



# Cato Institute Foreign Policy Briefing No. 31: The Real Lesson of the Oslo Accord: "Localize" the Arab-Israeli Conflict

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## Executive Summary

Despite Washington's efforts to broker a Middle Eastern peace agreement, Israeli and Palestinian negotiators quietly concluded the Oslo agreement with virtually no American involvement. Since the agreement was reached, however, Washington has sought to reestablish a prominent American role in the Arab-Israeli peace process. That would be a mistake.

Since the end of the Cold War and in view of the new emphasis on geoeconomic, rather than strategic, priorities, the United States has little reason to commit significant time or resources to resolving the Arab-Israeli conflict. Furthermore, it is very likely that high-profile American involvement in negotiations would actually hinder the process and further inflame radicals in the Israeli and Palestinian communities who oppose the Oslo agreement.

Instead of trying to micromanage the Arab-Israeli peace process, the United States should minimize its financial commitment to Israel and the emerging Palestinian entity and encourage economic cooperation between Israel and the Arab states, which could be the foundation for an interdependent Middle Eastern economy. Regional prosperity will advance peace far more effectively than American payoffs to prop up an artificial *pax Americana*.

## Introduction

Nothing symbolized more the role of the United States in the diplomatic efforts leading to the September 13, 1993, signing of the accord between Israel and the Palestine Liberation Organization than a cartoon that appeared in the Times of London. A photolike drawing showed Israeli prime minister Yitzhak Rabin shaking hands with the PLO's Yasser Arafat, as President Clinton--fixing his tie, combing his hair, smiling to the camera--forced himself in front of the pair, trying to upstage them.[1] Washington's role in the drama that brought about the Israeli-PLO dCtente was marginal, confined to stage-managing the signing ceremony. A skillful White House team helped prepare the script for the show and choreographed its several acts--climaxing in the historical Rabin-Arafat handshake--with Clinton serving as a well-rehearsed and quite effective master of ceremonies.[2]

Washington had been a spectator to the Middle Eastern diplomatic drama while low-key Norwegian diplomats played the key supporting roles. In fact, the Clinton administration maintained major skepticism all along about the attempts by Israeli foreign minister Shimon Peres to move toward direct PLO-Israeli negotiations. Only after it was faced with the fait accompli of the accord did the administration give its blessing.[3] After the breakthrough in Oslo, which had caught President Clinton and his advisers totally off-guard, self-serving leaks by administration officials suggested that Washington was the driving force behind the secret negotiations. Similarly, the main goal of the September 13 media event in the White House was to signal to the world that the Clinton administration remained "in control" of the

Middle Eastern peace process, that the handshake was indeed an integral part of the pax Americana project in that region.[4]

To further accentuate its supposedly dominant role in the process, the administration followed up the White House ceremony by leading the effort to mobilize international support for a financial aid package of approximately \$2 billion to build up the economic infrastructure of the Palestinian entity that is expected to emerge in the Gaza Strip and the West Bank town of Jericho. The United States has pledged \$500 million over five years to the Palestinians, three-quarters in grants and one-quarter in loans and loan guarantees from the Overseas Private Investment Corporation.[5] In addition, the administration has offered to serve as mediator between Israel and Syria and has indicated that the United States is willing to contribute troops to a UN peacekeeping force in the Golan Heights as part of a peace agreement between Jerusalem and Damascus.

The administration's risky position has developed without public or congressional debate. Responding to a question about whether the United States would send troops to the Golan to help implement an accord between Jerusalem and Damascus, Secretary of State Warren Christopher responded, "Absolutely." [6]

Similarly, after the Hebron massacre--in which a radical Israeli settler killed more than 30 Muslims--Clinton urged the Israelis and the Palestinians to resume the peace talks in Washington and promised vigorous U.S. leadership of the negotiations. The heavy media coverage of the massacre and the ensuing statements by the administration created the impression that the tragic event in Hebron had a major impact on American interests and therefore required that Washington "do something." All of those proposals and moves, as well as highly publicized efforts by Christopher to mediate an Israeli-Syrian peace, could trigger high-level U.S. involvement in the Middle East, marking a return to the kind of actions that characterized American policy in the region during the 1970s and 1980s.[7]

The enthusiasm for Mideastern activism that has swept Washington in the wake of the Palestinian-Israeli rapprochement and the Hebron incident is based on erroneous lessons derived from the historic accord. Most important, it fails to consider the major changes that have occurred in the Middle East since the end of the Cold War and the way in which those changes have affected U.S. interests there.[8] A statement by a Palestinian negotiator after the Hebron incident highlighted Washington's marginal position in the peace process. Referring to U.S. envoy Dennis Ross's effect on the negotiations, a PLO official stated, "He contributed nothing new," and went on to say that the U.S. delegation that met with PLO officials in Tunis after the massacre "seemed mostly interested in getting in on what was happening." [9]

The Oslo agreement reflected the emerging post-Cold War Middle East. Put simply, the Arab-Israeli conflict has ceased to be at the center of Middle Eastern, much less world, politics. With the end of the superpower rivalry, the continuing disintegration of the international oil cartel, and the severely reduced importance of Israel and the Arab world as strategic global players, the conflict has been "relocalized," confined to the more limited dimensions of a Palestinian-Israeli struggle over territory, with minimal danger of escalation into a repetition of the 1973 war and the resulting conflict between great powers. The Palestinian-Israeli conflict is turning, therefore, into another of the many "tribal" conflicts of the post-Cold War era, not unlike the struggles between Azeris and Armenians or between Iraqi Arabs and Kurds, the consequences of which have very little direct impact on American vital interests. U.S. policy should adapt to the changing reality of the new Middle East and encourage the localization of the Arab- Israeli conflict (more frequently known now as the "Arab- Israeli peace process") rather than provide incentives for its "reinternationalization."

### **Low-Cost Pax Americana in the Middle East?**

As it has in other areas of foreign policy, the Clinton administration's diplomacy in the Middle East has been characterized by significant discrepancies between rhetoric and action. The rhetoric has suggested a continued commitment to internationalizing the Middle Eastern agenda and to maintaining a leadership position in the Arab-Israeli peace process. But most of the administration's actions have reflected the pressure to localize the Arab-Israeli problem, implicitly recognizing that the issue is no longer a top American foreign policy priority that requires significant time and resources. Before the Oslo accord, the bilateral negotiations between Israel and the Arabs were on the diplomatic back burner, with no personal involvement on the part of President Clinton. Indeed, the administration

has attempted to focus its foreign policy on geoeconomics and the new Pacific community and to minimize military issues and the old conflicts of the Ottoman Empire region and its periphery--including the Arab-Israeli conflict, Somalia, and the Balkans.[10]

Clinton's approach to Middle Eastern policy could be described as a "Bush-minus" approach, or the quest for a low-cost pax Americana: trying to maintain the status quo in the Middle East--the security of the pro-U.S. Arab states, America's domination of the gulf, and a fragile Israeli-Arab balance of power--without investing any major military and diplomatic resources in the form of another Operation Desert Storm or even the Madrid peace conference. Although the administration's so-called dual containment doctrine for the Middle East logically implied high-cost commitments--containing (read, isolating) both Iran and Iraq, maintaining the security of Israel and the Arab gulf states, and trying to facilitate the peace process--it was in fact based on a strategy of low-cost involvement in the region.[11]

First, neither Iraq nor Iran was expected in the short or medium term to acquire the diplomatic or military power to challenge U.S. hegemony in the gulf. Periodic displays of military and diplomatic force vis-Ö-vis those two players, such as the U.S. missile attack on the Iraqi intelligence headquarters in Baghdad or efforts to isolate Teheran diplomatically and economically, would supposedly deter them from taking any aggressive moves against the Arab oil states. Second, the administration did not expect the Arab-Israeli peace process to progress to the point where major U.S. involvement and presidential leadership would be needed. Maintaining the facade of progress in the talks in Washington and sending diplomatic fire brigades to prevent crises from exploding would be sufficient to project an image of U.S. diplomatic leadership.[12] Similarly, the Clintonites assumed that continuing direct U.S. military and economic aid to Israel at the level of more than \$3 billion annually--in addition to increased intelligence sharing and more technology transfer--would respond to Israel's needs and satisfy its powerful supporters in Washington.[13] At the same time, the Clintonites concluded that the secret agreements with the gulf oil states that commit the United States to come to their aid in case of attack by an aggressor would help preserve their support for American hegemony in the gulf.[14]

### **The New Middle Eastern Conflict: Political vs. Economic Man**

What the Clinton administration had failed to understand was that the same post-Cold War geoeconomic considerations that created incentives for it to shift its attention from the Arab-Israeli peace process also produced pressure on the Israelis and the Palestinians to transform the status quo and move toward an agreement. The end of the Cold War greatly eroded the strategic significance of Israel and the Arab states, making it more difficult for them to extract economic and military support from patrons in exchange for their services. Syria and the PLO lost their Soviet benefactors, and Israel could no longer sell itself in Washington as an anti-Soviet strategic asset. At the same time, the global economic recession and the drop in oil prices reduced the amount of capital available for aid and investment in the Arab world. Arab gulf states, resentful of Arafat's support of Saddam Hussein during the Persian Gulf War and facing economic problems of their own, cut off much of their financial aid to the PLO. Americans were becoming increasingly preoccupied with domestic problems, and it became conceivable that a more inward-looking America might in the long run be less willing to continue funding its entitlement program for Israel. In short, the international system seemed unable and unwilling to continue subsidizing the Arab-Israeli conflict or the states and organizations that perpetuate it.

Moreover, with the emergence of a new, economically oriented international system dominated by the trading powers of North America, Europe, and East Asia, the Israelis and the Palestinians felt that they were being left behind. They could continue fighting over graves of Hebrew prophets and Arab sheiks in the West Bank and turn their common homeland into another Yugoslavia--becoming globally marginalized losers--or they--and the Jordanians, Syrians, and Lebanese--could begin fighting over market shares in the West by ending their conflict and joining the winners of the 21st century as successful trading states.[15] If on a macro level the PLO-Israeli accord was an indirect product of the end of the superpower rivalry and geopolitical and geoeconomic realignments, on a micro level the agreement was a result of the victory of Palestinian and Israeli pragmatism. The election of the Labor government in Israel and the formation of a moderate Palestinian coalition dominated by the increasingly pragmatic PLO leadership in Tunis and the West Bank brought to power on both sides players who finally recognized the limits to manipulating outside support to advance their narrow interests.[16]

Those developments reflect the long-term prospects for the transformation of both Pan-Arabism and classical Zionism. The Arab world is going through a process of "normalization," in the sense that it is accepting the existence of non-Arab entities, such as Israel, in its midst. The Arab identity also shows signs of being depoliticized, becoming a loose linguistic and cultural unity, much like the Spanish-speaking world. The old Arab world might then be divided into subregional units--the Maghreb and the gulf, for example--which makes sense in terms of both security and economic interests.[17] Similarly, the accord with the PLO reflects the coming of age of a post-Zionist Israel, led by the Americanized, secular, and consumer-oriented yuppies of Tel Aviv. A post-Zionist Israel, while continuing to maintain cultural and religious ties with the Jewish diaspora, is likely to become more "normal," more secular, and economically independent. It would also tend to orient itself more toward the Middle East and less toward America and its Jewish community.[18]

Reflecting the changes in the Middle East, there have been serious discussions both on the governmental level and among private analysts about the creation of a free-trade area that would include Israel, Jordan, and a Palestinian state.[19] There have already been some efforts to forge business ties between Israeli and Palestinian enterprises. Koor Industries, Israel's leading industrial concern, and a group of Palestinian investors have become partners in a holding company that will make investments in infrastructure projects in the West Bank and Gaza. Koor is also setting up a project, called "Peace 2000," with \$15 million in investments from Palestinian, Spanish, and Moroccan partners. In addition, there are serious negotiations over cooperation on tourism and trade between Israel and Arab states.[20]

There is historical precedent for a prosperous Middle Eastern economy. The Levant, the area that connects the old and new trading centers of Alexandria, Tel Aviv, Beirut, and Aleppo, has been the home of such "global tribes" as the Jews, Palestinians, Lebanese, Armenians, and Greeks, all of whom played leading roles in international trade during the Ottoman period. Today, with a total population of about 30 million, Israeli technology and capital, Palestinian education and entrepreneurial skills, and the large business classes in Lebanon and Syria, that region could overcome the obstacles of inadequate transport and utility systems and limited water and energy sources. The traditional orientation toward education and business, together with prosperous diasporas and strong international ties, give the region tremendous potential to reclaim its position as a major commercial center and geoeconomic power.

Despite such potential and the possibility that the complementary processes of moving toward peace and reducing the power of the political elites in the area could help revive the old "spirit of the Levant," there remain serious obstacles to political reconciliation and economic cooperation in the region. The prospects of Economic Man have improved, but Political Man is still alive and well. The political obstacles to economic reform and cooperation in the region are considerable. Israel and the Palestinians have yet to agree on the final outcome of their negotiations. Issues such as the borders and political status of a future Palestinian entity (whether it should be independent or federated with Jordan or Israel), the Jewish settlements in the occupied territories, the Palestinian refugees, and the status of Jerusalem could still derail the Palestinian-Israeli rapprochement. Without a solution to those and other issues, and without progress on the Israeli-Syrian front, public support among Israelis and Palestinians for the accord could erode and the more extremist groups in both communities gain power.

The Hebron incident underscored the threat the radicals pose to the peace process. The murder of Palestinian worshipers by a follower of the late Rabbi Meir Kahane was an example of an individual Israeli extremist attempting to scuttle the efforts of moderate and reformist forces to achieve peace and integrate Israel into the greater Middle East. Like their "rival twins" on the Palestinian side-- Hamas and other radical Islamic political groups--the Jewish extremists would like to see the Arab-Israeli conflict become an apocalyptic and unresolvable Jewish-Muslim confrontation. Rabin and Arafat have, therefore, a common interest in weakening the extreme forces by concluding an agreement and creating conditions for economic prosperity. Whether they have the political will--and power--to do so will determine whether a Palestinian-Israeli agreement can be implemented.

### **Overcoming Protectionist Obstacles**

Even if the political obstacles are overcome, there remain economic issues--a tendency toward protectionism and economic nationalism that the Middle Eastern countries share with much of the rest of the world--that would continue to hinder economic cooperation. Israel's agricultural industry and some of its manufacturers and labor unions are concerned about the possibility of a flow of cheap labor from the Palestinian entity to Israel and competition from

Palestinian agricultural products, textiles, and footwear. Indeed, one of the "advantages" of the occupation for Israel was the high tariffs imposed on products from the territories and restrictions on the movement of labor from Gaza and the West Bank to Israel. Those barriers would disappear under a free-trade agreement.[21]

There could be resistance to economic integration in the Palestinian community as well. The members of Palestine's new political class, the PLO leadership in Tunis and the occupied territories, have a strong Third World nationalist economic orientation. They seem intent on establishing a powerful bureaucracy to consolidate their political control over the new entity's economy. For the Palestinian politicians, building a large port in Gaza, forming a national airline, or toying with other wasteful white elephants seems to have a higher priority than expanding the low-wage, labor-intensive industries in Gaza and the West Bank, which could provide job opportunities for the low-skilled population there. Moreover, in the name of reducing the new entity's economic "dependence" on Israel, PLO leaders--like the Israeli economic nationalists--are talking about the need to restrict the movement of labor, goods, and capital between Palestine and Israel. One Palestinian intellectual even raised the idea of digging a tunnel under Israel to link the West Bank and Gaza.[22]

Economic nationalism on both sides could be countered by pragmatic, free-trade-oriented Israeli and Palestinian leaders, who would recognize, for example, that a Palestinian state with a \$3-billion economy would be too poor and too small to cut itself off from the \$60-billion Israeli economy. The influence of the tradition of market economics in the two societies may also help counter economic nationalism. However, considering Israel's own statist economy and strong nationalist ethos, as well as the continued existence of many Arab regimes that lack political legitimacy and whose power is based on control of the military and the economy, one can conclude that the move toward domestic political and economic reform and the achievement of regional peace agreements and economic cooperation will at best be slow and difficult.

### **U.S. Diplomatic Regression or Constructive Disengagement?**

The complex conditions of the area will challenge a renewed activist American policy and limit the Clinton administration's ability to lead the Israelis and the Palestinians, and the other Middle Eastern players, into the promised land of peace, free trade, and prosperity. With so much public opposition to intervention in Haiti or Bosnia, it is not clear why administration officials are so confident about their ability to muster support for sending U.S. troops to act as a buffer between Israeli and Syrian troops on the Golan Heights. Moreover, even if one assumes that those tasks are manageable and cheap, it is not obvious that they are in America's national interest or, for that matter, in the interest of the people of the Middle East.

Indeed, the suggestion that Washington is ready to stay on top of the Arab-Israeli peace process, which has been received with enthusiasm by both the pro-Arab and the pro-Israel components of the foreign policy establishment, reflects what is best described as "diplomatic regression." It is an attempt by a player to reassert its obsolete international role despite the fact that such a move runs against the balance of power that has been produced by a new global configuration. The British and French attempt to regain their imperial position in Egypt in 1956 is one of the most dramatic examples of "diplomatic regression" in this century. Bureaucratic inertia, a foreign policy establishment that favors continuing the dominant U.S. role in the Middle East, pressures from the Israeli government and pro-American Arab regimes, the "Petro-Military Complex," and the pro-Israel lobby in Washington--combined with the misperception that American involvement in the region is relatively low cost--explain the survival of the old Middle Eastern paradigm in Washington and the resulting pressure to reactivate high-profile American diplomacy. But the lesson of the Israeli-Palestinian accord is not that America should reactivate its diplomatic role in the Middle East. To the contrary, it was Washington's benign neglect of the peace process and its relegation of the Middle East to the bottom of the foreign policy agenda that encouraged Israel and the PLO to talk directly to each other and, eventually, to reach an agreement.

One can imagine what would have happened if President Clinton and his advisers had tried to dominate those negotiations. Congress and the pro-Israel lobby would have made every effort to scuttle any dialogue with the PLO. Israel would have demanded increased aid or new diplomatic and military commitments from Washington in exchange for its willingness to talk with Arafat. The moderate Arab governments would have expressed anger and threatened retaliation if the administration failed to "deliver" Israeli concessions. The result probably would have been the

collapse of the negotiations with Washington's being blamed by all sides for that disaster.

Even during the Cold War it was questionable whether Washington should have taken responsibility for the peace process; since the end of the Cold War, there is no justification for the United States to assume financial and political burdens for the sake of peace in the Middle East. In the 1970s concern over the Soviet role in the region, a possible Arab oil embargo, and Israel's security--all of which were accentuated during the 1973 war--enabled interested parties to mobilize both public and elite support for a leading U.S. role in the peace process. The enormous American political and economic commitment to peace-- embodied in the Camp David agreement--was part of a strategy to weaken Soviet influence in the region, placate the Arab oil regimes, and preserve Israel's security interests while consolidating America's position in that area of the world. The fact that Egypt and Israel decided to make peace out of legitimate self-interest, recognizing the growing human and economic costs of continuing the conflict, was deemed beside the point. Both countries were able to draw Washington into a lengthy and complex negotiating process that required high-level U.S. involvement to win Israeli and Egyptian backing for American diplomacy.

As a condition for the agreement, Cairo and Jerusalem were able to extract from the United States massive amounts of aid, supposedly to help shore up public support for the American diplomatic arrangements and to pay the "costs of peace." The massive aid to the two countries signaled to the Middle Eastern players that peace was more important to the United States than to either Israel or the Arabs. Advancing the Middle Eastern peace process--primarily by pressuring the Arabs to recognize Israel and trying to persuade Israel to give up the occupied territories--became an integral item on the foreign policy agenda of every American president. Again, Israeli and Arab concessions were perceived as "favors" to America and its president; Washington, in turn, was expected to reciprocate with financial, diplomatic, or military commitments.[23]

### **Conclusion: Disengage from the Middle East**

Since the end of the Cold War and with the localization of the Arab-Israeli conflict, Washington's interests would be best served by a gradual strategic and diplomatic disengagement from the Middle East. The United States should encourage a new distribution of power and free trade in the region, in which Israel and the new Palestinian entity could become the nucleus of a new political and economic power. A return to the hyperactive American diplomatic role in the Middle East, coupled with large economic aid packages to the emerging Palestinian entity and the deployment of U.S. troops in the Golan, would run against American national interests as well as prove injurious to Middle Eastern populations.

Economic aid to a Palestinian authority would strengthen the Palestinian political class, produce disincentives for real economic reconstruction, and encourage the Palestinian leadership to pursue a policy of economic nationalism, which could jeopardize Israeli-Palestinian reconciliation. If, as the administration has suggested, it wants to avoid the creation of a new "Somalia" in Gaza, on Israel's borders, and instead lay the foundation of a "Middle Eastern Hong Kong," it should oppose channeling aid, whether through bilateral or ad hoc multilateral programs or more conventionally through the World Bank, to the PLO. Direct private investment by Palestinian entrepreneurs in the diaspora and free movement of cheap labor and products from the Palestinian to the Israeli economy are the correct prescriptions for dealing with the new entity's economic problems and for directing Palestinian talent toward wealth creation. Moreover, the capacity of the occupied territories--with a per capita gross national product of only about \$1,800--to absorb large cash infusions is limited. If absolutely necessary, governmental and nongovernmental assistance for urgent basic needs such as health measures and sewers should go directly to private-sector institutions and nongovernmental organizations.[24]

Sending U.S. troops to maintain peace on the Syrian- Israeli border would be especially detrimental to American interests. It would make the United States the guarantor of a fragile balance of power and could force American military intervention in various ethnic and regional conflicts-- including those in Syria's protectorate, Lebanon--that have the potential to become Bosnian-style quagmires. Putting American troops on the Golan, considering the unstable political conditions in Syria and the deeply rooted historical antipathy between Israel and Syria, could force the United States into a lose-lose situation. An Israeli preemptive attack against Syria is an example. If Washington were to try to block such an attack, it could be viewed as endangering Israeli security and would antagonize Israel's American supporters. If, on the other hand, Israel were allowed to attack Syria, Washington would be viewed in Damascus and

other Arab capitals as colluding with Israel.[25]

One can compare the high-level U.S. involvement in the Middle East to an addicting drug. Various regional players have become dependent on American aid. Each military crisis and peace process leads to more and more American diplomatic and military commitments to old and new clients in the region, which in turn produces incentives for them to ask for even more economic and military support. When regional players recognize that the American drug is not available anymore, they adjust to that reality and perform quite well, as evidenced by the ability of the Israelis and the Palestinians to reach the Oslo agreement on their own when the Clinton administration lost interest in the peace process. Returning to hyperactive American involvement in the region, Ö la Camp David, would amount to encouraging former addicts to return to their old habits after going through an effective rehabilitation treatment.

The PLO-Israeli accord proved, in many ways, the noninterventionist thesis. Washington should welcome its new marginal position in the PLO-Israeli negotiations. That position should not be regarded as an aberration or as an exception to the rule of American dominance in the Middle East--as the conventional wisdom suggests--but as a positive development. It is the logical outcome of America's changing global position in the post-Cold War era and of the transformation of its role in a new Middle Eastern structure. The post-Cold War Middle East, increasingly complex in terms of the distribution of economic and military power, has produced the Israeli-PLO accord. That accord is part of a trend toward new diplomatic, military, and trade alliances, which permits the United States to begin adopting a policy of constructive disengagement in the region. If the United States returns to play the role it did in the past, it will only help preserve the status quo of the old Middle East and harm its own interests.

**Notes** [1] Brooks, Cartoon, Times (London), September 14, 1993.

[2] Sidney Blumenthal, "Letter from Washington: The Hand shake," New Yorker, October 7, 1993.

[3] Nathan Gardels, "Has the PLO Made Peace? Can It Follow Through?" interview with Nabil Shaath, Los Angeles Times, September 8, 1993.

[4] Stephen Engelberg, "Intervention by Christopher Gives Impetus to Israeli-Palestinian Deal," New York Times, August 30, 1993.

[5] Steven Greenhouse, "43 Nations Promise Palestinians \$2 Billion in Aid," New York Times, October 2, 1993.

[6] Quoted in A. M. Rosenthal, "Americans on Golan," New York Times, November 30, 1993.

[7] Elaine Sciolino, "For Christopher New View of the Mid east Peace Role," New York Times, December 5, 1993.

[8] See James Phillips, "Beyond the Israeli-Arab Peace Agreement: The U.S. Role in Consolidating Peace," Heritage Foundation Backgrounder no. 963, 1993, for an example of a proposal to expand U.S. military and diplomatic commitments in the region after the PLO-Israeli agreement.

[9] Youssef M. Ibrahim, "Israel and the PLO Focus on Security," New York Times, March 23, 1994.

[10] See Leon T. Hadar, "President Clinton and the Middle East: Continuity or Change in American Policy?" Journal of Middle East and Energy Affairs no. 20 (Spring 1993): 41-60. See also Trude B. Feldman, "Interview with Bill Clinton," Middle East Insight 9, no. 1 (1992): 10-15.

[11] John Law, "Indyk Points the Way for Clinton," Middle East International, June 11, 1993, pp. 3-4.

[12] On Washington's inability to renew the peace talks in Washington, see Elaine Sciolino, "U.S. Team Fails to Revive Stalled Arab-Israeli Talks," New York Times, July 16, 1993. On the administration's attempts to resolve the crises relating to the Israeli deportation of Palestinian Islamic activists to Lebanon and the escalation of violence on the Israeli-Lebanese border, see Donald Neff, "Will Christopher's Medicine Work?" Middle East International, March 5, 1993, pp. 4-5; and John Law, "Myopic Ignorance," Middle East International, August 28, 1993, pp. 7-8.

- [13] Donald Neff, "Rabin Finds a Friend in the White House," *Middle East International*, March 19, 1993, p. 3.
- [14] David Isenberg, "Desert Storm Redux?" *Middle East Journal* 47, no. 3 (Summer 1992): 429-43.
- [15] For a development of the geoeconomic interpretation of the PLO-Israeli accord, see Leon T. Hadar, "The Handshake That Shook the World," *The World & I*, November 1993, pp. 62- 69. Contrary to the conventional wisdom in Washington, it was not Desert Storm that created the conditions for the Israeli-PLO rapprochement. The PLO, after its recognition of the Jewish state in 1988, was willing to negotiate an agreement with Israel well before the Iraqi invasion of Kuwait.
- [16] For the developments that led to the changes on the Israeli side, see Leon T. Hadar, "The 1992 Electoral Earth quake and the Fall of the `Second Israeli Republic,'" *Middle East Journal* 46, no. 4 (Autumn 1992): 594-616.
- [17] Caryle Murphy, "Accord Likely to Shake Up Arab World Politics," *Washington Post*, September 19, 1993; and Mahmud A. Faksh, "Withered Arab Nationalism," *Orbis* 37, no. 3 (Summer 1993): 425-38.
- [18] Glen Frankel, "Peace and Pizza Hut," *Washington Post*, September 19, 1993. See also Leon T. Hadar, "Israel's Future: A Tale of Two Cities," *World Policy Journal* (Winter 1991-92): 111-34.
- [19] A comprehensive analysis of the prospects for regional trade and economic cooperation in the Middle East can be found in Stanley Fischer, Dani Rodrik, and Elias Tuma, *The Economics of the Middle East Peace: Views from the Region* (Cambridge, Mass.: MIT Press, 1993). See also Bernard Avishai, "Making the Desert Bloom," *New York Times*, September 29, 1993.
- [20] Amy Dockser Marcus, "Big Israeli Firm and Palestinians Go into Business," *Wall Street Journal*, October 6, 1993; David Hoffman, "In the Post-Accord Mideast, A New Climate of Terrorstroika," *Washington Post*, November 28, 1993; and Robert Keatley, "Mideast Peace Sparks an Effort to Bring Economic Prosperity to Region," *Wall Street Journal*, September 30, 1993.
- [21] Peter Passell, "Israelis Expect Peace in Mideast Would Bring Big Dividends," *New York Times*, September 15, 1993.
- [22] For an example of a Palestinian statist perspective, see Rashid Khalidi, "Blind Curves and Detours on the Road to Self-Rule," *New York Times*, September 14, 1993.
- [23] For a discussion of these points and a more comprehensive noninterventionist analysis of U.S. policy in the Middle East, see Leon T. Hadar, *Quagmire: America in the Middle East* (Washington: Cato Institute, 1992).
- [24] Clyde Haberman and Chris Hedges, "Key to Israel-PLO Pact Is Seen in Economic Ties," *New York Times*, September 18, 1993; and George Melloan, "How Much Can Western Money Buy?" *New York Times*, September 13, 1993.
- [25] Rep. John Kyl (R-Ariz.) has raised such a scenario to express his concern over the possibility of sending U.S. troops to the Golan. Mentioned in Rosenthal, "America on the Golan."