



**(U//FOUO) Israel's Post-Sharon Policy Prospects: Part 1 -- the Palestinians**

FROM: [REDACTED]  
Assistant SINIO for Near East & South Asia (S17)  
Run Date: 04/21/2006

(U//FOUO) Dramatic changes have emerged in the Levant and Persian Gulf regions. The designation of former Israeli Prime Minister Ariel Sharon as "permanently incapacitated" coupled with the swearing in of The Islamic Resistance Movement's (HAMAS) cabinet following its unexpected victory in the Palestinian Legislative Council elections have altered the political landscape in Israel and throughout the region. Moreover, Iran's nuclear ambitions have introduced an unsettling factor into the entire Middle East, with particular relevance for Israel and the Palestinians.

(U//FOUO) Against the backdrop of these events, the questions of Israel's reactions to HAMAS's leadership and Iran's nuclear program loom. How will the newly elected Kadima ("Forward") Party, and its as-yet-unidentified coalition partners, respond to a HAMAS-led Palestinian Authority (PA) and to Iran's nuclear pursuits? How will HAMAS balance its leadership role against its anti-Israel charter?

(U//FOUO) Acting Prime Minister Ehud Olmert (pictured) deftly assumed the reins of government and Kadima leadership following Sharon's stroke. Political uncertainty and the Israeli people's initial shock yielded to Olmert's leading his party to victory in the March elections, signaling that Sharon's departure from the leadership did not adversely affect Israel's stability or decision-making ability on security issues.

(U//FOUO) An illustration of the Israeli government's "business as usual" attitude was its reaction to the 17 April Palestinian suicide bombing in Tel Aviv. Olmert, echoing past Israeli leaders under such circumstances, declared that Israel would respond "appropriately, in the way and manner required" and placed responsibility for the attack squarely on the HAMAS-led PA, even though the Palestine Islamic Jihad was behind the perpetrator. Such distinctions have, in the past, saved HAMAS from direct retaliation.

(U//FOUO) HAMAS justified the attack as an act of "self-defense" and indicated that the Palestinian people have a right to defend themselves by "all" means in the face of "Israeli aggression." HAMAS's response emphasizes the unlikelihood of its altering its hard-line stance towards Israel. HAMAS continues to publicly maintain that the Palestinians have a legitimate right to resist occupation, that negotiations with and recognition of Israel are not part of its governing plans, and that a two-state solution is not acceptable.

(U//FOUO) Given these pronouncements and the recent suicide bombing in Tel Aviv, Israel continues to view HAMAS as a terrorist organization and an unsuitable partner for peace talks. Further evidence of this Israeli attitude was the immediate announcement that the government would consider labeling the PA an "enemy entity," stripping HAMAS of any vestige of its governing body cover.

(U//FOUO) It is not yet clear whether both sides' uncompromising positions are opening salvos in what is likely to be a protracted period of punching and counter-punching which could lead to serious discussions through an intermediary. Negotiations between sworn enemies often begin with zero-sum game positions that then moderate over time, particularly if, in HAMAS's case, international donations cease and it cannot keep its government afloat.

(U//FOUO) What is certain, however, is that Israel will hold HAMAS, as the PA government, accountable for Palestinian attacks inside Israel, regardless of which Palestinian faction carries out the deed. Equally certain is that Israel will respond with force to suicide bombings on its territory.

*(U) Watch for part two of this article: prospects for Israel and Iran.*

---

(U//FOUO) Comments on this topic may be posted on the [SID today blog](#).

**"(U//FOUO) SIDtoday articles may not be republished or reposted outside NSANet without the consent of S0121 ([DL sid comms](#))."**

---

DYNAMIC PAGE -- HIGHEST POSSIBLE CLASSIFICATION IS  
TOP SECRET // SI / TK // REL TO USA AUS CAN GBR NZL  
DERIVED FROM: NSA/CSSM 1-52, DATED 08 JAN 2007 DECLASSIFY ON: 20320108