 December 2006.
have for the Jewish and democratic character of the state, as well as for its internal stability.\footnote{\footnotemark[117]} Given these positions, the establishment of a Palestinian state, with appropriate security guarantees and a commitment to peaceful coexistence with Israel, seems to be the best way for Israel to maintain its own integrity. It would also allow the Palestinians to exercise their right to national self-determination, to establish national sovereignty, to obtain a territory for expressing their nationhood, and to establish a viable and functioning state.

Israel’s disengagement plan, Israel’s answer to the second intifada and the related stalemate in the peace process, was based on the principle of two states for two peoples. The plan, as released by the Office of the Prime Minister of Israel, emphasized that “Israel is committed to the peace process and aspires to reach an agreed resolution of the conflict on the basis of the principle of two states for two peoples, the State of Israel as the state of the Jewish people and a Palestinian state for the Palestinian people as part of the implementation of President Bush’s vision”.\footnote{\footnotemark[118]} The two-state model is also widely agreed upon within the international

\footnote{\footnotemark[117] Results of a survey conducted in October 2003 by the Tami Steinmetz Center for Peace Research of Tel Aviv University, show 78 per cent in favor of a two-state solution, see: The Peace Index / Israeli Jews Fret over the Possibility of a Binational State, Haaretz, 05 November 2003. 86 per cent thought that in a bi-national state “Jews and Palestinians would not be able to live together as citizens with equal rights”, 80 per cent believed that “it would be impossible to maintain the security of the Jewish population in a bi-national state”, and 66 per cent said “that in a bi-national state it would be impossible to ensure the realization of (the) Jewish identity”.

\footnote{\footnotemark[118] Overall Concept of the Disengagement Plan, Office of the Prime Minister of Israel, at \url{http://www.mfa.gov.il}, accessed 10 November 2006.}
community, including key players like the United States\textsuperscript{119}, the European Union\textsuperscript{120}, the Arab League\textsuperscript{121}, and the United Nations\textsuperscript{122}.

While today the idea of a Palestinian state is supported by the majority of the Israeli and the Palestinian population and has been accepted even by Israel’s leading political elite, ideas of what that sovereign area would actually look like are subject to discussions and vary extensively between the two sides. The Palestinian position, as expressed by the Palestine Liberation Organization, has been basically unchanged since 1988: the international borders between Israel and Palestine should be the armistice cease-fire lines following the 1967 war\textsuperscript{123}, and is consistent with UN Security Council Resolution 242\textsuperscript{124}. Israel on the other hand is not willing to give up all settlements in the West Bank and seems to be committed to retain East Jerusalem.

The status of Jerusalem has always been considered as one of the most sensitive issues to be resolved in peace negotiations; perhaps it is the most difficult challenge in establishing a just

\textsuperscript{119} In a groundbreaking speech of June 2002, George W. Bush was the first serving United States president to make Palestinian statehood, alongside Israel, the officially preferred U.S. approach for the resolution of the conflict, see Mike Allen, \textit{Backing into History}, in Time Magazine, July 31, 2006, p. 34.

\textsuperscript{120} The achievement of lasting peace in the Middle East is a central aim of the EU, whose main objective is a two state solution leading to a final and comprehensive settlement of the Israeli-Palestinian conflict based on implementation of the Road Map, with Israel and a democratic, viable, peaceful and sovereign Palestinian State living side by side within secure and recognized borders enjoying normal relations with their neighbours…” See: EU webpage, http://www.ec.europa.eu/comm/external-relations, accessed 25 October 2006. Also Benita Ferrero Waldner, European Commissioner for External Relations and European Neighbourhood Policy, in his speech addressing the suspension of aid to the Palestinian Authority government at the European Parliament Plenary, Brussels, 26 April 2006, text at http://www.europa.eu/rapid/pressReleases, SPEECH/06/260, accessed 25 October 2006.

\textsuperscript{121} The two-state approach was acknowledged by the meeting of Arab states in Beirut in 2002, when they committed themselves to “normal relations” with Israel if it withdrew to its pre-1967 borders. See for details: Ian J. Bickerton and Carla L. Klausner, \textit{A Concise History of the Arab-Israeli Conflict}, 4\textsuperscript{th} ed., (Upper Saddle River, NJ: Pearson Education Inc., 2005), p. 368-370.


\textsuperscript{124} Resolution 242 “emphasizes the inadmissibility of the acquisition of territory by war” and calls for the “withdrawal of Israeli armed forces from territories occupied in the recent conflict”, United Nations Security Council Resolution 242, adopted on November 1967. See text at
peace. For Israelis, as well as Palestinians, statehood, both emotionally and logically, implies a presence in Jerusalem. During the mandate system, established in the aftermath of World War I, and in accordance with the principles of the Balfour Declaration, the League of Nations drew up the Mandate for Palestine. Arrangements between the League of Nations and Great Britain contained specific provisions relating to the holy sites in Palestine, the majority of which are located in Jerusalem. These provisions provided guarantees for free access to the holy sites and freedom of worship, preserved existing rights and the responsibility for maintaining public order. The unique status of Jerusalem and the vital importance of the issue of the holy sites were later reflected in the so-called Partition Resolution, United Nations resolution 181, adopted 1947. It called for a special status of Jerusalem as a distinct entity separate from the proposed Arab and Jewish state and stated that “the city of Jerusalem shall be established as a corpus separatum under a special international regime and shall be administered by the United Nations.” Subsequent resolutions contained similar ideas concerning the status of Jerusalem.

Israel officials, viewing Jerusalem as an integral part of the Jewish state, although supporting UN resolution 181, never agreed to the concept of internationalization of Jerusalem and since taking East Jerusalem in the 1967 war, there was never any thought of returning the Old City and the Arab sectors for peace. Considering the powerful Jewish emotional and religious ties to Jerusalem - the Western Wall, a retaining wall regarded as the surviving foundation of the second Temple is the holiest site of Judaism and used as a prayer site - no political party

proposing to abandon Jewish control over the Western Wall could survive in Israeli politics today. Fact is that Israel sees Jerusalem as its indivisible, eternal capital.\textsuperscript{128}

Palestinians, both Christians and Muslims, have their own strong religious attachments to Jerusalem. Christians of all denominations are united in the scores of biblical and religious sites particularly in the Old Town of Jerusalem, for instance by the church of the Holy Sepulcher, the traditional tomb from which Jesus is believed to have been resurrected. For Muslims, it is the Dome of Rock, build over the place from which Muhammed is believed to have ascended to heaven. Jerusalem is also the center of the social, economic and cultural life for the Palestinians, and in the past they have always insisted on having East Jerusalem as their capital and it is very unlikely that they will give up on it.\textsuperscript{129} Given the religious importance of East Jerusalem to all Muslims, no Muslim leader of a future Palestine state could afford to relinquish the Muslim holy sites in Jerusalem to the control of Israel and a negotiated solution will have to address the issue of Palestinian sovereignty in Jerusalem.

An extremely sensitive issue involving the occupied territories, has been the continuing placement there of Jewish settlements. While Israel argues that the settlements did not cause a displacement of local populations and that therefore the fourth Geneva Convention of 1949\textsuperscript{130} does not apply to the Jewish settlements in question, the Arab nations claim that Israeli settlements in the occupied territories are illegal under international law.\textsuperscript{131} Many other nations,

\begin{footnotes}
\footnote{130} The fourth Geneva Convention of 1949 relates to the protection of civilians in time of war. Article 49 of that convention states that “individual or mass forcible transfers, as well as deportations of protected persons from occupied territory to the territory of the Occupying Power or to that of any other country, occupied or not, are prohibited, regardless of their motive.” It also states, “The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies”. See text at \texttt{http://www.spl.org/ge-text4.asp}, accessed 23 January 2007.
\end{footnotes}
as reflected in the votes on several United Nations resolutions, support the Arab claim that Israel is an occupying power, that the Geneva Convention does apply, and that the Israeli settlements are illegal. The United States considers the Israeli settlement activity as an “obstacle to peace”. The settlements, however, are not only “obstacles to peace”; but also a permanent source of humiliation to the Palestinians and a daily source of tension between both parties. Their mere presence provides the condition for much of the Palestinian resistance. Moreover, the construction of large numbers of Israeli settlements in the occupied territories has made the construction of a contiguous independent Palestinian state more difficult.

An additional tense issue to be resolved is the Palestinian refugee question. Ever since the problem was created in 1948, the Arab states have insisted in the “Right of Return” and the Palestinians claim that their right of return is a matter of justice encased in international law. Their understanding is, “that all refugees, as individuals and as members of a Palestinian national collective, have the right to return to their homeland and their specific places of residence”. Israel, on the other hand, argues that most Arabs abandoned their property voluntarily, and that the international community should provide funding for resettling the Palestinian refugees in Arab countries. The main reason for Israelis to oppose a settlement that will allow for a return of a large number of Palestinians to Israel proper is the fear of being demographically outnumbered by the Arab population.

134 According to van Creveld there are between four and five million Palestinian refugees worldwide. See Martin van Creveld, *Defending Israel, A Controversial Plan towards Peace*, (New York: St. Martin’s Press, 2004), p. 163.
Given the fact that Israel is not willing to jeopardize its democratic Jewish state, it is obvious that there is no chance to solve that problem in a way that will really give the other side satisfaction. In addition, the problem is not merely a direct conflict between Israel and the Palestinians. Neighboring countries hosting large numbers of refugees, like Jordan, Lebanon, and Syria have their own national and political interests, resulting in different opinions regarding a possible settlement. Bottom line, the refugee question has remained an explosive issue in Palestinian politics and failure to find some form of compromise will cause any new peace process to fail. A future Palestinian state in the West Bank and Gaza will at least provide a place where some of them could settle and Israel has indicated in the past that it could absorb a limited number of refugees. To solve the refugee problem, however, a resolution will have to go beyond a resettlement arrangement: it will have to address compensation, rehabilitation, and immigration questions as well.

Discussions of Palestinian sovereignty have often tended to focus on borders and limitations on Palestinian sovereignty. A durable resolution of the Israeli-Palestinian conflict, however, requires the establishment of a viable Palestinian state. It is therefore mandatory to address serious problems affecting the creation of a successful and stable state, for instance poor economy and high unemployment in the West Bank and Gaza, the level of freedom of movement for Palestinians in Israel, and the management of scarce common natural resources, particularly water in the land of Palestine. The success of an independent Palestinian state is inconceivable in the absence of economic opportunities for its people. To improve economic conditions will require international assistance, including private investment capital.

Water quality, inadequate water supply and sewage infrastructure are additional critical issues for a future Palestinian state. Israel has long maintained control over most of the flow of water to the West Bank and Gaza and the existing level of water supply, already insufficient
today, is less likely to meet Palestinian demands for domestic consumption, commercial and industrial development, and agriculture, particularly considering projected population growth over the next several decades. Furthermore, the amount of water extracted by the Palestinians and Israelis from the regions’ water resources, for instance the Jordan River feeding Lake Tiberias, exceeds the natural replenishment rate.  

A settlement must provide security for all states in the region, including Israel and Palestine. The knowledge that Israel is vastly superior to any Arab nation and to all Arab countries combined is not sufficient to make Israelis feel secure. In strictly military terms, the Israeli Defense Forces never failed when asked to fight against massed armies in conventional wars. Israel has won every conventional war it fought against its larger neighbors. However, Israel today is not fighting a conventional war: facing Hamas and Hezbollah extremists, it is battling against well-trained militias energized by religious fervor. While regular armies surrender when their leaders tell them to; guerrillas just slip back to a safe house and wait to fight another day. Worse, today’s irregular foes live in villages, hide behind and amongst civilians, even children, and are backed by a large number of supporters willing to shelter them. To guarantee security for its citizens Israel is forced to fight a war that inevitably results in terrible and visible damage to towns and villages – and often claims innocent lives. Because of the collateral damage of this war, Israel is risking the creation of a new generation of Palestinians that hates it with a passion.

In any two-state solution, Palestinians would control the West Bank and Gaza. Israelis are concerned that a Palestinian state not under control of Israel’s military would be a source of increased terrorist activities directed against the State of Israel. Palestinians on the other hand fear continued Israel military intervention. Adding to the complexity of the problem is the notion

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that it is very unlikely that a Palestinian state will be able to set up an effective internal security system on its own to combat terrorist and militant organizations posing a threat to both, internal security and a peaceful coexistence with Israel.

The perceived threat posed to each other could be addressed by international guarantees, by demilitarized zones and by an international peacekeeping force in the zones or along the borders. In addition to external security guaranties, the development of an effective internal security system within a Palestinian state requires United States and international assistance, ranging from financial support to the training of law enforcement personnel.

**Recent Peace Initiatives to Resolve the Conflict**

Throughout the twentieth century, various efforts were made to solve the Israeli-Palestinian problem. The UN played a major role especially in the years following its vote to partition Israel. It created the UN Relief and Works Agency to take responsibility for the Palestinian refugees, sent mediators to the region and passed numerous resolutions calling for cease-fires following the Arab-Israeli wars, condemned aggressive actions by each of the parties, and suggested approaches to resolve the conflict. However, the Security Council resolutions adopted following the June 1967 and October 1973 wars, resolution 242 and 338, were accepted neither by the Israelis nor by the Palestinians. Palestinians claimed that these resolutions were an inadequate basis for negotiation because, among other issues, they did not address Palestinian demands for self-determination and Israel refused to surrender Israeli control over the West Bank and Gaza without recognition of the state of Israel as the rightful homeland of the Jewish people by the Arab states and the Palestinians.

Several peace agreements initiated by outside actors since then have failed also, including Camp David I (1980), Madrid (1991), Oslo (1993) and Camp David II (2000). While sometimes
real progress was made, negotiations often focused on minor issues failing to shape a common understanding of a holistic approach for a final settlement.

The Oslo process, started in 1993, gave hope for a peaceful settlement. It signaled the mutual recognition by Israel and the Palestinians of each other’s national rights, yet, to many direct and implied promises were made at the start of the negotiations, and too little was delivered. The problem was that the agreement failed to define the outcome for both sides in advance. The Oslo negotiators failed to reach an agreement on a solution acceptable to both, Israel and the Palestinians. From a Palestinian point of view, the Oslo declaration did not include a guarantee for the establishment of an independent and sovereign state. As to the Israelis, the agreement failed to comprise a commitment to end the violence and completely resolve all outstanding issues for a final settlement. Follow-on negotiations on fundamental issues for a peaceful resolution of the conflict, like the status of Jerusalem and Palestinian sovereignty never really made any progress. Israeli settlements were left in place, the Palestinian Authority was unable to prevent the continuation of Palestinian terrorist attacks, forcing Israel to take extreme countermeasures, and in the end, the process failed to meet the expectations of both parties.\textsuperscript{138}

Negotiations on final settlement issues were again attempted at Camp David in June/July 2000. Although some progress was made, at the end, the Camp David talks failed and the second intifadah began in September 2000, putting a final end to the peace process started in 1993. Key source of contention was the status of Jerusalem. While the Palestinians were willing to accept Israeli control over the Jewish quarter in Jerusalem and the Western Wall, they insisted in Palestinian sovereignty over East Jerusalem, particularly the Temple Mount.\textsuperscript{139}

One of the current peace proposals, which has replaced the Oslo process as the internationally supported route to peace, is the so called Road Map presented by the Quartet of


\textsuperscript{139} Carol Migdalowitz, The Middle East Peace Talks, (Congressional Research Service, May 16,}
the European Union, Russia, the United Nations and the United States. The problem with the road map is that each of the key players has a different interpretation of how to implement it. Israel accepted the road map on 25 May 2003, but attached so many conditions to it as to almost nullify its intent.140

An additional attempt trying to assist the two conflict parties in overcoming the current and violent stalemate is the extra-governmental, joint Israeli-Palestinian effort, often referred to as the Geneva Accord or the Geneva Initiative. Signed by a large and respectable group of individuals from both sides in December 2003141, the Geneva Initiative represents an attempt for a more comprehensive, detailed design of a peace proposal. It proposed detailed solutions to most issues of the Israeli-Palestinian conflict. Based on the plan presented by U.S. President Clinton in December 2002, the vision of U.S. President Bush from June 2002 and the “Roadmap for Peace”, the core of the concept centered on establishing conditions for “two independent states - Israel and Palestine, side by side, recognizing each others sovereignty and territorial integrity and establishing full diplomatic relations”142. The agreement suggested to base the borders between Israel and the Palestinian state on the 1967 lines with minor, mutual modifications, whereby some densely populated Israeli settlements would become part of Israel’s new borders while the rest would be evacuated. The Palestinian state would receive an equal amount of land from within Israel in exchange. The Israeli and Palestinian areas of Jerusalem would be the capitals of the respective states, and sovereignty concerning the holy sites would be

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141 More than twenty representatives from each side signed the Geneva Accord. From the Palestinian side participants included ministers, members of the PLO Executive Committee, Fatah movement leaders, senior officials, and academics. Israel was represented by current and former Ministers, Parliamentarians, peace activists, authors, retired generals and police chiefs, economists and academics. Those holding official positions declared that they had signed the agreement as private individuals. For details, see text and background information at: [http://www.geneva-accord.org](http://www.geneva-accord.org), accessed 14 February 2007.

spilt based on the ritual practices that have governed the sites for more than a millennium. In the section on refugees, the Geneva Accord addressed immigration arrangements, compensation, resettlement, and rehabilitation. An international body would be established to oversee the settlement of the refugee problem and the return of refugees to Israel would be at the sovereign discretion of Israel. Security arrangements were also addressed, including the stationing of a multinational force in Palestine, as was the commitment of both sides to prevent and oppose any terror or incitement.

While the 1993 Oslo agreement provided a framework for a peace process without defining the expected outcome of a final settlement, the Geneva Initiatives defined the ends of the peace process up front, thereby clearly articulating the compromises both sides have to buy into. During the Oslo process neither side really respected and implemented their commitments. To avoid the same failure, the Geneva Initiative aimed at implementing stronger guarantees, monitoring and compliance mechanisms to ensure the implementation of an agreement. An example is the stationing of a multinational force in the Palestinian territories to oversee the specific security arrangements.

Since its signing the agreement has taken root in public consciousness as a realistic possibility in the minds of its supporters, however, official support for the agreement on both sides never seemed to be high and, as outlined before, Israel’s answers to the existing stalemate in the peace process have become unilateral steps to impose a settlement. Although rejected by parts of the Israeli settlement movement, the majority of Israeli Jews is willing to turn their backs on the occupied territories, and supports the ongoing construction of the separation fence. For


them the disengagement strategy is less an expression of choice than a measure of last resort to counter Palestinian terrorist attacks, particularly suicide bombers.

**Underlying Trends Preventing a Sustainable Peaceful Settlement**

While today the majority of Palestinians and Israelis support the concept of a two-state solution, a significant number of people on both sides still reject a division of the land between the Mediterranean Sea and the Jordan River, and they work diligently against such a solution. Many Israelis are still convinced that the Palestinians remain committed to the destruction of Israel. They consider Palestinian violence as an existential threat to Israel and argue that any concession Israel makes in return for Arab promises, while terrorist acts continue, will simply lead to more support for terrorist organizations and an increased number of attacks on Israel, rather than leading to peace.145

On the far Right in Israel, there are those who are still committed to “Eretz Israel”. As David Matz, professor of conflict resolution at the University of Massachusetts Boston, addressed it in his discussion of the Israeli-Palestinian conflict, “for Jews, whose attachment to the Land is the Bible, the West Bank is Judea and Samaria, is sacred land. For Jews, whose attachment to the land is historic, the West Bank is where the Jewish kingdoms had been, and from which Jews had been driven out by Romans in C.E. 70 and by Arab riots in the 1920s and 30s.”146 For them return is a matter of justice; their common goal is to erode the Palestinian presence in the West Bank and Gaza. While these elements today certainly represent a minority within Israel, it is a powerful minority, still able to influence the Israeli Government.147

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145 Dr. Bruce B. Jones, *The Israeli-Palestinian Conflict: Where Do We Stand?*, (Atlanta: The Carter Center), p. 5.
That many settlers in Israel and their supporters oppose the two-state concept is not surprising. They recognize that a large number of settlements will fall on the Palestinian side of the border and held on to the hope that Israel could preserve its essential Jewish character while maintaining control over the West Bank and Gaza. Nevertheless, that hope negates the demographic development: although Jews will remain a majority within sovereign Israel for the foreseeable future, within a decade, more Arabs than Jews will live between the Mediterranean Sea and the Jordan River. As long as Israel remains in the occupied territories, this demographic forecast will pose a severe threat to the country’s Jewish, democratic identity.

Some of the before mentioned Israeli “rejectionist groups” include individuals who are willing to use violence, including attacks against Palestinians to undermine serious peace efforts. If a peace settlement was to counter their interests, such as closing settlements or turning over the West Bank or parts of Jerusalem, the number of extreme elements, and those sympathetic to them, would rise.

On the Palestinian side, there are still a high number of supporters of the intifada in its current form. Several organizations seek the violent destruction of Israel and reject the current Palestinian authority. The three main groups are Hamas, Palestinian Islamic Jihad (PIJ), and the Popular Front for the Liberation of Palestine (PFLP). All three of them receive support from Syria and Iran, have carried out numerous attacks against Israel and seem to act independently. Another group, dedicated to eliminating Israel, although not operating from Gaza or the West Bank is Hezbollah, a Shia Muslim group with very close ties to Iran and Syria. Hezbollah

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148 For the development of the demographic situation between the Jordan River and Mediterranean Sea, see: Sergio Della Pergolla, *Demography in Israel/Palestine: Trends, Policy Implications*, (Jerusalem: Avraham Harman Institute of Contemporary Jewry, Hebrew University, 2001).

portrays itself as the winner of the 2006 Israel-Hezbollah war and will continue to undermine Israeli-Palestinian peace efforts.\textsuperscript{150}

Palestinian terrorists work within a population which has at least some sympathy for them. Many Palestinians view attacks against Israel as part of the legitimate Palestinian armed struggle against an occupying force and even among those in favor of a two-state solution, “there is little evidence of positive feelings toward a Jewish state”.\textsuperscript{151} Matz, in his discussion of the conflict between Israel and the Palestinians, provided several motives for the consequent rejection of a Jewish state amongst a significant number of Arabs: “For Arabs seeking a traditional way of life (for example, the role of women), Jews represent the West and its threat to tradition. For Arabs seeking independence, Jews represent a revived colonialism. For Arabs seeking Islamic purity, Jews controlling holy land represent an intolerable stain. For Arabs who hate Jews, Jews are Jews. For Arabs who see the land on which Israel sits as Palestinian homeland, Jews are usurpers. For Arabs who see Israeli policy as expansionist, Jews are a threat to other Arab regimes.”\textsuperscript{152} As outlined before, the majority of the Palestinians, nonetheless, favors a peaceful settlement with Israel and is willing to accept the two-state solution. Yet, those wanting more than that, namely the elimination of the state of Israel and revenge, are still able to undermine the peace process. Considering the current situation in the West Bank and Gaza strip, it is questionable whether a Palestinian government, even if it would be committed to do so, could control the radical rejectionist elements in Palestine.

In addition to the Palestinian and Israeli rejectionist groups, another threat to peace in the Middle East has to be recognized: Al Qaeda. Al Qaeda has no interest in a peaceful Palestine. The Israeli occupation of the West Bank and Gaza and the repressive measures taken by Israelis to combat terrorism are manipulated by Al Qaeda, as well as other extremists to fuel hatred for

\textsuperscript{150} Ibid., p. 4-6.
Israel, the U.S. and the West and since the Israeli withdrawal from Gaza increased Al Qaeda activity in the region has been noticed by Israel’s military (Israel trip).

**Conclusions**

Looking for ways to contribute to the resolution of the Israeli-Palestinian conflict, the following challenges have to be addressed.

The core issues for a viable settlement, such as Palestinian self-governance, borders, Jerusalem, settlements, refugee return and compensation, allocation of scarce resources in Palestine and security are not going away. The Oslo Accords failed because they left many of the difficult questions for later negotiations. A peace agreement, resulting in a Palestinian state, has to provide answers for all crucial questions.

A negotiated solution that produces two states, side by side, has to be forced upon both, the Israelis and Palestinians by the international community. It seems like even if Israelis and Palestinians could agree on the “Road Map”, they can not concur on what to do about it in the absence of robust international pressure, particularly the U.S. So far, with each plan, it has only been a matter of time before suicide bombings generated by Palestinian terrorist organizations and/or “targeted killings” conducted by the Israelis ensured its failure. The more peace moves forward between Israelis and Palestinians, the more extremists on both sides are resorting to ever more outrageous acts of terrorism to roll back all the progress. Even if a successful compromise between both parties could be reached, the situation will most likely be highly unstable for years, as extremists on both sides are likely to try to undermine a peace through terrorism and violence.

In the past, neither the Israeli nor the Palestinian governments have been able to cope with the various rejectionist groups and it is very unlikely that they will be able to do so in any foreseeable future. “The unfortunate reality is that the Palestinian leadership has never laid the
intellectual groundwork for recognizing the moral legitimacy of Israel’s existence.”¹⁵³ Thus, it seems unlikely that the Palestinian authority following an Israeli withdrawal from the West Bank could enforce any agreed upon security terms. Even if the Palestinian government would commit to a halt to violence, considering the current circumstances in the West Bank and Gaza - the competition between Hamas and Fatah for leadership of the Palestinian movement - the Palestinian authority seems to be unable to control terrorist activities directed against Israel. On the other hand, asking the Palestinians, not only to accept Israel and live in peace with it, but also that they have to trust the Israelis is, given the hatred between the Israelis and Palestinians as a result of the intifada and Israel’s response to it, simply unrealistic. To combat terrorists, however, will require close cooperation between Israel and the Palestinian government. Considering the current hatred between both sides, this is unlikely to happen, even after a peace arrangement. To uphold any agreement a robust external multinational force, able to work in close cooperation with both sides, will be required.

Lastly, it is obvious that an independent Palestinian state will face significant challenges, requiring considerable “state-enabling” international financial but also manpower resources over an extended period of time. The current situation in the Gaza strip, pictured in August 2006 by a Hamas official as “unimaginable chaos, careless policemen, young men carrying guns and strutting with pride, and families receiving condolences for their dead in the middle of the street¹⁵⁴”, gives a hint of the magnitude of the challenges the future Palestinian state will have to overcome. Peace between the Israelis and Palestinians will only have a chance if the international community provides the conditions for the creation of a viable Palestinian state. A comprehensive approach for a resolution to the Israeli-Palestinian problem will therefore have to

¹⁵⁴ Ghazi Hamad, a former Hamas newspaper editor and spokesman for the current Hamas government, in an article published Sunday, 27 August 2006, in the Palestinian newspaper Al-Ayyam, according to an article in the Kansas City Star, Tuesday, August 29, 2006.
address fundamental state-building issues, like good governance, economic development, adequate water supply, education and health systems, and with respect to the various terrorist groups and militias in the region, particularly internal security.

V. CONSIDERATIONS FOR A STRATEGY TOWARDS A PEACEFUL SETTLEMENT

“No problem can be solved from the same consciousness that created it.”

The current dysfunctional political situation on the Palestinian side, Hezbollah’s struggle for legitimacy and political power in Lebanon, and Israel’s internal political issues caused by the latest war against Hezbollah in southern Lebanon, will most likely prevent the Israeli government and the Palestinian Authority from engaging in any serious final-status negotiations in the coming months. Both sides to the conflict are locked into divisive internal battles, which prevent them from moving forward toward a viable solution. Without intervention by a trusted and powerful outside source, the following dynamics will continue to increase the already existing tension in the region.

Conflict will persist between Hamas and Fatah as the struggle for dominance in the West Bank and Gaza. As long as the stalemate between Hamas and Fatah concerning the recognition of Israel’s right of existence continues, financial aid for the Palestinians will be limited and their economic situation will further deteriorate, thus increasing aggression against Israel and the West, particularly the United States. The current financial and diplomatic isolation of the Palestinian government will be maintained by the international community, bearing the risk of causing a complete collapse of the Palestinian Authority, resulting in increased intra-Palestinian violence, if not in civil war. Without major diplomatic efforts by the U.S. and the international community,

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155 Statement often attributed to Albert Einstein (1879-1955), German-American physicist, Nobel
Syria and Iran will most likely continue to financially back Hamas, allowing Hamas to continue its struggle for political control over the Palestinian territories.

Looking at Israel, it can be assumed that, while sorting out its internal political issues and focusing on the development in Lebanon, Israel will prefer to have the Palestinians fighting each other rather than focusing their attention on terrorist attacks against Israel. Therefore, the Israeli government is unlikely to make any serious attempts that would support Hamas and Fatah to come together in a power-sharing government.

Concerning the security environment, Hezbollah and Al Qaeda will continue to influence the development in the region. Hezbollah will maintain its desire to gain legitimacy, popular support, and political power in Lebanon. Dedicated to the destruction of Israel and looking for a justification to maintain Hezbollah’s military arm, Hezbollah will continue to present Israel as a threat to Lebanon and the Palestinians and could provoke Israeli military actions against civilian targets in Lebanon or the Palestinian territories. Al Qaeda will continue to exploit the Israeli-Palestinian conflict for their own goals and there is the potential for al Qaeda attacks against Israel to cause Israeli military actions against targets in the Palestine territories, thus fueling the spiral of violence between Israel and Palestine.

**Role of the United States in a Renewed Attempt to Pursue a Sustainable Peace Settlement**

Years of negotiations have established the frame for final peace terms and the range for movement towards a compromise acceptable to both conflict parties is very narrow. Conditions for peace will have to be based on those discussed in recent peace plans. The majority of these plans envision a two state-solution, requiring Israel’s withdrawal from all of the territory it

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156 See for instance the parameters for settlement proposed by President Bill Clinton in December 2000 (discussed in chapter III of this monograph) or the Geneva Accord of December 2003 (discussed in chapter IV), or the European Council Declaration on the Middle East, at: [http://europa.eu.int](http://europa.eu.int), (Annex 6 to Price for Physics in 1921.

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occupied in the 1967 war, except for minor border adjustments involving equivalent gains and losses for both sides, in exchange for a final peace. The West Bank and Gaza would form an independent Palestinian state, however, with limitations on Palestinian sovereignty, particularly with respect to its own military and limits to the stationing of “outside” military forces. Control of the places holy to Judaism, Islam, and Christianity, including the Temple Mount would be shared, as would be the control of the city of Jerusalem along the ethnic lines. In order to ensure security of all involved parties, international security guarantees, including multinational peacekeeping forces in the zones or along the borders, would be essential. Concerning the refugee issue, a solution would aim on financial compensation to the refugees, instead of an actual return to Israel.

The preference of voluntary agreements to forced solutions is beyond question.

However, failed Israeli-Palestinian attempts to achieve a lasting peace in bilateral final settlement talks over several decades demonstrate that both sides are unable to prevail unilaterally. Both sides are so deeply engrossed and committed to the conflict, that they have difficulties to communicate, much less reach, a bilateral solution requiring compromise by either of the conflict parties. If Israelis and Palestinians are unable to arrive at peace on their own, a trusted outside force should lead them to peace and might have to dictate the terms of a settlement.

Key to success will be the development of a comprehensive solution for the above-mentioned major causes of the Israeli-Palestinian conflict up front: both sides should have a clear understanding of the final status of a settlement. To arrive at a viable solution will require strong persuasion and incentives for both sides to actively pursue peace, positive as well as negative, have to be determined and will have to be firmly applied. As Israel’s unquestioned ally, committed to Israel’s security and welfare, only the U.S. can coerce Israel to move on in the peace process and accept new and “unpopular” approaches towards a lasting settlement. Israel’s

government, although accepting a two-state solution, may need U.S. persuasion on the following issues: control of East Jerusalem; the actual course of the border between Israel and a sovereign Palestinian state; adjustments to the security fence currently being established in order to avoid unnecessary hardship for the Palestinians; and the sharing of scarce resources, particularly water.

Peace between Israel and the Palestinians, however, cannot be brokered or guaranteed by the U.S. alone. The sensitivity of the problem, the different interest groups in the region, the necessity of security guarantees for the conflict parties, the need for persuasion, as well as the sustained international investment of capital and manpower required to establish a successful Palestinian state, necessitate an international coalition willing to implement a strategy towards a just peace. Because of the negative image of the U.S. and the West in the Middle East, it becomes extremely crucial to include the Arab states in the process. A Palestinian leadership will need strong persuasion on at least two issues: right of return and end of violence. Particularly the latter will be very hard to accept by large parts of the Palestinian population. It is therefore essential to convince the Arab states that they have to apply their weight on the Palestinians in order to achieve control of the various forces undermining the peace process. Only they will be able to influence the Palestinian leadership and population to accept final peace terms, to abandon the concept of armed struggle, and to focus on state building.

It is in the United States’ national interest to take the lead in a renewed and sustained effort in order to achieve a comprehensive peace settlement. Leaving most of the serious issues dividing the two sides open for bilateral negotiations, rather than seeking to resolve them from the start was obviously a weakness in past attempts to negotiate a lasting peace between Israelis and Palestinians. In a new round of peace efforts, the basic final status issues must be addressed and international consensus is a prerequisite for success. As a first step in a renewed and sustained commitment toward a comprehensive settlement, the U.S. should initiate a summit meeting to

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157 See discussion in chapter IV of this monograph
discuss the Israeli-Palestinian situation. The meeting should seek to establish the foundation for an international coalition dedicated to Israeli-Palestinian peace, ascertain international consensus concerning the Israeli-Palestinian final status, and develop an implementation strategy. Firm commitments by the participating parties not only for an international security force but also for financial and manpower support over an extended period of time to help in the creation of a successful, stable and economically survivable Palestinian state ought to be an additional desired outcome. Participants should include at least the United Nations, the European Union, Russia, and the main Arab states, in particular Egypt, Jordan, and Saudi Arabia.

Considerations for a New Implementation Strategy

International consensus exists pertaining to most of the components of a final settlement and years of negotiations have made clear to both sides the peace terms that each can and cannot accept. More controversial is the implementation process to peace. While the Road Map, as outlined by the “Quartet” 158, could be the basis for an implementation strategy, major modifications to the proposed phases towards a final settlement should be considered. Israel and the U.S. both emphasize the notion of a complete cessation of terror and expect basic structural governmental reforms by the Palestinian Authority in all areas.159 Nevertheless, considering the

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158 The Quartet comprised of the United States, European Union, United Nations, and Russia proposes three phases to a final settlement:
Phase I: Palestinians would halt violence, stop funding terrorist groups, begin political reforms, including the draft of a constitution, and hold elections. Israel would freeze settlement activities and begin to withdraw from occupied territories following a recession of terrorism.
Phase II: Focus would be the creation of an independent Palestinian state with provisional boundaries through a process of Israeli-Palestinian engagement launched by an international conference convened by the Quartet.
Phase III: A second international conference would provide start the process leading to a permanent status agreement, including final terms concerning borders, the status of Jerusalem, refugees, and settlements. Full text available at: http://www.state.gov/r/pa/prs/ps/2003/20062.htm, accessed 18 December 2006.

159 See for instance Israeli Prime Minster Sharon in his address to the Knesset on 14 May 2002: “(…) Israel wants to enter into peace negotiations and will do so as soon as two basic terms for the establishment of a genuine peace process are met:
- The complete cessation of terror, violence and incitement.
- The Palestinian Authority must undergo basic structural reforms in all areas (...).
When these two basic terms are met, we will be able to enter into a settlement in stages, including a lengthy
security environment as discussed in chapter IV, the expectation that the Palestinian government could meet these two conditions without major outside support, is, considering the current situation in Gaza and the West Bank, simply unrealistic. It also seems to be overly optimistic to assume that the expected changes on the Palestinian side could be implemented over the course of just a few months\textsuperscript{160}.

The focus of a first step or phase towards a final peace settlement should be to bring an end to the vicious circle of terror and counter-terror, practiced by the Palestinians and Israelis on each other. Crucial for success will be that both sides undertake certain measures simultaneously. The current approach that terror needs to be combated before settlements must be removed will not work for two main reasons. First, for Palestinians, the continued expansion of settlements and settlement infrastructure, including the security fence, threatens the possibility of the emergence of a viable Palestinian state. As long as they see concessions only on their part, it will be difficult even for the moderate Palestinians to support an end to the “armed struggle”. Terror, for many Palestinians, especially the various terrorist groups and their sympathizers, is perceived as a tool with a success record and furthermore as a satisfying expression of their aggravation and resentment. To convince them to end acts of violence against Israel will only be possible if they see incentives for doing so. This will require not only a clear definition of the terms for the end state of the peace process up front but also simultaneous steps by Israel, for instance the dismantling of settlements, which are seen by many Palestinians as the root cause of the conflict, as well as changes to the course of the security fence.

Second, considering the destabilizing potential in the region\textsuperscript{161}, it has to be expected that the various phases of a renewed peace process will be accompanied by violence, as extremists on


\textsuperscript{161} The intermediate stage in which relations between us and the Palestinians will be determined”, at: \url{http://www.israel-mfa.gov.il./mfa/go.asp?MFAH0lpk0}, accessed 10 December 2006.
both sides as well as international terror organizations are likely to try to undermine any real progress towards a lasting settlement. As Anthony H. Cordesman argued in his discussion of the Israeli-Palestinian conflict, “even the best peace will probably be ‘peace with violence’, for some years after a formal peace agreement and signing a new peace agreement will only be the first step in a long and troubled process”. While Israel might be able to restrain radical elements within its population, the Palestinian government has no control over the various terrorist organizations based in Gaza and the West Bank. Cessation of violence therefore should not be a prerequisite for continuation with the peace process, as this only enables rejectionists to prevent the achievement of a lasting resolution to the conflict. The plan, instead, should include a strategy to achieve a decline in violence and terror. International actors will have to be the custodians of peace and part of that strategy could be the deployment of international peacekeeping forces to the West Bank and Gaza, an international presence in Jerusalem, mainly in the form of police forces in and around the Old City, and the establishment of a regional Middle East combined counter terrorism center to integrate national responses to regional and transnational terrorism.

Discussions concerning a new implementation strategy should include a review of the current approach towards the establishment of a democratic Palestinian state. Critical for implementing and sustaining a democracy in any region is a bottom-up approach to democratization. Experience gained in the post Cold War era, for instance in Kosovo, Afghanistan, and Iraq, has revealed that attempts to impose democracy by external actors in a top-down approach are problematic. The way to a stable democratic state is usually generated by civil society organizations within the region, necessitates an educated population and requires a safe and secure environment to enable political discourse between the various actors in order to

\[161\] See discussion in chapter IV “Underlying Trends Preventing a Sustainable Peaceful Settlement”.
\[162\] Anthony H. Cordesman, The Israeli-Palestinian War, (Westport: Praeger Security
establish democratic institutions and to arrive at a ratified constitution. It addition, it should be
recognized, that the establishment of a democracy usually follows the creation of a state, not vice
versa. Thus, the establishment of a sovereign Palestinian state, recognized by the U.S. and the
international community, should be one of the first, if not the first, milestone on the road to peace.

A clear commitment of a U.S. lead international coalition to a sovereign Palestinian state
as part of a new first phase of a renewed attempt to end the Israeli-Palestinian conflict would also
assist moderate Palestinians to enlist and increase the public opinion in favor of peace. This
would weaken support for extremists within the Palestinian population and take away their cause
and credibility. Details for the role of the international coalition in order to oversee and actively
support Palestinian efforts to establish democratic political institutions, a transparent and
independent judiciary, and an effective security apparatus able to confront and effectively deal
with terrorist organizations, uproot their infrastructure, and disarm militias will have to be part of
the implementation strategy.

A revised Road Map to peace should also outline efforts to improve the economic
situation of a Palestinian state. To be viable, a future Palestinian state will need economic and
financial support in order to establish an economic infrastructure. Consequently, a new attempt to
move towards a permanent and stable two-state solution should include a sort of “Marshall Plan”,
clearly articulating conditioned incentives and support by the international community sponsoring
a solid, independent Palestinian economy.

Israel’s unilateral disengagement plan, including the construction of the security fence,
will have to become an integral part of a new implementation process to peace, as it is unrealistic
to assume that the Israeli political leadership could sell a renunciation of the only approach
perceived as being “capable of putting an end to, and coping with, most, if not all, forms of
Palestinian terrorism”163 to the Israeli public, particularly not in light of the current political circumstances in the West Bank and Gaza. However, as stated in the June 6, 2004 White House press release welcoming the Israeli Cabinet’s decision to approve the disengagement plan, Washington should use its diplomatic power to ensure “that the international community, working through the Quartet and with the governments of Egypt and Jordan, engage in […] rapid and continuing consultations with Israel and the Palestinian Authority to help prepare for the (Israeli) withdrawals and make them a successful step towards peace”164. In addition, as David Makovski recommends in his discussion of the separation barrier, the United States should pressure Israel to ensure that the fence project avoids “construction routes that preclude the formation of a contiguous Palestinian state or cause undue disruption to Palestinian lives”165.

History shows that an Israeli withdrawal from the West Bank and Gaza will not automatically cause Israelis and Palestinians to fall into each other’s arms, sign a formal peace treaty, and live together happily ever after. The implementation of Israel’s separation strategy, ingeniously combined with parallel and unconditioned proceedings towards the establishment of a sovereign Palestinian state, however, can be a step to a better future. It will reduce the number of Arabs being governed by Israel by almost 75%,166 thus having the potential to reduce the fear of terror among the Israeli population. Moreover, it will free the Palestinians from Israeli control, hence eliminating what is by far the most important source of friction between both parties.

Taking the lead for a new approach to peace between Israel and the Palestinians, the U.S. should also reconsider its diplomatic relations with Syria as well as it’s current policy toward the Palestinian government. Syria’s cooperation in a process towards peace is crucial, as a cessation

of Syrian aid to Hezbollah and Hamas would certainly help to reduce violence in the region. Syria could also help to obtain an acknowledgement of Israel’s right to exist from Hamas.

Washington should therefore resume a direct political dialogue with Syria and persuade Syria to support a two-state solution for Israel and Palestine in exchange for a return of the Golan Heights by Israel. The current U.S. approach toward the Palestinian Authority: financial and diplomatic isolation, is unlikely to succeed in causing Hamas to give up in the struggle for political power, but will certainly have a negative impact on the Palestinian people and bears the risk of causing a complete collapse of the Palestinian Authority, resulting in intra-Palestinian violence if not in civil war. Even if the Bush administration does not want to engage in direct discussions with Hamas officials, it should look for ways to assist more moderate Palestinians to regain support of the population.

Certainly, the final word regarding a solution of the Israeli-Palestinian conflict is beyond the scope of this monograph, and considerations for a renewed attempt to achieve a lasting settlement of the conflict discussed in this monograph are neither exhaustive nor exclusive. However, they provide a framework for further evaluation and advocate a new, more pragmatic approach for an implementation strategy towards peace: a parallel process of reform in the Palestine territory coupled with simultaneous steps taken by Israel, the U.S., and the international community. The current U.S. and Israeli notion: complete cessation of terror and basic structural governmental reforms by the Palestinian government before serious steps towards a sovereign Palestinian state will be taken, simply ignores the fundamental dynamics of the conflict, paralyzing any progress toward a peaceful relationship between the two sides.

VI. OUTLOOK

Regardless of the ultimate political settlement that will be reached between Israel and the Palestinian Authority, after 40 years of Israeli rule in the occupied territories, the lives and status
of the Israeli-Arabs can not go back to what they were. Decades of Israeli military rule in the Territories have caused passionate hatred and mistrust between the sides. This mutual hatred casts a giant shadow over the possibility of a political settlement and real reconciliation. It is conceivable that, as long as the current generation on both sides is alive - with its fears, its prejudices and the deep resentments it has cultivated for years - no real conciliation is possible.

For the time being, Israel’s separation strategy might be the only pragmatic way to revive the peace process. The Palestinians view Israel as the primary source for their acrimony and a “divorce” might be the only way to break the current vicious circle. However, the Israeli security fence has to preserve the possibility of a viable statehood for the Palestinians. The United States should support Israel’s separation strategy and use its political power to influence the route of the fence in order to minimize Palestinian hardship. In light of the current stalemate in the Israeli-Palestinian negotiations, the fence is the best means of facilitating an eventual two-state solution. Aside from disengaging the two hostile populations, the fence has the potential to become an effective interim border, which could be adjusted in the long term based on bi-national negotiations between Israel and the Palestinian authority.

A successful long-term approach though has to consider all issues preventing a peaceful coexistence of Israelis and Palestinians sharing the land between the Jordan River and the Mediterranean Sea. The U.S. should take the lead in a renewed diplomatic initiative of the international community to facilitate a sustainable settlement. Only through direct and firm U.S. commitment to a renewed peace process can the current cycle of violence be broken and a sustainable settlement be reached. A new strategy should involve the Arab nations, has to be based on international consensus on the end state for both conflict parties up front, and should establish firm milestones on the “road to peace”. Besides defining borders and addressing issues, like security for the region, refugee return and compensation, the framework has to answer the question on how to build a survivable sovereign Palestinian state and to define the future status of
Jerusalem. Taking the broader regional security issues into considerations, a diplomatic U.S. engagement with Syria and Iran should be considered as supporting effort in an attempt to stabilize the region. Potential economic incentives as well as security cooperation could provide the opportunity to discuss the cessation of Syrian and Iranian support to radical groups in the region, particularly in Lebanon and Palestine.
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