Israel's refusal to speak with or recognize the PLO is one of the major barriers to peace in the West Bank and Gaza strip. Some, like Netanyahu, believe that speaking with the PLO would legitimize terrorism, and doubt whether the PNC and Arafat can be trusted to keep their word.

"If Arafat says he's condemning terrorism, we don't take that at face value," said Chaim Yehoyada of the Foreign Ministry. "If he agrees to a state in the West Bank and Gaza, we don't take that at face value," said Chaim Yehoyada of the Foreign Ministry.

Liel noted that Defense Minister Yitzak Rabin has no authority to do a deal with Jordan. He pointed out that there was plenty of room for economic cooperation, "but I believe that the PLO cannot be trusted to keep its word."