# The Peace Process at Sea:

## The Karine-A Affair and the War on Terrorism

by Robert Satloff **(/experts/robert-satloff)**

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ABOUT THE AUTHORS

Robert Satloff (/experts/robert-satloff)

Robert Satloff is executive director of The Washington Institute, a post he assumed in January 1993.

Articles & Testimony

On January 3, in the clouds high above the waters of the Red Sea, Lt. General Shaul Mofaz, chief of staff of the Israel Defense Forces, peered anxiously through a specially designed telescopic lens at an old, rusty, blue freighter several kilometers below. For the previous three months, Israeli intelligence had tracked the boat from its purchase in Lebanon to its current position in international waters between Saudi Arabia and Sudan, heading toward the Suez Canal. Operation "Noah's Ark" -- the plan to intercept the ship on the high seas -- was given the go-ahead. But so nervous was Mofaz that he might authorize an unwarranted attack hundreds of kilometers from his country's territorial waters, he himself needed to confirm the letters hand-painted on the side of the ship. It was, as intelligence had said it would be, the Karine-A. Within minutes, Israeli naval commandos operating from both sea and air boarded the ship, surprised the crew, and took control without firing a shot.

What they found in the cargo hold, beneath crates of cheap textiles, sunglasses and other freight, was stunning: scores of professionally manufactured submersible containers that held enough weapons and explosives to supply a small army. The fifty-ton arsenal included dozens of 122 mm and 107 mm Katyusha rockets with ranges of twenty and eight kilometers respectively; hundreds of shorter-range 81 mm rockets; numerous mortars, SAGGER and RPG 18 anti-tank missiles, sniper rifles, AK-47 assault rifles and mines. The rockets and mortars were of Russian, Chinese, North Korean and Iranian origin. Some were advanced munitions, such as the VR7 anti-tank warhead, capable of penetrating the armor of main-battle tanks. Perhaps most ominously, the boat held about 3,000 pounds of C4 explosive, enough for about 300 suicide bombs -- three times more than all the suicide bombers Israel has faced in its entire history.

The magnitude of the weapons cache notwithstanding, the strategic implication of the Karine-A lies less in the lethality of its cargo than in the identity of the unlikely partnership that implemented the smuggling scheme. As Israeli, American and even European officials confirmed,1 the Karine-A was a joint undertaking of Yasir Arafat's Palestinian Authority (PA) and the Islamic Republic of Iran, facilitated through the good offices of the Lebanese terrorist organization Hizballah.

The facts are these: On August 31, the head of the PA's procurement department, one Adel Awadallah (a.k.a. Adel al-

Mughrabi), purchased a 4,000-ton freighter in Lebanon with $400,000 provided by a man named Fuad Shobaki. With the rank of brigadier general in the Palestinian military, Shobaki held the title of director of the Military Financial Administration; in practice, he was widely considered to be Arafat's closest financial advisor. The acquisition itself was supervised by two PA naval police officials, Fathi Razam and Omar Akawi. On September 12, the day after the World Trade Center/Pentagon terrorist attacks, the boat was registered with the Kingdom of Tonga and renamed the Karine-A. After steaming to Aden, Akawi took over as captain, with a crew of nine Egyptians and Jordanians -- who evidently did not know about the arms smuggling plan -- plus four armed and well-trained Palestinians. The ship proceeded to waters off the Iranian island of Kish. There, under the watchful eye of a chief aide to Imad Mughniyah -- Hizballah's operations commander and the man thought responsible for the bombings of the U.S. embassy and Marine barracks in Lebanon and the bombings of the Israeli embassy and Jewish community center in Argentina -- the boat was loaded with eighty crates of weapons. Though the weapons were not an outright gift from the ayatollahs to Arafat, they were sold at steep discount -- $30-50 million of goods for just $10 million.

On December 12, the boat departed for Dubai, where it was loaded with innocent cargo as camouflage. In mid-December, just as Arafat was taking to the airwaves under intense U.S. pressure to announce a ceasefire in the 15-month old intifada-cum-guerilla war, the boat was chugging around the Arabian peninsula. Evidently, the plan was to pass through the Suez Canal, with Palestinian agents poised to bribe canal inspectors to avoid detection, and then unload the weapons in floating containers off the coast of Gaza and el-Arish, where local fishing boats would pick them up for transshipment to the Palestinian authorities. "They told me it was weapons for Palestine and I am a Palestinian officer merely doing what he has to", admitted the ship's captain in a remarkably candid interview given after his capture.2

At the start, Arafat and his PA colleagues denied any connection to the Karine-A, but after catching the first wave of American outrage, Arafat established an "investigative committee" to look into the matter. The membership of the committee, however, consisted of three men who themselves could have been in on the scheme -- themilitary chiefs in the West Bank and Gaza and Arafat's own head of military intelligence, his cousin Musa Arafat. Shobaki and his accomplices were subsequently "detained" and "interrogated." Still, despite overwhelming evidence, neither Arafat nor the PA took responsibility for the smuggling effort. In late January, under additional pressure from Washington, Arafat wrote a letter to the Bush Administration accepting "responsibility" for the affair, though not actually admitting that he or the PA had anything to do with it. In public, he continued to reject all assertions of PA complicity. "Regarding the armed ship, the leadership re-iterates that it has no knowledge of the issue", declared an official PA communiqué on February 8. Finally, on February 20, the PA Military Prosecutor issued indictments against four of the Karine-A conspirators, including the captain, but not against key players like Shobaki whose participation would link the episode to Arafat.

On the supply side, Iran too denied any part of the Karine-A."The Islamic Republic of Iran has had no military relations with Yasir Arafat and no steps have been taken by any Iranian organization for the shipment of arms to the mentioned lands", Iranian Defense Minister Ali Shamkhani told Iran's official news agency. Though Iranian leaders, both moderate and hard-line, publicly deny Israel's right to exist, they rejected accusations of cooperation with Arafat. Interestingly, of the three partners in the arms deal, only Hizballah did not issue a categorical denial. In an official statement, it only noted that what "is surprising is that the U.S. administration provoked such a fuss over the arms ship while it provides unlimited military support to . . . Israel."3

Broken Assumptions

That Arafat would truck with the ayatollahs -- and vice versa -- was a strategic shock. Since the Islamic revolution in 1979, a cardinal principle of regional politics has been Iranian opposition to any diplomatic recognition of Israel and hostility toward any negotiated settlement of the Arab-Israeli conflict. Hence Iran's condemnation of the Egypt-Israel

and Jordan-Israel peace treaties, of the October 1991 Madrid peace conference, and of all Israel-plo agreements from the September 1993 Declaration of Principles onward. Unlike some armchair critics of Arab-Israeli peacemaking, Iran has a long history of backing up its words with deeds, especially the provision of hundreds of millions of dollars' worth of training, arms and logistical support for Hizballah, Palestinian Islamic Jihad (PIJ) and, more recently, Hamas. (Indeed, Tehran founded PIJ because it believed that Hamas, with its social welfare wing and political aspirations, was too moderate and insufficiently committed to the speedy establishment of an Islamic state in all of Palestine.)

Withering Iranian criticism of the peace process did not always mean that Yasir Arafat and the ayatollahs were enemies. On February 17, 1979, just 16 days after Ayatollah Khomeini returned to Iran from exile, Arafat was the first international leader to visit Tehran to offer his personal support. At the time, the Palestinian-Iranian entente was based on common antipathy toward Israel. However, that relationship was eclipsed by the Iraq-Iran War when Arafat (and most Arab leaders) sided with Saddam Hussein. Since then, Iranian-Palestinian relations have been in a deep freeze, with Arafat even accusing the Iranians of fomenting assassination plots against him.

Despite the early friendship between Arafat and the ayatollahs, mutual antagonism has long been a fixture of the accepted analytical framework for U.S. Middle East policy. This flowed in part from Arafat's long-term alignment with Saddam, even when it cost the Palestinian leader substantial goodwill in the West. But as Palestinian Islamist organizations grew in popularity and brazenness, it was taken for granted, too, that Arafat would want to keep the patron of his leading political competitors at arm's length.

This assumption of PLO-Iranian antagonism has long been reflected in U.S. policy. The imposition of the U.S. trade embargo on Iran (1995) and the passage of the Iran-Libya Sanctions Act (1996) were largely prompted by the danger to the peace process posed by Iranian-backed terrorism. In all these developments, Israel and the Palestinian Authority were both viewed as targets of Iranian-backed terrorism. Indeed, American, Israeli and even some Arab leaders argued throughout the 1990s that pursuit of the peace process was one of the best defenses against the spread of Iranian-supported religious fundamentalism throughout the Arab world.

All these assumptions have been called into question by the Karine-A affair. The biggest unanswered question is "why?" Given the high likelihood of failure -- Israel had foiled a previous sea-borne smuggling effort by anti-Arafat groups last May and was on the lookout for other attempts -- why would Arafat take the risk? Why risk the international and regional diplomatic gains he had earned from his participation in a peace process (even one that had, by autumn 2001, collapsed)? Why risk losing his relationship with Washington, so carefully cultivated since 1988, by colluding with a country so inimical to U.S. interests? Why risk legitimizing Ariel Sharon and driving the final stake into the heart of the Israeli peace camp by behaving as a warmonger committed to military escalation? No less important, why jeopardize the patronage of Arab leaders, especially Egypt's Hosni Mubarak, who would not take kindly to an insolent Palestinian effort to give Iran entry into the eastern Mediterranean by sneaking weapons through the Suez Canal, endangering Egypt's security and key source of hard currency?

A likely answer, given Arafat's modus operandi, is that he jumped at the opportunity to buy the weapons because they were cheap and available; i.e., he could do it, so he did. That fits nicely with the widely-held assessment of Arafat as an awkward tactician but keen survivalist and opportunist. But such an explanation does not contradict what may have been a strategic decision to collude with Iran. Just as Gamal Abdel Nasser turned to the Soviet Union for arms in 1955 after exhausting efforts to wring political, military and economic concessions from Britain and the United States, so too may Arafat have turned to Iran for arms because he concluded that the "peace strategy" that had animated Palestinian politics since at least the Madrid conference had outlived its usefulness. Specifically, he may have determined that the "peace process" had effectively run its course, in the sense that an Israel traumatized first by the rejection of Ehud Barak's magnanimous Camp David offer and then by months of uprising, terrorism and

violence would never again willingly turn over more territory to the Palestinians. He may have reasoned that the warm ties between the Bush Administration and the Sharon government, coming in the wake of the failed (and, in some circles, embarrassing) effort of President Clinton to broker a late-inning peace deal, meant that the United States was no longer useful in helping Arafat achieve his territorial objectives. And, based on Mubarak's public rejection of lending military assistance to the Palestinians, complemented by the insouciance toward the Palestinian cause evinced by many Arab kings, potentates and emirs, Arafat may have concluded that the Arab states would never be enlisted in any operational sense in support of the Palestinians.

With few equities left in Israel, the United States or Arab capitals, the option of a sharply escalated military conflict with Israel (or at least arming in preparation for such an option) made sense. Iran was probably not a necessary strategic partner, only an available one. If Iraq had made the weapons available at a reasonable price and helped provide a means of transport, Saddam Hussein would have qualified as a partner, too. It is important to note that Arafat has kept up relations with both Iraq and Iran over the course of many years. Just as the Karine-A affair was unfolding, for example, Arafat sent a personal emissary -- Izzam al-Ahmad, the Palestinian Public Works Minister -- to Baghdad to relay to Saddam "President Arafat's greetings as well as his urgent call on the Iraqi President for speedy Arab movement to meet Israeli threats."4 The same financial guru -- Fuad Shobaki -- who played a central role in the purchase of the Karine-A was also reported to have paid a recent secret visit to senior Iraqi officials in Baghdad.5 Arafat's contacts with the Iranians, however, have increased since the so-called second intifada was launched in September 2000. As Lebanon-based journalist Nicholas Blanford points out, this included official Palestinian Authority participation in an April 2001 Tehran conference that constituted a "who's who" of radical, anti-peace organizations.6 And as for Hizballah-Palestinian contacts, it is no coincidence that Mughniyah -- a charter member of the FBI's "most wanted foreign terrorist" list -- started his career as a foot soldier in Arafat's Fatah organization. The fact that Iranian arms supplies for Hizballah have also increased in quality and quantity in recent months at least suggests planning for a simultaneous two-front missile attack against Israel.

On Iran's part, there were also strong motivations that alleviated any ideological hesitancy the mullahs may have had in aiding Arafat. Strategically, the opportunity to catapult over the entire Arab East to launch a new military front against Israel -- and in the process steal a public-relations march on Egypt, Jordan and other Arab states -- must have been very attractive. A confrontationalist foreign policy also advances the interests of hard-line elements in the Iranian regime -- the office of Supreme Leader, the Revolutionary Guards, the bonyads (foundations) -- who hold power in Tehran even if they lack popular support. After all, there is no better way to undermine President Khatami's reformist credentials abroad and embarrass him at home than by waving the red flag of Israel and daring him to respond. As events since the Karine-A revelation have shown, when the topic is Israel, Khatami walks in lock-step with the conservatives.

To be sure, Iranian-Palestinian collusion does not necessarily mean that Arafat shares the maximalist strategic aims espoused by Iranian leaders -- the destruction of Israel. It is clear, however, that their tactical goals overlap enough for the two parties to work together. The none-too-heartening best-case scenario represented by the Karine-A is that the Palestinian Authority only sought Iranian military assistance to help win a military campaign for Palestinian independence in the 1967 borders. Grander common objectives cannot be ruled out, however.

Washington's Response

When Israel announced the interception of the Karine-A, official U.S. reaction ranged between denial and disbelief, with unnamed U.S. intelligence officials suggesting that the boat was really heading to Lebanon to re-stock Hizballah. Within days, that pose was dropped when Israeli intelligence provided what U.S. officials accepted as "compelling evidence" that the weapons originated in Iran and were destined for the Palestinian Authority. Israeli intelligence also provided proof that Mughniyah was a key middleman for the operation. Of course, much of this

Washington already knew, because its own agencies had tracked the Karine-A and had even assisted Israel with tactical intelligence about it.

The administration's original reluctance to deal with the strategic implications of Iranian-plo collusion is not surprising. The Karine-A affair represents the worst nightmare of the Arab-Israeli peace process; namely, that well-meaning diplomacy could have morphed from a means to make peace irreversible into a tool to make war possible. Even before September 11, it would not have been easy for the Bush Administration -- or any U.S. administration -- to recognize the upheaval represented by the Karine-A and respond accordingly. After September 11, it was especially difficult. That is because one of the great diplomatic achievements of the "war on terror" has been the Bush team's success in fighting Arab terrorists in Afghanistan while maintaining reasonably positive relations with most Arab states, especially Saudi Arabia and Egypt. One key element in this success has been the administration's renewed engagement in the peace process, manifested in the President's unprecedented public commitment to the establishment of an independent Palestinian state, first uttered on October 2 but declared in full fashion -- using the word "Palestine" -- from the rostrum of the UN General Assembly on November 10. Secretary of State Colin Powell's November 19 Louisville speech on a "vision" for Middle East peace, and the subsequent dispatch of a new peace envoy, retired Marine General Anthony Zinni -- immediate past commander of the U.S. Central Command, the regional military structure that includes virtually all the Middle East except Israel -- rounded out the administration's new activism.

After having succeeded in limiting Israeli-Palestinian violence to the Israeli-Palestinian arena, and in preventing it from infecting wider U.S. regional concerns in the war on terror, the Karine-A must have felt like a full body blow. After all, here was Arafat regionalizing the Palestinian conflict with Israel in a way designed to inject Iran into the Arab-Israeli arena, threaten massive escalation in Israeli-Palestinian violence, and embarrass America's Arab friends all at the same time. Dealing with the implications of the Karine-A meant confronting Arafat. And while virtually all Arab leaders have derided and displayed utter contempt for Arafat in private, the administration feared that a public collision with Arafat, possibly culminating in the severance of ties with him, might threaten the tranquil U.S.-Arab relations it had so assiduously fought to preserve.

To its credit, the administration overcame its anxiety and began to talk candidly about the uncomfortable reality posed by the Karine-A. "I am disappointed in Yasir Arafat", President Bush said on January 25, during a visit to the Coast Guard cutter Tahoma. Vice President Cheney was even more direct. When asked in a January 27 Fox News interview whether Arafat's role in the Karine-A constituted participating in a "terrorist mission", Cheney responded: "That's correct." He added: "In my mind and based on the intelligence we've seen, the people that were involved were so close to him it's hard to believe he wasn't." These unusually harsh, personalized comments reflect the sea-change in the administration's approach to Israeli-Palestinian difficulties from what it had been just four months earlier. The journey is worth a brief review.

From Inauguration Day through Labor Day, Bush Administration policy on Arab-Israeli issues was to avoid the entanglements of the Clinton era while doing the minimum possible to appear engaged in efforts to end the violence and resume diplomacy. With a natural strategic affinity for Israel, cold realism about the prospects for diplomatic success, and no Carteresque messianism about the urgency of bringing peace to the Holy Land, the Bush team replaced Clinton's "conflict resolution" strategy with a "conflict management" approach. Diplomatic engagement, such as it was, was largely viewed within the context of relations with a country that did occupy strategic space in the administration's worldview -- Saudi Arabia. Efforts to resolve the Israeli-Palestinian dispute therefore became primarily a function of the broader strategic imperative to maintain warm relations with Riyadh.

In late summer, this policy ran out of steam. By this past August, Crown Prince Abdallah was greatly displeased that, in his view, the Americans were overly solicitous of Israeli security interests at the expense of Palestinians. Despite

Riyadh's own half-hearted support for the Palestinian cause -- where are the billions of dollars worth of aid or the thousands of jobs when the Palestinians really need them? -- Abdallah wrote Bush and reportedly threatened a strategic re-assessment of U.S.-Saudi ties. In Washington, the response was electric. Within days, the administration fashioned a new approach to Middle East diplomacy based on an unprecedented Presidential commitment to a free and independent "Palestine."7

September 11 intervened before the policy could be implemented, but even before the launching of the Saudi-friendly peace initiative, considerable unease arose in the U.S.-Israel relationship: U.S. diplomats demanded Israeli "restraint" in retaliating for terrorist acts; administration officials dithered over whether to label terrorist groups like Hizballah and Hamas as legitimate targets of the war on terrorism; and Ariel Sharon delivered his ill-conceived "Munich" speech warning Bush against appeasing the Arabs at Israel's expense.

But the brewing U.S.-Israeli crisis never happened. By the time the administration implemented the various components of its new initiative in November, much had changed: America's Israeli-Palestinian diplomacy was annexed to the war on terrorism. First, in Washington, the fog that surrounded early post-9/11 terms like "terrorism of global reach" disappeared and clarity prevailed. Through strong public statements by senior officials, new designations of foreign terrorist organizations, the creation of a new foreign terrorist "most wanted list", and the closing of domestic front groups for foreign terrorists, the administration left no doubt that anti-Israel and anti-peace process groups were full-fledged targets of the anti-terror effort.

Second, in the American heartland, Arab states that had heretofore been viewed as valued allies -- especially Saudi Arabia and Egypt -- came under a blizzard of criticism for their perceived reluctance to help the September 11 investigation, their refusal to take responsibility for their citizens' participation in the attacks, and what many viewed as their culture of permissiveness toward the radicalism that nourished the hearts and minds of the terrorists. And third, in the Middle East itself, Palestinian attacks against Israeli civilians persisted with numbing frequency. With America having claimed for itself the right to retaliate against Al-Qaeda's terrorism with overwhelming force -- and with the President striking a popular nerve by calling for U.S. forces to capture Osama bin Laden "dead or alive" -- it was both illogical and impolitic to counsel restraint on a beleaguered democracy facing a no less immediate and deadly threat.

On account of these three developments, by the time General Zinni inaugurated his peace mission to the Middle East on November 25, the Saudis were no longer in a position to threaten Washington with a strategic re-assessment. As it happened, Zinni's trip was punctuated by a series of suicide bombs that caused no fewer than 26 Israeli deaths, attacks that Arafat did little to prevent. To long-time Middle East observers, the Palestinian leader had achieved the unimaginable: He had transformed Sharon, unelectable just 18 months before, into a middle-of-the-road statesman heralded for fighting both the ultra-hawkish views of Benyamin Netanyahu and the indefatigable naivete of Shimon Peres. Arafat's double-game performance throughout the Zinni mission infuriated the Bush Administration. But the piece de resistance was the Karine-A.

Hard-line v. Harder-line

The revelation of the Karine-A affair, with its strategic consequences for U.S. interests and those of America's Arab and Israeli regional allies, triggered a fundamental re-assessment of U.S. policy. This process produced analytical consensus regarding Arafat's unsavory character, his untrustworthiness, his collusion with Iran, and his lack of fitness to serve as a partner for peace. But debate raged over what to do.

This was not a typical policy debate on Arab-Israeli issues, however. The conventional diplomatic approach, which premised any concessions from Arafat on a mix of pressure on or incentives from Israel to make those concessions palatable, had no advocates at all. Instead, the internal administration debate throughout January is best

characterized as having pitted "hardliners" against even "harder-liners." The former believed the best route forward was to place Arafat in a political straitjacket from which he could only emerge by meeting a set of stringent security requirements without timetables or deadlines that he could manipulate to advantage. The latter argued for cutting off relations with Arafat altogether, on the grounds that the Karine-A had revealed his true colors and that it would only risk further damage to U.S. interests to assist Arafat in any way.

As is usual when differences emerge at the top, the principals muddled through with a compromise. In this instance, with Secretary Powell traveling in South Asia, the decision was taken to dispatch stern letters to the leaders of Egypt, Saudi Arabia and Jordan outlining the case for Palestinian complicity in the Karine-A, underscoring the President's personal disgust with Arafat, and sending the not-so-oblique message that unless they managed to elicit swift action from Arafat to fix the problem, further U.S. engagement in the peace process would be difficult to contemplate. Of course, the letters produced the expected mixed result -- ridicule of and disdain for Arafat but plaintive pleas from each of the Arab leaders not to disengage from Middle East diplomacy just because of the foibles of the Palestinian leader.

During this period, the administration also heard first-hand from a trio of high-level Israelis -- the prime minister, foreign minister and defense minister. Each of these leaders, for both strategic and political reasons, offered different views about the wisdom of isolating Arafat, their own commitment to maintaining such an approach over the long term, and the likelihood that boycotting Arafat in favor of other Palestinian interlocutors might lead to a long-sought ceasefire. Though Americans are used to hearing multiple voices from a single Israeli government, the absence of a coherent posture on such a critical issue, when the administration itself was weighing alternatives, did little to strengthen the arguments of the "harder-liners."

As of late February, the administration appeared to have settled on a policy that can be termed "hard-line-plus." Five elements define the policy.

First, the President has personally signaled his lack of confidence in Arafat through public statements registering his disappointment in the Palestinian leader.

Second, declarations by senior officials, especially Secretary Powell, that Arafat remains the legitimate Palestinian leader and therefore the principal interlocutor with the United States, constitute a public rejection of the "Arafat-is-irrelevant" strategy advocated by Sharon. However, withholding personal contact between the White House and Arafat, and having Powell meet with other Palestinian officials (Speaker of the Palestinian Legislative Council Ahmed Qurei and Arafat's Chief Economic Advisor Muhammad Rashid), is a de facto step in that direction.

Third, the administration has outlined a set of security demands that the PA must fulfill before a resumption of U.S. diplomatic engagement can occur. This effectively amounts to a change in the sequence of requirements outlined in the "security work plan" negotiated by CIA Director George Tenet in June of last year that places additional demands on the PA.

Fourth, the administration also signaled that the timetable laid down in that work plan is fluid -- performance, not deadlines, will determine the pace of diplomacy. This will have the effect of limiting Arafat's room for maneuver.

And fifth, until Arafat takes those necessary measures, the administration will give Israel wide berth to take any security measures it sees fit.

That the administration has opted not to break ties with Arafat is unsurprising. In the first place, it is hard to argue that the United States should go further in that direction than Israel, and even Israel has not broken completely with Arafat. Moreover, just at the moment when the President, in his January 29 State of the Union address, expanded the strategic objectives of his post-9/11 foreign policy from a war on terrorists and their state sponsors to a war against evil states that could threaten America and its allies through the use of weapons of mass destruction, a sensationalist

public row with Arafat would have been an unwelcome distraction. A formal break in ties with the PLO leader might have provoked reactions from Arab leaders, or their citizens, that could have undermined the anti-terror campaign. (Ironically, as Crown Prince Abdallah's revealing January 29 interviews in the Washington Post and New York Times underscore, Saudi Arabia today is keen not to permit disagreements over Palestine to infect the wider web of U.S.-Saudi bilateral ties, a marked shift from its pre-September 11 position.) In a strange way, there is a confluence of interests among the United States, Israel and the Arab states to let Israel take the lead in pressuring Arafat militarily, rather than having Washington assume the burden of pressuring him politically: this approach does not complicate America's war on terror, does not undermine Israel's coalition government, and does not implicate Riyadh, Cairo and Amman.

This is, in other words, the path of least resistance, the usually preferred diplomatic approach. Without certainty of success at limited cost, it may have been too much to expect even this administration -- which has so far displayed remarkable strategic acuity in its response to September 11 -- to adopt the "harder-line" strategy. Indeed, in historical terms, it is stunning that the internal U.S. policy debate toward Arafat has turned out as severe as it has.

A Post-Arafat U.S. Strategy

Sadly, however, the current approach probably will not work -- at least not for long. After eight years of the Oslo process, Arafat has mastered the game of "incremental toughness" that remains at the heart of the new U.S. policy. With patience, ingenuity and an uncanny ability to exploit tactical opportunity, Arafat knows from experience that, with time, U.S. yardsticks fall away and Washington's pique at his outrages dissipates.

Moreover, a policy based on giving Israel an amber light to pursue tough security measures -- because the alternative of real U.S. pressure on Arafat is itself too problematic -- raises problems of its own. On the one hand, there are limits beyond which Israel will not go; from its first day in office, the national unity government signaled that it would neither destroy the PA nor seek Arafat's ouster. While both positions make sense (for now), they also let Arafat know that despite his collusion with Iran to escalate the military confrontation to new heights, he himself is ultimately secure. The tanks that ring his compound in Ramallah do not really frighten him; he knows their utility as tools of intimidation diminish when the likelihood of their use is so low. On the other hand, Washington's ceding to Israel the task of dealing with Arafat invites the possibility of an Israeli mishap that could change the strategic equation, a Palestinian equivalent of the errant shell that fell on the Lebanese village of Qana during Israel's April 1996 Grapes of Wrath campaign, killing scores of innocents and triggering a diplomatic chain of events that compelled Israel to accept an unsatisfactory security regime in south Lebanon. Given the military ambitions that fueled the drive for the weaponry carried aboard the Karine-A, such an outcome in the Palestinian case could be catastrophic.

Arafat almost surely will provide Washington with another opportunity to re-think policy. Having paid a relatively small strategic price for the Karine-A, Arafat is likely to try again, perhaps through a different vendor or route, to acquire the weaponry necessary to change the nature of the Palestinian conflict with Israel. Before that happens -- and certainly when that happens -- the administration should be ready with the details of the harder-line approach as part of a post-Arafat American strategy. That approach, too, ought to have five parts:

First, diplomatically, the United States should be ready to formally suspend relations with the plo (and the pa), just as President George H.W. Bush did in 1990 when Arafat broke his commitment to renounce terrorism. The United States should at that time also suspend all efforts to advance Palestinian self-determination and independence pending the advent of a new Palestinian leadership committed irrevocably to the peaceful resolution of the conflict. After all, to assist in the creation of a Palestinian state whose leadership has colluded with Iran, and is seeking to escalate conflict with Israel, would be manifestly inimical to U.S. interests. In that same declaration, the administration should list the steps it is willing to take to help the Palestinians achieve independence -- within the context of a negotiated settlement with Israel -- once a suitable leadership has come to power.

Second, operationally, the United States should suspend all contact with the entire senior Palestinian Authority political leadership, not just Arafat. While U.S. emissaries might facilitate security talks among local commanders, they should not engage in political negotiations or host PA ministers in Washington. The purpose of this tactic is to encourage internal transition in the Palestinian leadership. While some of Arafat's associates may eventually emerge as moderate members of a successor leadership, one way to hasten that emergence is to convince them that they will suffer collectively for continued association with Arafat.

Third, militarily, the United States should adjust its posture from a "conflict management" approach to a full "alliance-based" relationship with Israel in recognition of the threat posed to a U.S. ally by Palestinian collusion with an outside power. A top order of business should be a coordinated U.S.-Israeli military assessment, in the context of the Joint Political-Military Group (JPMG), of the Palestinian Authority's potential to make war on Israel.

Fourth, Washington should address the economic, social and humanitarian needs of the Palestinian people. This could include: a substantial increase in support for UNRWA and relevant NOGs; U.S. leadership in securing international donor assistance for humanitarian efforts; public-private partnerships to resuscitate the Palestinian economy; and special security assistance to Israel to facilitate movement of goods that would enable a resumption of economic activity in the West Bank and Gaza (and between the West Bank and Jordan). Much of this money will be wasted and none of the recipients are likely to be free of PLO influence and corruption, but it is still worth the risk to facilitate aid to needy Palestinians while other steps are taken to trigger the process of transition to a new Palestinian leadership.

Fifth, regionally, the United States must market the "post-Arafat" strategy and convince key Arab states that U.S. expectations have changed. Egypt, for example, has operated for years on the assumption that its ability to play a bridging role in the region is one of its strategic assets. One such bridging effort has been Egypt's two decades-old project to make Arafat palatable to America and to detect points of U.S.-PLO consensus. In a post-Arafat strategy, Cairo needs to understand that its bridging role is defined as aiding the transition to a new Palestinian leadership. All of America's Arab friends need to be disabused of the idea that America will be grateful if they deliver a rehabilitated Arafat.

Just as U.S. resolve to hasten the demise of Saddam Hussein's regime will be the key determinant of Arab support for U.S. strategy, so U.S. resolve to hasten the transition to a new Palestinian leadership will be the key determinant of Arab support for that U.S. strategy. If the administration simply consults with Arab leaders, they will invariably demur -- despite their anger over the Karine-A episode and other of Arafat's exploits that have jeopardized their interests. But if the administration presents them with a fait accompli, they will accommodate themselves to it. Indeed, the relative silence from Arab capitals that has accompanied the unprecedented Israeli encirclement of Arafat's Ramallah compound further suggests that Arab leaders will do their part in a post-Arafat U.S. strategy, especially one that looks toward a negotiated independent Palestinian state.

Pursuing a post-Arafat strategy does not mean that the United States should be party to any specific effort to change the Palestinian leadership. Americans do not engineer other countries' politics very well; even making the attempt with Palestinians would be foolish and almost surely counterproductive. Nor should the United States have a particular view as to who should constitute a successor leadership. That is something for the Palestinians to decide -- or, as has been the case for every PLO leader since its founding in 1964, for Arab leaders to decide. Nor should Washington assume that Arafat's successors will prove suddenly more pliant than he is on key issues; on the contrary, they are likely to prove their nationalist bona fides by hewing closely to conventional negotiating positions, at least for a while. But if they are committed to diplomacy as the route to solve the conflict, they are deserving of America's friendship even if a negotiated peace is not imminent.

In the meantime, the United States should make clear its view that, as with our own elected presidents, no one is

indispensable or eternal, and that the Near Eastern sky will not fall when a new leadership replaces the current one. (How such an argument could be made after the revelation of the Karine-A -- though it has been made -- is itself astounding.) It is also appropriate for the United States to make clear that it will support Palestinian independence only if Palestinians have a leadership worthy of U.S. support.

Implementing this policy will not be easy. Arafat will not conveniently fade into the sunset, and ushering in a new Palestinian leadership will require the American equivalent of what Palestinians call sumud, steadfastness. But the Karine-A affair cannot just be dismissed as another of Arafat's eccentricities. Like the Czech arms deal of 1955 and the expulsion of Soviet advisors from Egypt in 1972, this was an initiative with far-reaching strategic consequences. In light of what the Karine-A says about Arafat's intentions, pursuing a post-Arafat strategy has the added value of being the right thing to do -- for Americans, Israelis and Palestinians alike.

Notes

1 Javier Solana, the EU official responsible for foreign and security policy, told European parliamentarians that the Karine-A was "the link between Iran and the PA." Haaretz, February 7, 2002.

2 Quoted in the New York Times, January 7, 2002.

3 Cited in the Daily Star (Beirut), January 14, 2002.

4 Voice of Palestine Radio, January 23, 2002.

5 Maariv, January 16, 2002, cited in "Arafat's Iraqi Connection", Jerusalem Issue Brief, Jerusalem Center for Public Affairs, February 6, 2002.

6 Blanford, Christian Science Monitor, January 18, 2002.

7 See the three-part Washington Post series on U.S.-Saudi relations, February 10-12, 2002. ❖

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