

Originally Processed With FOIA(s):
S; 2003-0260-F

FOIA Number:

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Snow, Tony, Files
Subseries: Subject File, 1988-1993

OA/ID Number: 13895
Folder ID Number: 13895-013

Folder Title:
[Mideast Peace Process Since Madrid, 4/92]

Stack:	Row:	Section:	Shelf:	Position:
G	18	29	2	3

THE MIDEAST PEACE PROCESS SINCE MADRID

MORE PROGRESS THAN MEETS THE EYE

Interim Report, April 1992

AIPAC

American Israel Public Affairs Committee

440 First Street, N.W., Suite 600, Washington, D.C. 20001



*Principal Author: Raphael Danziger
with Arthur Rublin*

AIPAC
The American Israel Public Affairs Committee
America's Pro-Israel Lobby
440 First Street, N.W., Suite 600
Washington, D.C. 20001
(202) 639-5200

President: David S. Steiner, NJ. **Chairman of the Board:** Mayer Mitchell, AL.

Chairmen of the Board, Emeriti: Robert H. Asher, IL; Edward C. Levy, Jr., MI; Lawrence Weinberg, CA.

Vice Presidents: Michael M. Adler, FL; Norman Brownstein, CO; Barnard J. Gottstein, AK; Bernice Manocherian; Robert Mazer, IL; Abe Pollin, MD; Roselyne C. Swig, CA; Harriet Zimmerman, GA.

Regional Vice Presidents: Leonard Barrack, PA; Jack C. Bendheim, NY; Amy Friedkin, CA; Harvey Friedman, FL; Steven Grossman, MA; Jonathan E. Mitchell, CA; Shaol Pozez, AZ; Timothy F. Wuliger, OH.

Secretary: Monte Friedkin, FL. **Treasurer:** Gary P. Wallin, NH.

Presidents Emeriti: Robert H. Asher, IL; Rabbi Philip S. Bernstein, NY*; Irving Kane, OH; I.L. Kenen, DC*; Louis Lipsky, NY*; Edward C. Levy, Jr., MI; Mayer Mitchell, AL; Edward Sanders, CA; Morton Silberman, FL*; Lawrence Weinberg, CA.

*(*Deceased)*

Executive Director: Thomas A. Dine. **Deputy Executive Director:** Howard A. Kohr.

Operations Director: Robert V. Dietz. **Legislative Director:** Ester Kurz. **Foreign Policy Issues Director:** Steven J. Rosen. **Policy and Development Director:** Roy I. Rosenbaum. **Political Director:** Elizabeth Schraye.

Regional Directors: Seth Buchwald, New York; Leonard J. Davis, Jerusalem; Richard Fishman, Florida; Caryn Garber, Midwest; Naomi Lauter, Pacific Northwest; Mark Moskowitz, Southeast; Sam Witkin, Southwest; Murray Wood, Southern Pacific.

THE MIDEAST PEACE PROCESS SINCE MADRID
MORE PROGRESS THAN MEETS THE EYE
Interim Report, April 1992

Raphael Danziger
with Arthur Rublin

CONTRIBUTORS:

Miriam Kleiman
Steven Liebes
Charles Perkins
Mindy Weisenberg

CONTRIBUTING INTERNS:

Ruth Cheifetz
Geoffrey Einhorn
Mark Lebow
Allison MacDonald
Samuel Newman

AIPAC Papers on the Mideast Peace Talks

Editor: Raphael Danziger

No. 1 *Guide to the Mideast Peace Conference* (October 1991)

No. 2 *The Mideast Peace Process Since Madrid* (April 1992)

A publication of: The American Israel Public Affairs Committee
440 First Street, N.W., Suite 600
Washington, D.C. 20001
(202) 639-5200

Copyright 1992 by the American Israel Public Affairs Committee

TABLE OF CONTENTS

Preface	v
Executive Summary	vii
I. BREAKTHROUGH IN MADRID	1
A. <i>Sitting Down to Direct Negotiations</i>	1
B. <i>Committing to the Peace Process</i>	3
1. Jordanian-Palestinian Delegation	4
2. Lebanon	5
3. Syria	5
4. Israel	7
C. <i>Setting Forth a U.S. Vision of Peace</i>	9
II. HEADWAY IN THE BILATERALS	13
A. <i>Toward Resolution of the Venue Issue</i>	13
B. <i>Israel—Jordanian-Palestinian Delegation</i>	16
1. Clearing the Procedural Hurdle	16
2. The PLO Versus the Palestinian Negotiators	19
3. The Israeli Document: Transferring Powers to the Palestinians	22
4. The Palestinian Document: Blueprint for a Palestinian State	24
5. The Settlements Issue: Washington Preempts the Process	25
6. Israel and Jordan Discuss the State-to-State Agenda	28
C. <i>Israel—Syria</i>	30
1. Damascus Upgrades Its Public Relations	30
2. Syria's Hard-Line Stance Persists	31
D. <i>Israel—Lebanon</i>	35
1. Israel Proposes Security Arrangements	35
2. Lebanon Demands Immediate Israeli Withdrawal	37
III. LAUNCHING THE MULTILATERALS	41
A. <i>Progress at the Moscow Conference</i>	41
1. U.S. Leadership	41
2. International Engagement	42
3. Arab Participation: Another Setback for Syria and the PLO	43
4. Israeli Hopefulness	47
B. <i>Arms Control</i>	50
1. The Moscow Talks	50
2. Limited Progress Expected	51

C. <i>Water</i>	52
1. Technology Transfers	52
2. Collection and Exchange of Water Data	52
3. Water Transfers to the Region	53
4. A Mediterranean-Dead Sea Canal	53
5. Agreement on the Unity Dam (Yarmouk River)	53
D. <i>Economic Development</i>	53
1. West Bank and Gaza	54
2. Agriculture	54
3. Energy	55
4. Gulf of Eilat/Aqaba Area	55
E. <i>Environment</i>	55
1. Gulf of Eilat/Aqaba Area	55
2. Collection and Exchange of Data on the Environment	56
3. Eastern Mediterranean Sea	56
4. Regional Environmental Thinktank	56
F. <i>Refugees</i>	56
1. The Moscow Talks	57
2. Palestinian Refugee Issues Likely to Be Lead Agenda Item	57
3. Palestinian Refugees in the West Bank and Gaza	57
4. Palestinian Refugees in Arab States	58

APPENDICES

A. U.S.-Soviet Invitation to the Mideast Peace Conference in Madrid, October 18, 1991	59
B. President George Bush's Address to the Mideast Peace Conference, October 30, 1991	60
C. Israeli—Jordanian-Palestinian Statement, Madrid, November 3, 1991	63
D. Israel—"Ideas for Peaceful Coexistence in the Territories During the Interim Period," February 20, 1992	64
E. Jordanian-Palestinian Delegation—"Outline of the Palestinian Interim Self-Government Arrangements," March 3, 1992	66
F. Israel—Working Papers on Multilateral Issues: "Multilateral Regional Cooperation"; "Water in the Middle East"; "Regional Cooperation: Economy"; "Regional Cooperation: The Environment," January 28, 1992	75

P R E F A C E

We are now five months into the first real peace negotiations between Israel and her Arab neighbors since the Israeli-Lebanese talks nearly a decade ago. Plenary sessions have been held in Madrid and Moscow to launch bilateral and multilateral negotiations; four rounds of intensive bilateral meetings have been held; and substantive multilateral negotiations on regional issues are set to begin soon. We have seen first-ever negotiations between the Government of Israel and the Palestinian Arabs of the West Bank and Gaza—sitting within the framework of a joint Jordanian-Palestinian delegation—and the first-ever formal bilateral negotiations between Israel and three of its immediate neighbors: Syria, Jordan, and Lebanon. Saudi Arabia, as well as other Gulf Arab and North African states, are participating as well, and most republics of the former Soviet Union, China, India, and other countries have resumed formal diplomatic relations with Israel as part of the peace process.

The United States did a great deal to initiate and facilitate this process, particularly by establishing a framework for negotiations that is fair to both sides. Up to the present, the United States has resisted Arab pressure to intervene directly in the substance of the negotiations, recognizing that this would undermine the principle of direct negotiations between the parties that is the foundation of the process. On the other hand, the upheaval that has created in the U.S.-Israel relationship by the Administration's management of the loan guarantee and technology transfer crises may have a deleterious effect on the peace process.

AIPAC published a *Guide to the Mideast Peace Conference* immediately before the opening Madrid Conference last October. A great deal has happened since then, and we believe that the time has come to publish a first interim report on the progress of the negotiations. We expect to produce additional reports as the negotiations proceed, in order to help inform Members of Congress and their staffs, Administration officials, journalists, academic specialists, and activists in the pro-Israel community.

The principal author of this interim report is Raphael Danziger, AIPAC's Director of Research and Information. Dr. Danziger joined this organization in 1990 after serving as Foreign Policy Analyst and Assistant Director of International Affairs at the American Jewish Congress. Previously, he taught modern Middle Eastern history at the University of Haifa and the University of Washington, and served as a consultant on Middle Eastern affairs at the Hudson Institute. The report's co-author is Arthur Rublin, AIPAC's Special Assistant for the Peace Process. Like Dr. Danziger, Mr. Rublin came to this organization in 1990 from the American Jewish Congress, where he served as Legislative Assistant in the agency's Office of the Washington Representative.

Thomas A. Dine
Executive Director
April 1, 1992

EXECUTIVE SUMMARY

The four rounds of direct bilateral Arab-Israeli negotiations held since the Madrid plenary session last October have validated Secretary Baker's repeated statements downplaying expectations about instant substantive solutions to deep-seated conflicts. There have been many setbacks and much acrimony in the bilateral talks—between Israel and a joint Jordanian-Palestinian delegation, Israel and Syria, and Israel and Lebanon—and no substantive issues between the parties have been settled.

Yet in many respects, Israel and its Arab interlocutors have made important initial progress in the bilaterals. The unprecedented direct negotiations continue; procedural problems such as the structure of the Jordanian-Palestinian delegation have been resolved, and others such as the venue of the bilateral talks are on their way to resolution; and negotiations on substance have started with the presentation and discussion of proposed agendas and ideas on such key issues as interim self-government arrangements for the Palestinians living on the West Bank and Gaza. The bilateral process has moved forward at about the pace that could have realistically been expected.

Substantive progress in the bilateral negotiations could be further advanced by movement in parallel substantive multilateral discussions—scheduled to begin in May—on Middle East regional issues such as arms control, water resources, the quality of the environment, economic development, and refugee rehabilitation. The Administration hopes that multilateral talks will increase trust between Arabs and Israelis and thus promote bilateral agreements. Another U.S. objective in convening the multilateral talks is to promote discussion of critical regional issues which cannot easily be solved by one nation alone or even in a bilateral framework.

The Moscow Conference was a promising start to the multilateral process, despite the refusal of three out of Israel's four interlocutors in the bilaterals—Syria, Lebanon, and the Palestinians—to attend. Most Arab states sat down with Israel in Moscow, including Gulf Cooperation Council and North African nations. Although many Arab participants ruled out regional cooperation until Israel cedes territory, Arab delegates attended initial working group sessions with their Israeli counterparts and agreed to come to follow-up meetings in May.

Just as the key to the *launching* of the current peace process was the Arab decision to accept Israel's longstanding call for direct negotiations, the key to *substantive progress* in the process will be an Arab decision to negotiate seriously with the Israelis. As of now, it does not appear that the Arab parties are prepared to do this. A senior U.S. official recently criticized the Arab delegations for public posturing. "What we're looking for is more serious engagement in the negotiating process," he said.

At this stage, Syria and the PLO are essentially blocking further movement by the Arab parties in negotiations with Israel. Closed-door Israeli-Lebanese and Israeli-Jordanian talks have been amicable and constructive, but Syria and the PLO seem to be scaring Lebanon and Jordan away from settling even small issues of agenda with Israel. The PLO's influence on the Palestinian delegation has resulted in a hardening of its position. U.S. officials have criticized the attempt by the Palestinians to precondition talks for self-rule in the territories on an Israeli settlement freeze, as well as their effort to define interim self-government arrangements in a way that is tantamount to a Palestinian state.

Israel has indicated that it is prepared to negotiate with all its interlocutors on a forward-leaning set of interim arrangements and—at the appropriate time—on such final-status issues as settlements and borders. Israeli negotiators have presented the Palestinians with a document on interim self-government arrangements proposing to negotiate the transfer to West Bank and Gaza Palestinians of powers and responsibilities in 20 critical areas including budget, taxation, education, commerce, and police. In addition, Israel has said that it is ready to negotiate an Israeli withdrawal

from southern Lebanon given proper security arrangements; that it is prepared to negotiate with Syria on any issue including territory; and that it is eager for a peace treaty with Jordan and is ready to discuss its border claims.

Washington's role in the peace process has been instrumental. Baker's eight Middle East shuttles produced the Madrid Conference, and his continued engagement has kept the bilaterals going and launched the multilaterals. The main principles Bush articulated in his Madrid speech—full peace treaties and normal relations, with secure borders and adequate security arrangements arrived at through direct negotiations among the parties concerned without the imposition of any solutions by outside parties—raised hopes that the peace process would have the solid foundation of a constructive U.S. policy approach.

But Washington has sent mixed signals to the Arabs. The Administration continues to declare that the United States will not impose any settlement, saying that solutions can only be reached through direct negotiations among the parties. Syrian officials have said, however, that the Administration has assured them it will act as a "driving force" in the process. In general, the Administration has resisted Arab calls for intervention. In a few cases, however, it has yielded, thereby reducing Arab motivation to engage in serious give-and-take negotiation with Israel. The unilateral U.S. decision to impose a Washington venue for bilateral talks just after Madrid was an important example. And the loan guarantee imbroglio appears to have enhanced Arab hopes that the United States will "deliver" Israel through the use of financial leverage.

The substantive direct negotiations held and the procedural agreements reached between Israelis and Arabs since Madrid provide hope that given strict U.S. adherence to the principles set forth by President Bush in Madrid, real progress on substance is possible. Most notably, Israel and the Palestinians could agree on interim self-government arrangements for the Palestinians in the territories. This could help pave the way for progress toward further agreements between Israel and Jordan, Israel and Lebanon, and even Israel and Syria. If U.S. policy develops in such a way that Arab parties find it in their interests to engage seriously in multilateral talks, initial regional cooperation on such issues as environmental protection in the Gulf of Eilat/Aqaba area is possible. There are real opportunities for forward movement toward Middle East peace, and sound U.S. policy will go a long way toward unlocking this potential.

I. BREAKTHROUGH IN MADRID

At 10:30 a.m. on Wednesday, October 30 of last year, under the gaze of billions of television viewers around the world, Prime Minister Felipe Gonzalez of Spain opened a carefully planned Middle East peace conference in Madrid. U.S. and Soviet representatives as conference co-sponsors; representatives of Israel, a Jordanian-Palestinian delegation, Lebanon, and Syria as the parties concerned; Egypt and the European Community as participants; and the Gulf Cooperation Council, the Maghreb Union, and the United Nations as observers had filed into the marble Hall of Columns in the Royal Palace and sat down at a huge, T-shaped table. Never before had there been such a gathering. Neither Syrians nor Palestinians had ever sat with Israelis in a public political forum; neither Arab states from the Persian Gulf nor Arab Maghreb nations had ever attended a public meeting with Israel outside of the United Nations even as observers; and representatives of more than one Arab state had never sat together with Israelis at one table even at a closed meeting. It was arguably the most stirring moment in Arab-Israeli peacemaking since President Sadat of Egypt and Prime Minister Begin of Israel had signed an Egyptian-Israeli peace treaty in Washington in 1979.

There was striking symbolism in the choice of Madrid as the site of the first-ever public meeting between Israel and a broad group of Arab parties. As capital of a country that witnessed Jewish-Arab cooperation in medieval times and the expulsion of Jews and Arabs 500 years ago after it came under Christian domination, Madrid was now hosting a conference dedicated to reconciliation between a sovereign Jewish state and her Arab neighbors. The symbolism was not lost on the conference participants, and added to the sense that history was being made in Madrid.

Even more significant than the opening plenary session in the Hall of Columns were the subsequent closed-door encounters, in separate rooms, between Israel and the Jordanian-Palestinian delegation; Israel and Syria; and Israel and Lebanon. These were the first meetings ever in which any Arab parties other than Egypt sat down for publicly acknowledged, face-to-face Arab-Israeli negotiations without the presence of a third party—as Israel had implored her Arab neighbors to do for more than four decades. The parties in Madrid took the proverbial first small step, after the Egyptian-Israeli peace treaty, in the thousand-mile journey toward Arab-Israeli peace.

A. Sitting Down to Direct Negotiations

As historically important as the plenary session in Madrid was, it was merely a legitimizing forum for the main event: the direct negotiating sessions between Israel and its neighbors. As Secretary of State James Baker had stated in Congressional testimony last May 22, the plenary “is a means to an end. A tool in our efforts to get the parties to sit down face to face to sort out

I. BREAKTHROUGH IN MADRID

A. Sitting Down to Direct Negotiations (*continued*)

their differences and to break anachronistic taboos." And as the October 18 U.S.-Soviet letter of invitation to the Madrid Conference (text in Appendix A) had stated, the plenary "will have no power to impose solutions on the parties or veto agreements reached by them. It will have no authority to make decisions for the parties and no ability to vote on issues or results."

At the same time, the plenary unquestionably paved the way for the direct negotiations. The novel experience of sitting at the same table with Israeli representatives, glancing at them (albeit furtively) and listening to their speeches, doubtless made it easier for the Arab negotiators to plunge into the uncharted waters of direct talks with their Israeli counterparts. In accordance with the invitation to Madrid, the bilateral talks opened four days after the plenary session.

The transition from plenary session to direct negotiations was neither smooth nor effortless. Until virtually the last moment, the Syrians not only refused to attend direct talks but also called on the other Arab delegations to boycott the discussions. Even after the other delegates said they would attend whether or not the Syrians did, it took marathon efforts on the part of the U.S., the Soviet Union, Egypt and Saudi Arabia to coax the Syrians into the direct talks. The Israeli-Syrian negotiations finally opened at 10:00 p.m. on November 3—hours after the scheduled time, and not before the Syrians had twice failed to show up at previously announced meeting times.

No progress on substance was made during the three separate direct negotiating sessions held on November 3 between Israel and the Jordanian-Palestinian delegation, Israel and Lebanon, and Israel and Syria. The discussions focused mostly on the venue in which the subsequent negotiations were to be conducted. As had been the case with the Israeli-Egyptian negotiations of 1977 to 1982 and the 1983 Lebanese-Israeli peace talks, Israel wanted the negotiating sessions to alternate between cities in Israel and in the Arab countries. The Israelis argued that discussions held in each other's homes were more likely to succeed than talks held elsewhere, and that the logistics would be simpler and more efficient. All the Arab parties rejected the Israeli proposal, claiming it would constitute a gratuitous unilateral concession. Instead they insisted on remaining in Madrid for the duration of the bilateral talks. Israel refused because it viewed the Arab proposal as a ploy to relegate the bilateral negotiations to subsets of the Madrid plenary session. No agreement was reached.

But this setback did not detract from the achievement. As one wit had it, the Arab-Israeli talks could be compared to a talking dog: It doesn't matter much what he says; the miracle is that he says anything at all. It was clear that direct Arab-Israeli negotiation is not a *sufficient* condition for peace, but Secretary of State Baker had expressed the widely held view that face-to-face negotiation was a *necessary* condition for its achievement.

All three sets of the bilateral negotiations opened sullenly, with no handshakes or smiles. The Syrians maintained that atmosphere throughout the session, and have persisted in keeping it so ever since. Not so in the other two sets. Both in the Israeli-Lebanese talks and in the negotiations between Israel and the Jordanian-Palestinian delegation, the mood quickly changed; jokes and personal stories were swapped, joint coffee breaks taken, addresses and telephone numbers exchanged, and hands warmly shaken. The ice had broken. Despite continuing disagreements on substance, the cordial atmosphere has been preserved in those negotiations to this day.

Some may argue that given the huge gaps on substance between the parties, pondering the personal warmth among negotiators is the political equivalent of playing Trivial Pursuit. While it is true that hard decisions leading to substantive progress toward peace cannot be made by negotiators but only by their governments, the course of Egyptian-Israeli peacemaking demonstrated that atmosphere in Arab-Israeli negotiations *does* matter. Due to the nature of the Syrian regime, the consistently cold and aloof manner of the Syrian delegates could only have been decided by President Assad himself, and it constitutes an unmistakable signal of Syria's disinterest in serious negotiations with Israel. Until the Syrian negotiators change their attitude, the Israelis will likely find it far more difficult to entertain any notions of compromise with Damascus than with other Arab parties.

Yet despite the persistent unfriendliness of the Syrian delegates, they nonetheless joined the other Arab delegations at the Madrid Conference in sitting down to direct, face-to-face Arab-Israeli peace negotiations without the presence of any outside parties, and after three further rounds of direct negotiations in Washington, they are still adhering to this format. This is Madrid's most promising legacy.

B. Committing to the Peace Process

Questions abound as to the motivations and objectives of some of the Arab delegations attending the Madrid talks. Clearly, several Arab governments strove to persuade Washington to "deliver" Israeli concessions, and there were indications that they were seeking to "decouple" Israel from the United States in the process. Furthermore, while Palestinian negotiators from the territories sat down with the Israelis, the PLO was stepping up its threats against Israel, and Palestinians were escalating intifada violence and engaging in terrorist acts. In particular, Syria's conduct raised grave concerns. Not only did the Syrian delegates maintain cold aloofness from their Israeli counterparts, but its foreign minister delivered an extraordinarily nasty anti-Semitic and anti-Israel speech in Madrid; and during the process Damascus was acquiring advanced Scud-C missiles from North Korea and continuing to sponsor terrorist groups. It is a monument to the success of U.S. diplomacy that despite these setbacks and provocations, all the parties committed themselves in Madrid to a peace process which is still in progress five months later.

1. *Jordanian-Palestinian Delegation*

Prior to Madrid a power struggle took place just below the surface between the Tunis-based PLO, which continues to adhere to maximalist objectives, and the nascent Palestinian leadership in the territories, which may be willing to settle for a deal on the West Bank and Gaza. Madrid was made possible when Washington agreed to back Israel's demand that the PLO be excluded from any direct negotiating role, instead reserving seats at the table for Palestinian negotiators from the territories. The Palestinians put together a delegation of mostly young professionals representing every major population center and religious group in the territories, yet excluding the potentially disruptive elements of refugees and Islamic radicals.

Weakened by its support for Saddam Hussein during the Gulf crisis and for the perpetrators of the abortive coup in Moscow, the PLO had no choice but to acquiesce in its exclusion from the negotiating table. But it did everything it could to gain control over the Palestinian delegation. After declaring in an interview on Radio Monte Carlo last October 29—a day before the Madrid Conference—that “the intifada will continue, wave after wave, and will escalate through all means and ways until the Palestinian flag waves over the walls, the minarets, and churches of Jerusalem,” Arafat sent his trusted advisor Nabil Shaath to Madrid to “guide” the Palestinian delegation. Shaath had stated on October 23: “We have to struggle through diplomacy inside the peace conference. We have to intensify the intifada . . . Using diplomatic struggle alone cannot realize anything” (*Mideast Mirror*, 10/24/91).

The relationship between the Palestinian delegation in Madrid and the PLO in Tunis was ambiguous. The *New York Times* (11/4/91) quoted a Palestinian delegate as saying, “Most of the faxes went from [Madrid] to Tunis, not the other way around.” Referring to a document long denounced by the PLO as a sellout of the Palestinians, another Palestinian delegate told the *Times*: “You know, flying here, for the first time I read the Camp David accords. They were really interesting.” While paying pro-forma homage to the PLO by referring to the delegation’s “acknowledged leadership” and invoking Arafat by name, chief Palestinian negotiator Haidar Abdel Shafi in his Madrid speech broke from past PLO positions by publicly accepting the Madrid framework of interim arrangements for the Palestinians to precede any final settlement, and by directly addressing the Israeli people and even evoking their anguish and fears. Abdel Shafi firmly committed the Palestinian residents of the territories to the new peace process, though some elements of his speech—such as his identification with the Palestinian National Council’s 1988 declaration of Palestinian independence based on the UN’s 1947 partition resolution, implying a challenge to Israel’s pre-1967 borders—raised concern in Israel.

Still smarting from the backlash in the West and in much of the Arab world to its support for Saddam Hussein during the Gulf crisis, Jordan played a low-key role in Madrid. Jordanian Foreign Minister Kamal Abu Jaber’s Madrid speech was predictable and bland. Concerned both with improving its standing in Washington and with moving the peace process forward,

I. BREAKTHROUGH IN MADRID
B. Committing to the Peace Process (*continued*)

however, Jordan made an important contribution in Madrid. In addition to openly shaking hands and chatting with Israeli delegates, Jordanian negotiators provided important backing for the new stance adopted by the Palestinian delegation, and, most important, defied Syrian obstructionism by stating it would enter into bilateral talks with Israel even if Damascus objected.

During the bilateral talks held between Israel and the Jordanian-Palestinian delegation, not only the venue of the next round was discussed but also the relationship between the Jordanians and the Palestinians in the joint delegation. Responding to the Palestinians' desire to deal with the Israelis separately from the Jordanians, Israel agreed to conduct further bilateral negotiations on two tracks: Palestinian-Israeli and Jordanian-Israeli. At the end of the November 3 bilateral meeting, chief Jordanian delegate Abdul Salam Majali read a statement (text in Appendix C) committing the two delegations to the continuation of the direct negotiations along the two agreed-upon tracks. Chief Israeli delegate Elyakim Rubinstein said that Israel "basically agree[d]" with the statement.

2. Lebanon

Israeli-Lebanese direct negotiations were viewed as a side show. With over 40,000 Syrian soldiers on its territory, Beirut usually does what Damascus instructs it to do. In his Madrid speech, Lebanese Foreign Minister Fares Bouez was reduced to demanding a unilateral Israeli withdrawal from the security zone in southern Lebanon under UN Security Council Resolution 425 of 1978, saying nothing about a withdrawal of the Syrian forces which control far more Lebanese territory than do the Israelis. And unlike the Jordanians and Palestinians, Lebanon agreed to enter into the direct bilateral talks with Israel only after getting Syrian permission to do so. Nonetheless, the Lebanese delegates quickly warmed up to their Israeli interlocutors during the bilateral session, unlike their Syrian counterparts, and openly shook hands with the Israelis. That small display of independence from the Syrians suggested that Lebanon was pleased to commit itself to the peace process with Israel. This required considerable personal courage. On the day the Madrid Conference opened, 10,000 Hezbollah demonstrators marched in Beirut, pledging to destroy Israel and warning the conference participants of severe punishment for negotiating with the Jewish state (*United Press International*, 10/30/91).

3. Syria

The Syrian delegation came to Madrid against the backdrop of actions on the ground by the Assad regime which cast doubt on Damascus' commitment to the direct negotiations process and to regional stability: accelerated Syrian purchases of advanced Scud missiles, modern tanks, and other offensive weapons; continued sponsorship of Palestinian and Kurdish terrorist groups; support for drug trafficking; oppression of Syria's 4,000 Jews; and an abysmal record on general human rights matters. Both at the Madrid

I. BREAKTHROUGH IN MADRID
B. Committing to the Peace Process (*continued*)

Conference and during the subsequent bilateral negotiations in Washington, furthermore, the Syrians presented the most rigid position of any negotiating party.

In an extraordinarily hard-line opening speech at Madrid both in tone and in substance, Syrian Foreign Minister Farouk Sharaa rejected or ignored the major U.S. terms for peace negotiations: meaningful bilateral negotiations leading to peace treaties and security arrangements, and immediate unconditional multilateral negotiations on regional issues. He invoked a 40-year-old UN resolution whose implementation would dismantle Israel through the "return" of the Palestinians; denied Israel's right to receive Jewish immigrants; demanded the removal of all the Jewish settlements; and summoned the old anti-Semitic canard of coercive Jewish control over the world media. As pointed out in a *New York Times* editorial (11/1/91), Syria "offered nothing more than a boilerplate assault on Zionism and a demand for the return of 'every inch' of Arab land occupied since 1967—thus staking a position in which any compromise might seem a sellout to unprepared Syrians." According to the *Times* (11/2/91), Sharaa's subsequent personal attack on Shamir as a terrorist "seemed to embarrass even some of his Arab colleagues."

Syria's negative performance in Madrid did not stop with Sharaa's intransigent speech and aggressive rebuttal. Until almost the end of the conference, the Syrians persisted in trying to block any steps forward in the negotiations progress. They announced their refusal to participate in any direct talks with Israel in Madrid or elsewhere, whether in a bilateral or multilateral framework, and demanded that the other Arab delegations follow suit.

Damascus found itself completely isolated. It received bad press in the West, and all the other delegations in Madrid aside from the hamstrung Lebanese rejected its position. The Jordanian-Palestinian delegation announced it would attend the bilaterals even if Syria did not. The U.S., Soviet Union, Egypt, and Saudi Arabia undertook to lobby Syria heavily to honor its pre-Madrid commitment to direct talks with Israel. Riyadh, in fact, played a surprisingly important role in Madrid. The influential Saudi Ambassador in Washington, Prince Bandar, unexpectedly showed up in the Spanish capital and contributed to the successes of the conference. His role was instrumental in finally persuading the Syrians to change their position—at least on the bilateral negotiations.

No progress on substance was made during the Syrian-Israeli bilateral meeting which took place November 3 in Madrid after Damascus finally agreed to come to the table. Israel's chief negotiator with Syria, Yosef Ben-Aharon, told the *New York Times* (11/5/91), "It was in every respect futile, because what they kept telling us constantly was, 'When will you withdraw from the territories?'" Still, the Syrians stayed in the room face-to-face with their Israeli adversaries for five hours, and agreed to resume the negotiating process in subsequent meetings. Rejectionism had been dealt a blow.

The public, humiliating defeat of Syria's intransigence provided a serious boost to the peace process. U.S.-backed Arab conservatives, traditionally on the defensive, displayed unaccustomed determination and self-confidence in facing down the Syrian hard-liners. While unable to soften Syria's underlying obduracy, they helped the U.S. to prevail upon Damascus to meet with Israel face-to-face.

4. Israel

Though the vast majority of the Israeli public supported Jerusalem's agreement to enter into negotiations in Madrid under the terms of reference laid out by Secretary of State Baker, a potent minority exercised political pressure on Prime Minister Yitzhak Shamir aimed at preventing Israel's acceptance of Baker's terms. Shamir's coalition government, which the press described as "the most right-wing government in Israel's history," was forced to contend with threats from three parties to the right of Likud—Moledet, Tehiya, and Tzomet—which said they would bring down the coalition if Israel accepted the Secretary of State's conditions. In the end, however, Shamir's Cabinet agreed to accept Baker's terms for negotiations, and the three far-right parties did not immediately carry through with their vow to bring down the Government.

Another reason for Israel not to participate in the Madrid process was the fact that Palestinian and Lebanese terrorists had sought to scuttle the talks by mounting an intensive campaign of violence against Israel. During the month of October 1991 alone, a mother of seven and a father of four were gunned down on a civilian bus; a retired city gardener and local council employee were stabbed to death; a building contractor was shot to death; two soldiers were murdered when a van was deliberately driven into a packed hitchhiking station; and another three soldiers were killed when an explosive device was detonated in the security zone. Other terrorist attacks caused injuries and damage but no deaths. Prime Minister Shamir, nevertheless, responded to these attacks by reiterating Jerusalem's commitment to the Madrid process. "Some might have expected that in the face of this terror, I would not attend the [Madrid] conference," Shamir told reporters, "but despite this violence, our quest for peace is unrelenting. These talks will not be easy. But they will lay the crucial foundation on which a solid, stable, permanent peace will be built" (*New York Times*, 10/30/91).

Shamir decided to head the Israeli delegation to Madrid himself—the only head of government among the direct parties concerned to attend the plenary. (The other delegations were led by their foreign ministers.) By so doing, he sent important signals to his own population and to the international community. Shamir's message to the Israeli public was that he was committed to the peace process in spite of the far-right parties' threats. Internationally, he signaled he was personally taking responsibility for Israel's participation in the process. In a most unusual article in a Saudi newspaper (*Asharq al-Awsat*, quoted in *Mideast Mirror*, 10/31/91), the argument was made that had

I. BREAKTHROUGH IN MADRID

B. Committing to the Peace Process (*continued*)

Shamir wanted to torpedo the conference, he would have allowed Foreign Minister David Levy to lead the Israeli delegation. That would have enabled him to veto any concessions Levy may have made on the pretext that the Foreign Minister had overstepped his mandate.

In his Madrid plenary speech, Shamir associated himself with the American approach to the peace process; made a direct appeal to the Arabs to make peace with Israel; expressed a commitment to uninterrupted peace negotiations; invited Arab leaders to come to Israel to make peace; and clearly implied that the territorial issue would be open to negotiation. In Israel, only the far right criticized the speech; Geula Cohen of Tehiya stated on Israel Television: "The speech, in my opinion, was very grave and very disappointing. . . : Zionism in reverse" (*Mideast Mirror*, 10/31/91). In contrast, one of Shamir's most vocal critics from the left, Yossi Sarid of the Citizens' Rights Movement, commented: "There was no mention of settlements and that is not by chance. The Prime Minister took into account the possibility of territorial compromise. It was not a speech of 'not one inch'" (*Reuters*, 10/31/91). The *New York Times*, a frequent critic of Shamir as well, said in an editorial (11/1/91): Shamir "sounded like a statesman. He pleaded the need for dialogue and accommodation, and spoke of Israel's yearning for peace."

Shamir further surprised observers by choosing to tolerate what seemed to the Israeli government to be serious provocations. He overlooked the PLO's open presence at the conference and undisguised coordination with the Palestinian delegates; he ignored the last-moment decision to allow Jordanian Foreign Minister Kamal Abu Jaber and chief Palestinian negotiator Haidar Abdel Shafi to deliver two separate speeches as if there were no joint Jordanian-Palestinian delegation; he sat through the Abdel Shafi speech even though the Gaza resident violated previous understandings by invoking Arafat's name and alluding to the PLO by referring to "our acknowledged Palestinian leadership"; and upon his return to Israel from Madrid for the Jewish Sabbath, he was low-key in his reaction to Syrian Foreign Minister Farouk Sharaa's personal attack on him in Rebuttal remarks after the Prime Minister had left the conference. "I do not get worked up about it," Shamir told reporters at Israel's Ben-Gurion Airport when asked about Sharaa's speech, "and this will not prevent me from going ahead with my activities" (Israel Radio, 11/1/91).

Israel expressed its willingness to enter into direct negotiations with a joint Jordanian-Palestinian delegation, a Syrian delegation, and a Lebanese team and conducted a first round of bilateral negotiations with all three delegations on November 3 in Madrid after the opening conference. The Israelis committed themselves to continuing direct talks with its Arab neighbors both bilaterally and multilaterally. The stage was now set for the continuation of the peace process beyond Madrid. The party most responsible for this success was the United States, which combined persistence and diplomatic skill to make the breakthrough possible.

C. Setting Forth a U.S. Vision of Peace

Madrid was a significant achievement for Secretary of State Baker. It came about as a result of his eight exhausting shuttles to the Middle East, in which he pressed Arab parties and Israel to come to the conference. The plenary's proceedings followed, almost to the letter, to the script written by Baker following his discussions in the region.

In his Madrid Conference speech, President Bush reinforced Baker's efforts. Among the key principles the President set forth in his landmark speech (text in Appendix B):

◆ *Full peace treaties and normalization of relations:* "Our objective must be clear and straightforward. It is not simply to end the state of war in the Middle East and replace it with a state of non-belligerency. This is not enough. This would not last. Rather, we seek peace. Real peace. And by real peace, I mean treaties, security, diplomatic relations, economic relations, trade, investment, cultural exchange, even tourism."

◆ *The Egyptian-Israeli peace treaty as a model:* "The Egyptian-Israeli peace treaty is striking proof that former adversaries can make and sustain peace."

◆ *Israel has legitimate security needs which must be recognized and addressed:* "For too long, the Israeli people have lived in fear, surrounded by an unaccepting Arab world. And now is the ideal moment for the Arab world to demonstrate that attitudes have changed, that the Arab world is willing to live in peace with Israel and make allowances for Israel's reasonable security needs."

◆ *Israel's final borders must reflect its security needs:* "Boundaries should reflect the quality of both security and political arrangements."

◆ *Peace must be based on Israel's security needs:* "Real peace, lasting peace, must be based upon security for all states and peoples, including Israel."

◆ *Only direct negotiations can lead to peace:* "Peace will only come as the result of direct negotiations, compromise, give-and-take. . . The real work will not happen here in the plenary session but in direct, bilateral negotiations."

◆ *There will be no imposed solution:* "Peace cannot be imposed from the outside by the United States or anyone else. . . This conference cannot impose a settlement on the participants or veto agreements. And just as important, the conference can only be reconvened with the consent of every participant."

◆ *Negotiations will be protracted:* "We don't expect peace to be negotiated in a day or a week or a month or even a year. It will take time."

◆ *Time is needed for building mutual trust:* Peace negotiations "should take time—time for the parties so long at war to learn to talk to

I. BREAKTHROUGH IN MADRID

C. Setting Forth a U.S. Vision of Peace *(continued)*

one another, to listen to one another, time to heal old wounds and build trust.”

◆ *Interim Palestinian self-government will precede final-status negotiations:* “For Israel and the Palestinians, a framework already exists for diplomacy. Negotiations will be conducted in phases, beginning with talks on interim self-government arrangements. We aim to reach agreement within one year; and once agreed, interim self-government will last for five years. Beginning the third year, negotiations will commence on permanent status. . . .”

◆ *In negotiating interim self-government, Israel will not be required to commit itself to any specific final outcome:* “Nothing agreed to now will prejudice permanent-status negotiations. To the contrary, these subsequent negotiations will be determined on their own merits.”

◆ *The final outcome will not necessarily be a Palestinian state:* “No one can say with any precision what the end result will be. In our view, something must be developed, something acceptable to Israel, the Palestinians and Jordan, that gives the Palestinian people meaningful control over their own lives and fate and provides for the acceptance and security of Israel.”

◆ *The final borders will reflect a territorial compromise:* “I make these points with no map showing where the final borders are to be drawn. And, nevertheless, we believe that territorial compromise is essential for peace. Boundaries should reflect the quality of both security and political arrangements, and the United States is prepared to accept whatever the parties themselves find acceptable.” (According to *Associated Press*, 10/30/91, one of Shamir’s top aides said he was pleased Bush had used the term “territorial compromise” rather than the usual “land-for-peace” formulation.)

◆ *Multilateral talks on regional issues will facilitate progress in the bilateral negotiations:* “[P]rogress in the multilateral issues can help create an atmosphere in which longstanding bilateral disputes can more easily be settled.”

◆ *Unilateral acts should be avoided:* “I call upon all parties to avoid unilateral acts, be they words or deeds, that would invite retaliation or, worse yet, prejudice or even threaten the process itself.”

◆ *Confidence-building measures will be helpful:* “I call upon all the parties to consider taking measures that will bolster mutual confidence and trust, steps that signal a sincere commitment to reconciliation.”

◆ *Peace agreements will be bolstered by financial aid:* “[W]e will call upon our friends and allies in Europe and in Asia to join with us in providing resources so that peace and prosperity go hand in hand.”

◆ *The United States will guarantee peace agreements:* “We’re prepared to extend guarantees, provide technology and support, if that is what peace requires.”

In remarks at the end of Madrid's plenary sessions, Secretary of State Baker further elucidated the prospective U.S. role in the peace process. "The United States," he said, "is willing to be a catalytic force, an energizing force and a driving force in the negotiating process. . . The United States will be an honest broker. . . [It] will provide encouragement, advice, recommendations, proposals and views to help the peace process." But, Baker emphasized, "none of this. . . will relieve you, the parties, of the obligation of making peace." In the formal terms of public international law, Bush and Baker had thus upgraded the American role from "good offices"—in which the third party tries to induce the parties concerned to negotiate between themselves—to a restricted version of "mediation," when it takes a part in the negotiations themselves but does not *decide* the quarrel *for* the disputing parties. The self-imposed restriction was that the United States would join the direct bilateral negotiations only upon the consent and invitation of all parties concerned. The President and the Secretary of State had clearly excluded a U.S. role of "arbitration," in which the third party does not merely *propose* terms of settlement but is authorized by the disputing parties to *dictate* those terms.

In a concurrent resolution it passed by a 426-0 vote just after the Madrid Conference, the U.S. House of Representatives supported a "good offices" American role in Arab-Israeli talks. The House stated in its resolution, H. Con. Res. 226, that it "encourages the President and Secretary of State to continue their active roles in *facilitating direct negotiations among the parties* [emphasis added]" (*Congressional Record*, 11/19/91-11/20/91).

Indeed, Baker spent much of his time in Madrid exercising U.S. good offices to induce Syria to join the other Arab parties in entering into direct negotiations with Israel. By the end of the Madrid Conference, all three scheduled sets of direct bilateral negotiating sessions had taken place. Since then, the Bush Administration has merged a U.S. role of providing good offices with that of restricted mediation. But as we shall see below, nothing has buffeted the peace process as much as the Administration's apparent attempts, after Madrid, to assume the disavowed and unauthorized approach of binding arbitration on two important issues—venue and settlements.

Though there would be serious problems after the Madrid Conference, there is no question that the Administration played a constructive role in making the plenum possible and turning the gathering into a successful launching pad for direct negotiations between Israel and Arab parties. The main principles President Bush articulated in Madrid—full peace treaties and normal relations, with secure boundaries and adequate security arrangements arrived at through direct negotiations among the parties concerned without the imposition of any solutions by outside parties—had raised hopes that the peace process would have a solid foundation by way of a constructive U.S. policy approach.

II. HEADWAY IN THE BILATERALS

In announcing the issuance of Madrid Conference invitations last October 18, Secretary of State cautioned against inflated expectations about quick substantive breakthroughs in the peace process. "The road to peace will not be simple," Baker said in a prepared statement. "To the contrary, it will be extremely difficult, with many problems, many hitches and probably many interruptions along the way. Old suspicions will not disappear quickly; the gaps are real, and the gaps will not be easily overcome."

Indeed, the four rounds of direct bilateral Arab-Israeli negotiations that have elapsed since convened in Madrid have validated Baker's effort to downplay expectations. There have been many setbacks and much acrimony, and not a single substantive issue between Israel and any of its Arab neighbors has been settled. The parties have made important headway, though; procedural problems have been resolved or are on their way to resolution, and negotiations on substance have been initiated through the discussion of proposed agendas and ideas. The process has moved forward at about the pace that could have realistically been expected. The issues being negotiated are in many respects even more complex and sensitive than those discussed at great length in the 1970s by Israel and Egypt before they concluded three interim agreements and then, in 1979, a formal peace treaty.

A. Toward Resolution of the Venue Issue

Among the many procedural issues plaguing Baker's eight pre-Madrid trips to the region, the question of the venue of the bilateral negotiations seemed one of the most trivial. It became, however, one of the only key procedural issues related to the Madrid-based Arab-Israeli negotiations that are not fully resolved to this day. There are strong indications, however, that the venue issue is now close to resolution.

Since the beginning of the current peace process, Israel has expressed a preference for alternating the venues of the bilateral peace negotiations between sites in Israel and in the Arab countries. The Israeli government believes that Middle East venues would help prepare the local publics for Arab-Israeli peace, minimize the intrusive presence of the world media, and simplify logistics and communications with the home governments. At a minimum the Israelis wanted the negotiations to be held in the region or as close as possible to it; even though the most important anticipated gain—preparing for peace—would be lost, at least the other two expected benefits—reduced media presence and easy logistics—would likely be achieved. In principle, the Israeli position has been supported by the United States; as State Department spokesperson Margaret Tutwiler stated as early as last November 27 and several times since, "Our policy has been and will continue to be that in the United States' view, at the appropriate time—we don't know what

II. HEADWAY IN THE BILATERALS

A. Toward Resolution of the Venue Issue *(continued)*

that time would be—we think that yes, it makes sense to move to the region, and we've stated that continuously."

In Madrid, the Arab parties strongly objected to the U.S.-backed Israeli concept. The delegations argued that holding negotiations in Israel would amount to recognition of the Jewish state and thus constitute a unilateral Arab concession. They expressed a preference for continuing the bilateral negotiations in the Spanish capital; the idea was to turn the bilateral sessions into an extension of the Madrid plenum so as to minimize their significance as an independent—indeed, the most important—component of the peace process.

Precisely for that reason, Israel rejected the Arab proposal. Baker announced two days after the Madrid bilaterals that he would grant the parties "at least two weeks" for consultations on the venue and date of the second round of bilateral negotiations, and then make his own proposal. The Israelis tried to consult with the Arabs but were rebuffed.

On November 21, Baker discussed the issue in Washington with Prime Minister Shamir, but no agreement was reached. The following day, just hours prior to a scheduled meeting between Shamir and President Bush, the Administration issued formal invitations summoning the parties for bilateral meetings in Washington on December 4.

While the Arab parties gladly accepted the Washington venue—the Palestinians thought it would be a prelude to a resumption of the U.S.-PLO dialogue, and the Syrians hoped it would lead to their country's removal from the State Department list of countries supporting terrorism—the invitations precipitated a minor crisis in U.S.-Israeli relations. Jerusalem complained bitterly about the Administration's unilateral act, which it perceived as a deliberate snub to the Prime Minister and by extension to Israel as a whole.

Members of Congress also reacted against the Administration's move. In a November 27 letter to Secretary of State Baker, a bipartisan group of Members of the U.S. House of Representatives warned that "the refusal to consult adequately with Israel and to take into account Israel's concerns could threaten the entire peace process." The House Members went on, "We urge you to consult more closely with Israel, the only democratic participant in the negotiations. We ask that you be particularly mindful of how the lack of forbearance and patience can undermine the process of give and take."

The Washington venue was particularly objectionable to the Israelis because it would work against all of their major peace talks objectives: It would not prepare the local publics for peace; it would virtually guarantee an intrusive international media presence; and it would present what they viewed as a nightmare for logistics and communications. To protest the State Department's handling of the Arab-Israeli difference on venue, Jerusalem announced it would arrive only on December 9. The first Washington round of

II. HEADWAY IN THE BILATERALS

A. Toward Resolution of the Venue Issue (*continued*)

bilateral negotiations ("Washington I") actually began on December 10 and lasted until December 18.

At the time, many observers in Israel and abroad criticized the Shamir Government's decision to come to Washington five days late. But Shamir—supported on the consultation issue by Members of Congress and others—seems to have succeeded in getting his message across to the Administration. The State Department issued invitations to the subsequent two rounds of bilateral negotiations only after consulting with *all* parties concerned. And with the exception of the issue of settlements (see below), Washington has thus far scrupulously avoided any further attempts at unilateral binding arbitration in the Arab-Israeli negotiations. The day after the adjournment of Washington I, President Bush recommitted the United States to the role of a "catalyst"—"not attempting to dictate solutions." And Israeli Ambassador to the U.S. Zalman Shoval commended the Administration for "not letting itself be provoked to interfere at this stage of the process."

After the adjournment of the second Washington round ("Washington II"), which was held January 12 to 16 of this year, Israel agreed to hold the third post-Madrid bilateral round in Washington as well, but made it clear that it wanted an agreement on a different venue for the following round. In response to Israel's concern about the venue, the State Department asked each of the parties to list 10 cities other than Washington which they preferred for the following round. The Department said it would try to match the responses in order to come up with a mutually acceptable non-Washington venue. Israel was the only party that submitted such a list to the Administration. Reportedly it included Arab and Israeli cities as well as sites in Turkey and Greece. Despite the absence of any Arab responses to the State Department's request, Israel sat through the third Washington round ("Washington III"), which was held on February 24 to March 4 of this year.

During Washington III, the Administration made plain to the Arab delegates it agreed with Israel that the bilateral negotiations should be moved from the U.S. capital. State Department officials urged the Arab delegations to meet the U.S. request for a list of 10 alternative venues. While the Syrian and Lebanese chief negotiators publicly objected on March 6 to moving the next round of bilateral talks from Washington, the Palestinians and Jordanians told reporters that they were willing, in principle, to move the venue to a European site.

At the time of this writing, a resolution of the vexing issue of venue may be in the offing. There are indications that while the next round of bilateral negotiations is scheduled to convene on April 27 in Washington, the four Arab parties may finally agree to meet with Israel for the following round in Europe. No one, however, is ruling out a last-minute hitch.

It appears, in any event, that the gravity of the venue issue has diminished. Whereas in the wake of the Madrid Conference it looked as if the lack of

II. HEADWAY IN THE BILATERALS

A. Toward Resolution of the Venue Issue *(continued)*

agreement on venue might scuttle the entire process of bilateral negotiations, the issue seems today more an irritant than a threat. Israel has repeatedly yielded on this issue and sat for three rounds in Washington despite its objections. Unless the Administration unexpectedly backslides to unilateral action, it now seems unlikely that an impasse on the venue issue would lead to a breakdown in the negotiations.

B. Israel— Jordanian- Palestinian Delegation

As stipulated in the formal U.S.-Soviet letter of invitation to the Madrid Conference, the bilateral meetings between Israel and the Jordanian-Palestinian delegation are to be held within the framework of a two-stage peace process. During the current first stage, the parties are not authorized to negotiate any final-status issues: such issues as sovereignty, borders, and the final status of settlements. The topic on the agenda during the first stage is to be "interim self-government arrangements" for the Palestinian residents of the West Bank and Gaza that "will last for a period of five years." Final-status negotiations are to begin only during "the third year of the period of interim self-government arrangements."

There has been much acrimony and little discernible progress on substance during the first four rounds of bilateral negotiations held so far between Israel and the Jordanian-Palestinian delegation. But important progress on procedure has been made, agendas and ideas have been exchanged, and discussions on substance have begun.

1. Clearing the Procedural Hurdle

The formal invitation to Madrid, which constitutes the binding procedural framework of the peace negotiations, states clearly that the Palestinians "are part of the Jordanian-Palestinian delegation." It also says that the bilateral negotiations are to be held "along two tracks, between Israel and the Arab states, and between Israel and the Palestinians." Despite the clear-cut stipulation of a joint delegation, the Palestinians chose to insist on recognition as a separate delegation at the start of the bilateral talks in Washington last December. The Palestinian demand bedeviled Washington I and wasted precious time. Thanks largely to the Administration's refusal to intervene in the dispute, the Palestinians gave up on the issue. The unnecessary hurdle was cleared, in time for Washington II.

As early as the initial bilateral meeting between Israel and the Jordanian-Palestinian delegation in Madrid last November 3, the joint delegation requested that negotiations between the two delegations be conducted along two tracks: a Palestinian-Israeli track and a Jordanian-Israeli track. The language of the Madrid invitation allowed for an interpretation, which Israel favored, that the Jordanian-Palestinian delegation as a whole would negotiate along the Palestinian track. Nevertheless, Israel accepted the joint delegation's request in Madrid. Israeli chief negotiator Elyakim Rubinstein told

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

reporters after the meeting that Israel “basically agree[d]” with a statement read by Jordanian chief negotiator Abdul Salam Majali which referred to this two-track format (*Mideast Mirror*, 11/4/91).

That did not satisfy the Palestinians, however. Palestinian “Advisory Committee” member Hanan Ashrawi said at a press conference after the November 3 meeting that the joint delegation was “a very loose framework that contains two Arab sides as separate delegations within a certain framework” (*Federal News Service* transcript, 11/3/91).

When Washington I opened last December 10, the Israelis and Palestinians were still mired in disagreement over the issue. Hanan Ashrawi had told reporters the previous day, “Tomorrow we are showing up as the Palestinian delegation with a Jordanian component and they’re showing up as a Jordanian delegation with a Palestinian component” (*Federal News Service* transcript). Ashrawi freely acknowledged that the purpose was to indicate “mutual respect for the independent sovereignty of each side”—a purpose opposed by the United States as much as by Israel. To symbolize their claim to a separate delegation, the Palestinians insisted on conducting the negotiations with Israel in a separate room from that in which the Israeli-Jordanian talks were to be held.

The Israelis for their part demanded that the negotiations with the Jordanians and Palestinians be held in the same room to indicate the joint delegation concept. The Administration sided with Israel; State Department spokesperson Margaret Tutwiler said on December 9 that “the terms of reference is joint delegation,” and that the Administration had prepared “one site” for the delegation (*Federal News Service* transcript). The *Washington Post* (December 12) commented that the Palestinians had “overreached” with their insistence on a formal splitting of the joint delegation, and the *New York Times* (December 20) said the Palestinians were “in fact breaching a pre-conference agreement.”

To bypass the problem of the rooms, the Israelis, Jordanians, and Palestinians agreed that until the issue was settled, their chief delegates would sit on a couch in a State Department corridor to negotiate its resolution. The “couch diplomacy” continued until the end of Washington I, with the parties exchanging memoranda, proposals, draft agreements, and even views on the weaknesses of the coffee provided by the State Department. Indeed, the *New York Times* reported (12/11/91) that Israeli Ambassador to the U.S. Zalman Shoval broke the ice between the parties on the first day of the corridor talks when he offered a cup of the U.S.’ fresh-brewed to a Palestinian delegate and said: “I think there is one thing we can agree on: the coffee is terrible.”

The *New York Times*’ anecdote notwithstanding, the corridor talks were generally portrayed by the media as they stretched on as an exercise in futility. It became clear over time, however, that the discussions between the parties

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

were valuable: they produced a significant narrowing of procedural differences, a development of the lines of communication established in Madrid, and an agreement to continue the direct talks on January 7. (The date was later postponed by a few days.) As Elyakim Rubinstein told reporters on December 18, "This has never happened before" (*Federal News Service* transcript).

The Bush Administration lent important support to the direct negotiations process by resisting Palestinian pressures to dictate a formula for the status of the Jordanian-Palestinian delegation. A U.S. official was quoted by the *New York Times* (December 11) as saying, "The good news is that [the chief Israeli, Palestinian, and Jordanian negotiators] spent all day together [negotiating]—without us getting involved. These guys are here, they are talking to each other, and we are not leaping in."

The breakthrough occurred on the eve of Washington II, which opened on Monday, January 13. As a result of an exchange of proposals by fax between Israelis and Palestinians over the weekend, a formula was found that enabled the three chief delegates to meet on Monday morning in a room—not in a corridor—to hammer out the final details. The historic negotiations began late in the day with a full-dress session of the Israeli and Jordanian-Palestinian delegations. This success was made possible after the Palestinians had accepted a carefully crafted Israeli proposal. Within the framework of Israel's negotiations with the joint Jordanian-Palestinian delegation, Jerusalem proposed, there would be two separate tracks: an Israeli-Palestinian track with 11 Israelis, 9 Palestinians, and 2 Jordanians; and an Israeli-Jordanian track with 11 Israelis, 9 Jordanians, and 2 Palestinians. Upon request, general meetings of the Israeli, Palestinian, and Jordanian delegates, or meetings of the three chief negotiators alone, could be convened as well.

The Palestinian bid to split the Jordanian-Palestinian delegation had failed. The agreed two-track format within the joint delegation was one that the Israelis had accepted at the first bilateral round in Madrid, but the Palestinians had viewed it as insufficient. There is no question that the Palestinians yielded on this issue after they realized that the Administration was not going to intervene on their behalf. The agreement was a vivid demonstration that Israeli and Arab delegates could hammer out agreements directly, without active U.S. intervention. And faced with the necessity of negotiating directly with Israel, the Palestinians actually highlighted the success of the direct negotiations on the matter.

The Bush Administration lauded the agreement between Israel and the joint delegation, which was the first piece of paper in history with the signatures of Israeli, Jordanian, and Palestinian officials. U.S. officials said publicly and privately that the agreement was the most significant event of Washington II, paving the way for further Arab-Israeli agreements on procedure and substance.

2. *The PLO Versus the Palestinian Negotiators*

Palestinian dogma has it that all Palestinians wherever they live are one people, and that the Tunis-based PLO is its sole legitimate leadership. In recent years, however, the nearly two million Palestinian residents of the West Bank and Gaza—sometimes referred to as “internals”—have developed an unmistakable sense of local identity and a distinctive outlook that is often at odds with that of Palestinians living outside the territories who are sometimes called “externals.” Although in virtually all their public utterances the newly emerging “internal” leaders have paid homage to the PLO as the national Palestinian leadership, a silent but acute struggle for control over the current peace process has developed between “internal” and “external” leaders.

This development has had a profound effect on the peace process. Israel (as well as the United States) opposes any direct dealings with the PLO, which is still formally committed to its 1968 national covenant calling for Israel's destruction and has a bloody record of terrorism against Israeli civilians. On the other hand, Israel has agreed to enter into direct negotiations with Palestinian leaders from the West Bank and Gaza. During Secretary Baker's pre-Madrid shuttles, he agreed with Israel on excluding the PLO from any direct role in the peace process and admitting into the negotiations only Palestinian leaders from the territories. As a result, “internal” Palestinian leaders were suddenly catapulted into the world's limelight when they came to Madrid, and later to Washington, to represent their people at bilateral peace talks. This development enhanced their standing and legitimacy among Palestinians and strengthened their hand in their behind-the-scenes contest with the PLO. Tunis has fought back fiercely in an attempt to reverse the trend. To a significant extent, the chances for success in the current peace process depend on the ability of the West Bank and Gaza leaders to hold their own against Tunis.

The United States had taken a firm position in favor of “internals” participation and against PLO participation in the peace talks several months prior to Madrid. As early as last May 22, Secretary Baker stated in Congressional testimony that the Palestinian negotiators would be “leaders from the Occupied Territories who accept the two-track approach, who accept the phased approach, and who commit to living in peace with Israel” (*Federal News Service* transcript). Last June 14, State Department spokesperson Margaret Tutwiler said, “[W]e obviously are not, have never, and are not going to ask Israel to negotiate with the PLO” (*Federal News Service* transcript).

During the run-up to Madrid, the PLO made no effort to conceal its aim to flout the American terms of reference for the peace talks. PLO spokesperson Ahmad Abdel Rahman said on September 27, for example, “We already have an indirect, clear-cut implicit role. Every day it changes, and ultimately we are seeking a direct PLO participation, something only the stupid will try to avoid” (*Washington Post*, 9/28/91).

Unable to obtain direct access to the negotiating table, the PLO has engaged since before the Madrid Conference in a continuing effort to gain control

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian—Palestinian Delegation (*continued*)

over the Palestinian “internals.” Among the tactics the PLO has used to achieve this objective:

◆ *Getting PLO loyalists into the Palestinian negotiating team.* This tactic almost wrecked the process when Palestinian delegate Saeb Erakat stated on Cable News Network last October 23, “We are the PLO delegation; this delegation was chosen by the PLO.” It was only because Israel agreed to avoid making a big issue out of this violation of the ground rules that the process remained on course in spite of it.

◆ *Shackling the Palestinian negotiators with four layers of PLO adherents and officials.* The *first layer* is the “Advisory Committee” of Palestinians from the territories and Jerusalem. A number of the Committee members were disqualified from direct participation in the talks because of their close identification with the PLO, if not for another reason such as Jerusalem residency. But these people, who include Faisal Husseini and Hanan Ashrawi, have not always toed the PLO line. The PLO, however, has set up a *second layer*, comprised of “external” PLO officials, to monitor and supervise the delegates and advisors. Several PLO officials showed up in Madrid. Despite U.S. visa restrictions, at least four were allowed to come to Washington for one or more rounds: Nabil Shaath, Akram Haniyeh, Tayseer Arouri, and Azmi Sh’aibi. A *third layer* is the PLO-Jordanian “Federal Council” headed by Arafat and King Hussein; this PLO-initiated body enables Tunis to keep an eye on any Jordanian moves intended to influence the Palestinian delegation. The *fourth layer* is the PLO headquarters in Tunis. Through frequent telephone calls, faxes, letters, and public statements, Arafat and his subordinates have continually sought to control the Palestinian negotiators and advisors.

◆ *Making public statements claiming that the Palestinian delegation is a PLO delegation.* Just days before the Madrid Conference, for example, Arafat stated: “Everyone knows that the Palestinians will represent the PLO. Every Palestinian is a member of the PLO, inside and outside [the territories]” (*New York Times*, 10/23/91).

◆ *Arafat’s touting himself as a world leader to buttress his claim that he is the elected leader of a Palestinian state-in-exile.* In an interview with *Reuters* just before the Madrid Conference, Arafat said: “I have the power to take the decisions. What the negotiators cannot resolve, I will resolve in the corridors thanks to our international relations. The Palestinian parliament has given me the mandate to direct the peace process” (10/27/91). Prior to each bilateral round of negotiations thus far Arafat has tried to initiate “Arab Ring States” summits on the Madrid process, including the PLO, so as to give his group the aura of a political leadership.

At the United Nations on March 11 of this year, the PLO distributed as its own official document—with a cover letter signed by Arafat—the outline of interim self-government arrangements submitted by the Palestinian delegation to its Israeli counterpart during the Washington III bilaterals. Israeli officials said the PLO act flagrantly violated prior agreements between Israel

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

and the United States, according to which the PLO would not take part in the process and the United Nations would not serve as a forum for propaganda.

◆ *Undermining the standing of "internal" leaders in the territories through local PLO activists.* As Israel Television Middle East correspondent Ehud Yaari has noted (Washington Institute for Near East Policy, *Policywatch*, 2/21/92), Arafat's loyalists in the territories "have begun to withdraw the protection they used to extend to Hussein *et al* as they toured the territories, thereby leaving them open to attack—both verbal and physical—from radical opponents of the peace process."

The "internal" Palestinian leaders have had precious little ammunition to counter this formidable PLO assault. Although their stature in the territories, already high because of their role in the intifada, was further enhanced by their successful performance in Madrid, they have not received a mandate to challenge the PLO. Given this fact, and even more so the widely-held assumption that any such challenge would place their lives at risk, it is remarkable that they have still managed to play a somewhat independent role in Madrid and beyond.

Despite many statements by "internal" Palestinian negotiators and advisors that they represent the PLO, in rare flashes of candor they have told a different story. Hanan Ashrawi told the *Los Angeles Times* just before the Madrid Conference, for example, "There are phases when the PLO in exile is more prominent and phases when the inside is. This is a phase for the inside" (10/21/91). And the prominent Palestinian journalist and activist Daoud Kuttab was quoted by the *Washington Post* (12/17/91) as saying, "[The Palestinian negotiators] are not taking orders from Tunis. . . The key to their success is to convince Tunis to take a back seat." Israel TV's Yaari reports that during the last few months, however, the PLO has been gaining on the "internals" (Washington Institute for Near East Policy, *Policywatch*, 2/21/92).

If allowed to continue, this trend could undermine the entire peace process. Despite claims to moderation and peaceful intentions, the PLO remains unregenerated. The following is a small sample of recent PLO statements and actions:

◆ *The PLO fully supported Saddam Hussein throughout the Gulf crisis, and Arafat recently visited the Iraqi leader in Baghdad.*

◆ *Arafat demands a holy war against Israel.* After delegates to an Islamic Conference Organization conference in Senegal last December decided to omit a reference to *jihad* (holy war) against Israel from the ICO's final statement, for example, the PLO chief rhetorically asked, "Shall I tell the Palestinians that you have eliminated the word *jihad* from the Islamic encyclopedia and dictionary? You cannot wipe away *jihad* with a sponge. I am sad, and everyone in this hall should share this sorrow with me" (*Mideast Mirror*, 12/12/91).

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

◆ *Arafat continues to call for escalation of intifada violence.* As recently as mid-March of this year, he urged “daily escalation of our blessed intifada” (*Mideast Mirror*, 3/11/92).

◆ *The PLO continues to engage in terrorism.* The group’s Democratic Front for the Liberation of Palestine faction, represented on the PLO Executive Committee by two of its leaders, claimed responsibility for a terrorist attack two days before the Madrid Conference on a civilian bus on its way to Tel Aviv (*Reuters*, 10/29/91). Terrorists ambushed the bus with machine gun fire, killing two Israeli adults and wounding five children. One of the Israelis killed was a school teacher and mother of seven.

◆ *Arafat speaks contemptuously of Jews.* In an intercepted telephone conversation with Tunis’ chief representative in Paris about the worldwide criticism of French leaders for giving the PLO’s George Habash medical treatment without detaining the terrorist leader, Arafat exclaimed: “The Jews at work. Damn their fathers. Dogs. Filth and dirt. . . [T]he trash is always trash. . . And thanks to the rotten Jews, with whom we will settle accounts in the future.” Cable News Network broadcast a tape of the intercepted telephone conversation on February 11 of this year. The network said it received the tape from a Western law enforcement agency that intercepted the conversation.

There are indications that the recent hardening of the Palestinian position in the peace talks (see below) has to a significant extent resulted from the PLO’s ascendancy. Many analysts in Washington believe that if the PLO’s power and control is curbed, strengthening the position of the “internals” in the process, the chances for forward movement in the peace talks would be considerably enhanced.

3. The Israeli Document: Transferring Powers to the Palestinians

During the Washington II bilaterals in January of this year, after Israel and the joint Jordanian-Palestinian delegation worked out a procedural formula for negotiations, the two delegations opened discussions on the substance of interim self-government arrangements (ISGA) for West Bank and Gaza Palestinians. As noted above, the ISGA talks were prescribed by the U.S.-Soviet invitation to the Madrid Conference.

At Washington II, as described above, the two delegations agreed that the joint-delegation team at ISGA talks would be comprised of nine Palestinians and two Jordanians. When the two delegations opened the ISGA talks, Israel presented a draft agenda for the negotiations. During the first ISGA-track session of the *following* round in Washington on February 24, Israeli delegates presented their joint-delegation interlocutors a greatly expanded version of the draft agenda in the form of a document entitled, “Ideas for Peaceful Coexistence in the Territories during the Interim Period” (text in Appendix D). The document proposed to cede to the Palestinians, for a five-year interim

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

self-government period, powers and responsibilities in 20 critical policy areas:

- | | |
|-------------------|-------------------------------|
| 1. Justice. | 11. Commerce. |
| 2. Civil Service. | 12. Tourism. |
| 3. Manpower. | 13. Labor. |
| 4. Agriculture. | 14. Social welfare. |
| 5. Education. | 15. Local police and prisons. |
| 6. Culture. | 16. Internal transportation. |
| 7. Budget. | 17. Communications and posts. |
| 8. Taxation. | 18. Municipal affairs. |
| 9. Health. | 19. Housing. |
| 10. Industry. | 20. Religious affairs. |

Jerusalem's chief negotiator in the talks, Israeli Cabinet Secretary Elyakim Rubinstein, told reporters on February 25 that these arrangements "would enable the Palestinians to run their own affairs in the majority of the walks of life while not prejudging the outcome, the final status." The Israeli official also said that "more is to come" as the Israelis and Palestinians proceed with the negotiations (*Federal News Service* transcripts, 2/25/92).

Rubinstein, a veteran of Palestinian self-government talks who in 1979 had accompanied then-Israeli Foreign Minister Moshe Dayan to a meeting in Gaza with Haidar Abdel Shafi (*Jerusalem Report*, 11/21/91), now was negotiating with the Gaza resident under a pre-Madrid agreement that they would endeavor to hammer out a workable plan for Palestinian self-government in the territories in the early 1990s. In their 1979 meeting, Rubinstein and Abdel Shafi had spoken in Palestinian Arabic. In 1992, Rubinstein was concerned not only about speaking the same *Semitic* language as the chief Palestinian negotiator, but also about speaking the same *diplomatic* language about Palestinian self-rule.

Responding to a reporter's question on why Israel did not include in the document its 1989 proposal for Palestinian elections in the territories, senior Israeli bilaterals delegate Yossi Ben-Aharon said on March 3 that such elections "will be one of the stages in implementing the objective which will be the framework of the interim self-government arrangements." Responding to criticism that Israel failed to include in the document any reference to a Palestinian self-governing authority, Israeli Ambassador to the U.S. Shoval told reporters on March 6, "[W]e'll have to see how we delegate authority to the self-governing . . . authority. . . We have to negotiate the modalities, how this is going to occur." Asked whether the Israeli army would be limited in what it could do under ISGA as compared to what it can do today, Israeli spokesperson Yossi Gal said on March 2 that its role "should be discussed and decided in the framework of the negotiations." The Israeli delegation brought along an economics expert and a health care expert to discuss its

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

ideas in depth, and offered to bring in legal experts and other experts on particular policy areas should the need arise (*Federal News Service* transcripts).

The Palestinians rejected the Israeli ideas out of hand. A senior Palestinian negotiator was quoted by *Reuters* (2/26/92) as saying, "Those who presented [them] deserve to have their necks broken." Pressed by reporters for comment on the not-for-attribution statement, Palestinian spokesperson Hanan Ashrawi offered an oblique response. "It's very unfortunate it was reported," she said (*Mideast Mirror*, 2/27/92).

The Administration was disappointed with the Palestinian reaction to Israel's Palestinian self-government proposals. On March 5, a day after the conclusion of Washington III, a senior U.S. official was quoted by *New York Times* diplomatic correspondent Thomas Friedman as saying, "The Palestinians have to engage where they can, pocket whatever the Israelis will give them and put aside the rest for later. But they can't come and complain to us that the talks are meaningless, and that their constituency back home is abandoning them, when they could be engaging on things and selling it back home" (*New York Times*, 3/6/92). Another senior U.S. official was reported by Friedman as suggesting on the same day that the Israeli plan provided a vehicle for substantive negotiations. In Friedman's words, the official said that "the sides can talk about real things, like taxation or education, and build on them, and that is what makes it preferable to the Palestinian approach."

4. The Palestinian Document: Blueprint for a Palestinian State

The "Palestinian plan" criticized by a senior U.S. official on March 5 had been presented by the Palestinians to Israel two days earlier. An elaboration of an outline the Palestinians gave their Israeli interlocutors during Washington II in January, the 16-page document [Appendix E] builds on a demand that "all the powers presently exercised by the military government and civil administration of the occupier should be transferred to the PISGA [Palestinian Interim Self-Governing Authority] upon its election and inauguration." The text of the "Outline of PISGA" stipulates full executive power and a 180-seat elected "Legislative Assembly" for the PISGA; it demands an Israeli military withdrawal to the borders ahead of the Authority's establishment; it demands full foreign policy powers and complete control over land, water, and air space; and it delineates Jerusalem as part of an "Occupied Palestinian Territory (OPT)".

After the Palestinian delegation presented their expanded outline to Israel, Israeli Ambassador to the U.S. Shoval made the case to reporters that the Palestinian outline was "a proposal to establish a Palestinian state, except in name" (*Federal News Service* transcript, 3/6/92). While the Palestinians denied they had presented a blueprint for a Palestinian state, chief Palestinian negotiator Haidar Abdel Shafi stated on March 2 that "the transition process must lead to a Palestinian state" (*Federal News Service* transcript). The Palestinian position as articulated by chief negotiator Abdel Shafi was in

contravention of U.S. policy. At his speech in Madrid, President Bush had stated that “nothing agreed to now will prejudice permanent-status negotiations. To the contrary, these subsequent negotiations will be determined on their own merits.”

Consequently, as related above, the U.S. criticized the Palestinian proposal. U.S. officials’ comments on March 5 about the Palestinian approach to self-government negotiations with Israel were not limited to the remarks cited above. One senior U.S. official on March 5 “chastised the Palestinians for presenting a plan on self-rule that he called an unrealistic, thinly disguised vehicle for independence aimed not at the Israelis but at their own Palestinian public” (*New York Times*, 3/6/92). The senior official further stated: “It seems that the Palestinians are more focused on the media than on the negotiations. The Palestinians need to do more negotiating than posturing. In our view, they ought to have experts present their views as the Israelis did in this round.” The official concluded, “What we are looking for is more serious engagement in the negotiating process” (*Washington Post*, 3/6/92). Finally, the official was quoted by Thomas Friedman as saying, in the *Times* reporter’s words, that “what distinguishes the Israeli approach from the Palestinian approach today is that the Palestinians see self-government as something that is supposed to be implemented, not negotiated.” Friedman added, “Palestinian independence is treated as a predesignated outcome, and it is not consistent with the terms of reference for the negotiations or a realistic assessment of what is possible, he said.”

5. The Settlements **Issue: Washington** **Preempts the Process**

The impact of Jewish settlements in the territories on the peace process is a contentious issue. Washington has for years described settlements as “an obstacle to peace.” On the other hand, Bethlehem mayor and Palestinian delegate Elias Freij told the *Washington Post* just before the Madrid Conference (10/24/91), “The Palestinians now realize that they will not win a military victory, that time is now on the side of Israel, which can build settlements and create facts, and that the only way out of this dilemma is face-to-face negotiations.” A Palestinian delegate in Madrid was quoted by the *New York Times* (11/4/91) as saying, “Our land is being gobbled up by Israeli settlements so we have to get moving” on the peace process. And East Jerusalem Palestinian leader Faisal Hussein said last November that the Palestinians are now ready to accept Interim Self-Government Arrangements which they had rejected in 1978 because of the current settlement drive in the territories (*Mideast Mirror*, 11/15/91).

While there is a debate about whether settlement activity is an obstacle to peace or a spur to the peace process, it is clear that Israel has said settlement activity is an important subject for negotiations with Arab delegations. As Shamir told reporters following a meeting with President Bush last November 22, “The settlements are a part of the territorial problem, and the territorial problem will be discussed and negotiated during the negotiations” (*Federal News Service* transcript, 11/22/91).

II. HEADWAY IN THE BILATERALS
B. Israel—Jordanian-Palestinian Delegation (*continued*)

Though former President Reagan said at one point during his Presidency that he did not view settlements as obstacles to peace, U.S. Administrations since 1967 have generally criticized settlements as hindering efforts to reconcile Arab-Israeli differences (Reagan 5/26/83 statement quoted in *Jerusalem Post*, 6/22/83). Former Presidents Johnson, Nixon, Ford, Carter, and Reagan never took it upon themselves, however, to “deliver” an Israeli freeze on settlement activity through a conditioning of U.S. aid to Jerusalem. Last summer, despite speculation that the Administration was planning to condition its support for U.S. loan guarantees for immigrant absorption in Israel on a settlement freeze, President Bush seemed to dispel doubts about whether he would maintain his predecessors’ no-linkage policy. Asked directly by a reporter last July 1 whether his support for an Israeli request for the loan guarantees would be linked to a settlement freeze, President Bush stated: “I don’t think there ought to be a quid pro quo. What I do think [is] that it is against U.S. policy for these settlements to be built. So, I’ll leave it right there and avoid the linkage that you understandably ask about . . .” (*Federal News Service* transcript, 7/1/91).

Even after the President’s announcement last September 6 that he intended to postpone consideration of the loan guarantees for 120 days, Secretary of State Baker denied any linkage to the peace process. In remarks to reporters on September 13, Baker stated: “What we’re saying is we do not want to link the issues. We think it would be wrong to link the issues and that it would operate against the prospects of peace because these are indeed divisive issues, they’re difficult issues, they are issues that we have said we think need to be resolved at the negotiating table and not before” (*UPI*, 9/13/91). Four days later, Baker told reporters in a not-for-attribution session which was later publicly traced to him: “I don’t think we can produce a settlement freeze, but even if we could, it is a matter for [Arab-Israeli] negotiation” (State Department transcript, 9/17/91).

On February 24 of this year, however, Baker made public a stunning reversal of the Administration’s position. Baker told the House Appropriations Committee’s Foreign Operations Subcommittee, “[W]e will support loan guarantees of up to \$2 billion for five years if there is a halt or an end to settlement activity” (*Federal News Service* transcript). The previously rejected ‘quid pro quo’ between loan guarantees and settlements had become explicit Administration policy.

At the watershed February 24 hearing, Baker went on to state: “[D]uring the course of trying to put together a peace process, we even suggested that the Arabs agree to terminate the boycott in exchange for some action on the part of Israel, for instance the suspension of settlement activity, and the Arabs agreed to do it and Israel said no dice.”

In fact, Arab acceptance was far from universal. The Arab League, which launched the Arab boycott and is responsible for its operation, sharply

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian—Palestinian Delegation (*continued*)

criticized the proposed boycott-settlement swap in a statement by its Assistant Secretary General for Political Affairs (*Reuters*, 7/17/91). The Jordanian parliament formally rejected the idea after King Hussein had vaguely accepted it in principle "if the dynamics of the situation could be worked out" (*Mideast Mirror*, 7/23/91). Syria, where the Arab boycott headquarters are located, remained silent on the proposed swap, but the Damascus-backed Palestine National Salvation Front (PNSF), which is known to clear its policies with the Syrian government before announcing them, condemned and rejected the deal (*Mideast Mirror*, 7/23/91).

Baker in fact had tried to put together a three-way agreement: not just a boycott-settlement swap, but also, he told reporters at the Madrid Conference, "a suspension . . . of the intifada in exchange for a suspension of the settlement activity" (*Federal News Service* transcript, 11/1/91). The Palestinians rejected the idea out of hand. Palestinian spokesperson Hanan Ashrawi told reporters in Madrid, "You cannot equate settlement activity with the intifada . . . So long as there's an occupation, there will have to be a popular expression of . . . the intifada" (*Federal News Service* transcript, 11/3/91).

Given that there was no general Arab acceptance of Baker's triangular deal and that the Palestinians had flatly rejected it, the Administration's decision to single out Israel for condemnation and punishment was more likely to undermine Israeli confidence in the United States than to persuade Arab parties of the need to make concessions in the peace process.

The impact of the Bush Administration's linkage policy on the peace process had surfaced even before it became official in February. Amid clear signs after Madrid that President Bush would seek a 'quid pro quo' on absorption loan guarantees despite his public protestations, Palestinian negotiators in particular and Arab delegates to the bilaterals in general concluded that they did not need to negotiate substance in face-to-face talks with Israel because the United States would deliver Israeli concessions for them. Palestinian delegate Ghassan al-Khattib, for example, stated last December: "We are not going to proceed to any other point on the agenda until we reach a solution that stops the settlements . . . Our position on this [a settlement freeze] is strong, mainly because it is supported by different means of pressure by the United States. All we have to do is be consistent with the bases laid down by the co-sponsors of the peace conference and by the international community" (*Christian Science Monitor*, 12/2/91). And just one day after Baker's February 24 linkage statement, Palestinian spokesperson Hanan Ashrawi suggested that the Palestinians would stop discussing self-government arrangements proposals with Israel until Israel froze settlements. "We have to solve the settlement issue . . . before we can enter into any discussion of the transitional phase," Ashrawi said at a press conference (*Federal News Service* transcript, 2/25/92).

In a Washington speech on March 10, Israeli Ambassador to the U.S. Shoval explained Israel's view of the impact Washington's linkage policy was likely

ly to have on the Arab negotiating posture. "I have no doubt in my mind," he said, "that the Palestinians, seeing the controversy between Israel and the United States about the loan guarantees and the settlements, may have had a perception . . . that in this . . . cooling atmosphere between Israel and the United States, they don't have to be more flexible, they don't have to be more compromising, more forthcoming." The Ambassador continued, "On the contrary, they believe this may give them an opportunity to press their demands and perhaps being backed, at least atmospherically, by the United States." Furthermore, he said, the Arabs "may get one of their major, major prizes in this whole process [a settlement freeze], not as a result of negotiating with us but as a result of American pressure on Israel" (*Federal News Service transcript, 3/10/92*).

As Shoval's remarks reflect, the Administration's linkage of loan guarantees to settlements has badly eroded Israel's confidence in the United States. Given the historical relationship between the strength of U.S.-Israel ties and Jerusalem's capacity to make high-stakes concessions for the sake of peace, the dismay in Jerusalem over President Bush's major policy move is expected to hamper the effort to make real progress in the current Arab-Israeli talks.

Members of Congress in both Houses and in both parties have criticized the Administration's loan guarantee policy on the grounds that it has undermined the peace process. Utah Republican Senator Orrin Hatch wrote in a March 27 *Washington Times* column, for example, that "holding the loans hostage reduces the incentive of the Arab states and the Palestinians to negotiate seriously, and undermines the confidence in U.S. security guarantees that Israel must have in order to make concessions."

Officials in the Administration itself have in the past recognized the importance of the U.S.-Israel bilateral relationship to peace efforts. Chairman of the Joint Chiefs of Staff Colin Powell said on March 19 of last year, for example, "Peace in the Middle East, a peace we all yearn for, can only be secured if the U.S.-Israel relationship remains strong and vibrant" (*Federal News Service transcript, 3/19/91*). Indeed, the negative consequences of the Administration's linkage of loan guarantees with settlements threaten to undermine its considerable achievements in convening the Madrid conference and launching bilateral and multilateral peace negotiations.

6. Israel and Jordan Discuss the State- to-State Agenda

It has been said that Jordan is Israel's best neighbor. Although, unlike Egypt, it does not have a formal peace treaty with Israel, unofficial yet practical ties thrive. If Jordan were free to pursue the peace negotiations with Israel on purely bilateral issues and without outside constraints, a peace treaty could probably be signed within weeks. But Jordan has dangerous neighbors to the north and east—Syria and Iraq—and a large Palestinian population within its borders which is no less hazardous to its existence. Even President Sadat

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian—Palestinian Delegation (*continued*)

of Egypt—a far larger and more powerful country than Jordan—found it impossible to conclude a wholly separate peace treaty with Israel and engaged in tough and protracted negotiations with the Israelis on self-government for the Palestinians. As participants in a joint delegation with the Palestinians, moreover, the Jordanians need to appear at least as concerned for the Palestinians as for themselves. King Hussein's move in 1988 to formally cut off Jordan's legal and administrative ties with the West Bank led some to speculate that this would pave the way for a separate peace between Jerusalem and Amman that would not involve the territories. Against the backdrop of constraints it now faces, however, Jordan has publicly insisted during the course of the bilaterals that Israeli-Jordanian bilateral issues must be tackled in the context of discussions on Israeli withdrawal from the West Bank.

In a cordial atmosphere, the Jordanians and Israelis have mainly engaged in exchanging proposed agendas for the state-to-state negotiations between them. The initial Israeli draft agenda presented this January during Washington II when Israeli-Jordanian track talks began included two main items: "1. Peace treaty: components of peace"; and "2. Possible preliminaries for peace (during the course of the negotiations)." The first item referred to "termination of the status of war and establishment of peace, including full diplomatic relations; security; borders; normalization, including various spheres (trade, civil aviation, culture etc.); and areas of cooperation for special attention: water, energy, environment and economy." The second item referred to "liaison arrangements; opening of borders and mutual visits; liaison system between the two militaries; and non-political exchange in spheres of mutual interest, including cooperation in the areas of water, energy and environment and economy." No draft Jordanian agenda or subsequent Israeli drafts have been made available.

Israel's first draft agenda contained all the major bilateral issues the Jordanians are known to have raised. In particular Israel responded to a Jordanian request, transmitted to Foreign Minister David Levy in Secretary Baker's invitation to Washington I last November, that Jordanian border claims against Israel be placed on the agenda. Most of the other issues in the Israeli draft echoed U.S. suggestions for a Jordanian-Israeli agenda included in Baker's invitation to the Washington talks.

Nonetheless, the Jordanians rejected the Israeli agenda. The chief Jordanian delegate, Marwan Mouasher, explained the difficulty at a press conference during Washington III. He said that "the Israelis are always eager to show progress on issues that are not in contention to start with, while. . . we would like to see progress on contested issues." The "contested issues," he said, are: the meaning of Resolution 242; Israeli withdrawal from the territories; the applicability of the Fourth Geneva Convention to the territories; and the "need to freeze settlements." To the Jordanians, he added, these issues must be the first part of the negotiations; "talks on cooperation or coordination" should be the second part. But, he said, "The Israelis want to move directly to the second part without talking at all about the issues that divide us" (*Federal News Service* transcript, 3/4/92).

II. HEADWAY IN THE BILATERALS

B. Israel—Jordanian-Palestinian Delegation (*continued*)

The nub of the problem, it is clear, is Amman's insistence on discussing the Palestinian situation before taking up bilateral Israeli-Jordanian issues. Furthermore, these matters are not even part of the Palestinian interim self-government arrangements which are on the table in the Israeli-Palestinian negotiations, but rather final-status issues which are supposed to be discussed only during the second stage of the negotiations scheduled to begin three years after the implementation of the first stage. The draft agendas exchanged between the Israelis and Jordanians are therefore far apart.

Nonetheless, the Jordanian-Israeli negotiations have made some headway. As chief Israeli negotiator Elyakim Rubinstein told reporters during Washington III, "[W]hile there are obviously gaps and difference of view in a number of areas, there are also areas of commonality and we hope to be able to work on this in the next round." Rubinstein noted that "the meetings here also enabled experts on both sides, experts on economy, law, energy, water—all very important areas—to exchange views on these issues" (*Federal News Service* transcript, 3/4/92).

In order to move the Jordanian-Israeli talks forward, however, the United States will have to persuade the Jordanians to remove the final-status Palestinian items from their draft agenda and concentrate on bilateral issues such as those included in the Israeli draft and in the U.S. invitation to Washington I. The Jordanian-Israeli track was specifically designed to deal with bilateral Jordanian-Israeli issues; only if it is confined to these issues does it have any chance of leading to a successful conclusion.

C. Israel—Syria

Whereas the bilateral talks between Israel and the Jordanian-Palestinian delegation are governed by the elaborate two-stage Camp David framework, negotiations between Israel and Syria are open-ended. In the first four rounds of Israeli-Syrian talks since the Madrid plenary, Syria has predictably demanded the return of the Golan Heights. Israel has said it is prepared to discuss territorial issues, but wants Syria to first recognize the existence of the Jewish state. It is quite possible that the two sides will ultimately determine that as in the case of the West Bank and Gaza, confidence-building transitional arrangements will have to precede the resolution of any final-status issues.

1. *Damascus Upgrades Its Public Relations*

Madrid provided the Syrians a painful but valuable learning experience. They discovered that the kind of public truculence Foreign Minister Farouk Sharaa displayed in his Madrid speech loses them points in the West and boosts Israel's public relations. And they found that in the wake of their Soviet patron's demise and the U.S. victory in the Gulf war, Damascus was no longer able to intimidate its weaker Arab neighbors into adopting its hard-line position on negotiations with Israel. To the contrary, Syria's attempt to pressure them into boycotting the bilateral sessions with Israel at the end of the Madrid Conference backfired, isolating and humiliating Damascus. In the end it was

Syria that had to adopt the other Arab parties' position and send its own representatives to sit down with the Israelis for the first-ever session of direct bilateral negotiations between the two countries.

The Syrians have learned from their experience. Unlike his boss Farouk Sharaa, chief Syrian negotiator Muwaffaq Allaf has adopted a moderate tone in most of his Washington press briefings. His soft-spoken manner, moreover, contrasts sharply with Sharaa's harsh demeanor. At a news conference during the third Washington round, Allaf even suggested that Syria is ready to sign a peace treaty if its demands are met and said that Damascus would agree to "the establishment of peace with all its attributes by the Arabs with Israel" (*Federal News Service* transcript, 3/6/92). And while bitterly complaining about Israel's stance in the negotiations, the Syrians joined the other Arab delegations in showing up for all the scheduled bilateral Washington meetings with the Israelis.

Although there is strong evidence that the new Syrian posture has less to do with any genuine change of heart toward Israel than with a desire to win the public-relations war against it, the new posture has benefited the peace process. Moreover, Syria's continued participation in the bilateral talks has helped keep them on track. This is not to say, however, that Damascus is now embarked on a course of seeking to negotiate a peace treaty with Israel. All indications point in a different direction.

2. Syria's Hard-Line Stance Persists

Despite the milder rhetoric, Syria's conditions for any settlement with Israel remain the same. Foreign Minister Sharaa said in Madrid that "it is imperative for Israel to withdraw from every inch of the occupied Syrian Golan, the West Bank, Jerusalem, the Gaza Strip and the south of Lebanon." Using more diplomatic terms, chief Syrian negotiator Muwaffaq Allaf said the same thing at the end of Washington III: A settlement must be "based on Israeli withdrawal . . . to the lines of 1967" (*Federal News Service* transcript, 3/4/92). Even if Israel agreed to withdraw from every inch of the Golan, Allaf indicated, Syria would still not make peace with it; as Allaf said at a press conference during Washington III, the Israelis "might agree with us or not agree with us on the Golan, but they might agree with the Lebanese or with the Palestinians or with the Jordanians . . . The important thing is that nobody should try to make a separate peace at the end . . . So, we are for a comprehensive settlement" (*Federal News Service* transcript, 2/27/92).

Syria's insistence on an Israeli commitment to a total withdrawal prior to the discussion of any other issue has bedeviled the Israel-Syria negotiations since Day One. As related above, chief Israeli negotiator Yosef Ben-Aharon reported after the two parties' meeting in Madrid last November that the Syrians repeatedly asked the Israelis, "When will you withdraw from the territories?" Toward the end of Washington III, Ben-Aharon still reported "persistent [Syrian] reference to withdrawal" (*Federal News Service* transcript,

II. HEADWAY IN THE BILATERALS
C. Israel—Syria (*continued*)

3/3/92). Syrian chief negotiator Allaf himself explained three days later that Israel would have to give up the land before a discussion of its security requirements could begin: “[R]elinquishing the land Israel occupied in 1967 would permit discussion of . . . security for Israel” (*Federal News Service* transcript, 3/6/92). In any event, Ben-Aharon reported, the Syrians “say there’s no such thing as secure borders, you have to withdraw in toto, and that in itself will give you the kind of security that you are seeking” (*Federal News Service* transcript, 3/3/92).

Israel’s position has been that while it is prepared to negotiate on territory, Syria first needs to acknowledge that it is talking to a real state, not some illegitimate entity. Ben-Aharon said during Washington II this January, for example, that what Israel needs is a Syrian “acceptance of the fact that there is a State of Israel in the Middle East” (*Federal News Service* transcript, 1/13/92). Syria’s rejection of Israel’s right to exist, Ben-Aharon said, means that it “has no place for an Israel in the Middle East.” He added: “Once we overcome this hurdle we will be able to talk to [Syria about] the delineation of the border. We have no problem in dealing with the issue of territory and borders between us and Syria at the right time” (*Federal News Service* transcript, 1/14/92). Ben-Aharon emphasized that Israel is not seeking at this stage formal diplomatic recognition, which, he said, could be discussed together with the territorial issue at a later time.

Ben-Aharon has indicated that Israel is willing to discuss possible interim confidence-building measures (CBMs) with Syria pending an agreement on final-status issues. “We do not rule out the option of CBMs which may come up at the appropriate time at a setting which is conducive to such moves,” he said after Washington I last December (*Middle East Insight*, January/February 1992). The Administration has suggested that it supports the concept of CBMs in Arab-Israeli negotiations, not necessarily limited to Palestinian-Israeli negotiations. Secretary of State Baker noted in a May 22, 1989, speech that there is a long-standing U.S. commitment to the principle that “the issues involved in the negotiations are far too complex and the emotions far too deep to move directly to a final settlement. Accordingly, some transitional period is needed, associated in time and sequence with negotiations on final status. Such a transition will allow the parties to take the measure of each other’s performance, to encourage attitudes to change, and to demonstrate that peace and coexistence is desired” (State Department transcript).

As Israeli-Syrian bilateral talks began last year, there were reports that the State Department and Pentagon were each working on studies exploring the possibility of interim arrangements between Jerusalem and Damascus. This January, the chief spokesperson for Prime Minister Shamir would neither confirm nor deny speculation in Israel that Jerusalem might propose an interim arrangement whereby Israel would cede control to Syria of some Druze villages in the Golan in exchange for some Syrian gesture, perhaps a termination of its state of war against Israel (*Reuters*, 1/1/92).

II. HEADWAY IN THE BILATERALS
C. Israel—Syria (*continued*)

The Syrians have rebuffed all Israeli attempts to move forward—even on the most trivial of issues. At a press conference during Washington I, Ben-Aharon said:

[W]e tried to establish a communication, and at this last meeting, I proposed to [chief Syrian negotiator Allaf] that we communicate through our ambassador in Washington. He rejected. I proposed to him some kind of a positive note to the end of this round by—through a joint communique which was innocuous, and I gave him the text which, after some hesitation, he proceeded to handle for a moment and then sent it back, gave it back to me. He said this is not the time for anything that is joint (*Federal News Service transcript, 12/18/91*).

Similarly, Ben-Aharon reported during Washington III that the Israelis “presented [the Syrians] with a paper containing eight points of agreement on issues that are very, very basic. It’s really the lowest common denominator.” Chief Syrian negotiator Allaf studied the document, rejected it, “and gave it back to us.” The Syrian delegation head, Ben-Aharon said, was unwilling to accept any “expression of something he can point to as being positive from our side. And that’s a pity” (*Federal News Service transcript, 2/26/92*).

Coupled with their persistent refusal to shake hands with the Israelis or even engage them in small talk, the Syrians’ unyielding stance on both the procedure and the substance of the negotiations has led Israeli officials to the conclusion that the Syrians had come to Washington not to negotiate with the Israelis, but to get the United States to “deliver” Israel. Ben-Aharon said during Washington III, “They have expectations . . . that if and when they reach any sort of crisis, the United States will intervene. And intervene in their favor” (*Federal News Service transcript, 2/26/92*). The Israeli interpretation was borne out by Syrian statements. Syrian spokesperson Bushra Kanafani, for example, told reporters during Washington III: “It’s always in our intention that the United States of America, as the main initiator of this process, as the honest broker—we were promised that the United States would be the driving force—that this country, as a sponsor, must practice its role to push the peace process forward” (*Federal News Service transcript, 2/26/92*).

Underlying Israel’s concern over Syria’s conduct at the negotiating table is an even deeper worry about Syria’s actions on the ground in the Middle East. Syria’s brutality toward its own citizens has been noted in the recently released State Department *Country Reports on Human Rights Practices for 1991*: “The major human rights problems [in Syria] include torture, arbitrary arrest and detention, lack of fair trial in security cases, and the denial of freedom of speech, press, association, the right of citizens to change their government, and certain worker rights.” Syria’s 4,500 Jews have been singled out for particularly harsh treatment. The Administration has also made reference to Syria’s continued support for international terrorism. In testimony last November before the Europe and the Middle East Subcommittee of the House Foreign Affairs Committee, Assistant Secretary of State for Near

II. HEADWAY IN THE BILATERALS

C. Israel—Syria (*continued*)

Eastern and South Asian Affairs Edward Djerejian said that “Syria allows the presence—on its territory and in the Bekaa where Syrian troops are garrisoned nearby—for various groups that are known to be groups engaged in international terrorism, including [the Palestinian group] PFLP-GC” (*Federal News Service* transcript, 11/20/91). The State Department announced on March 12 of this year that in conducting its annual review of the U.S. list of nations supporting terrorism, it determined that Syria should remain on the list—in the company of Iraq, Iran, Cuba, Libya, and North Korea. Syria’s involvement in drug trafficking was also noted by Djerejian in his testimony last November, when he said that “there is definitely information of Syrian military involvement in the drug trade in Lebanon.”

Most troubling to Israel has been Syria’s rush to acquire missiles, tanks, and other offensive weapons even as its delegates continue to sit down with the Israelis in Washington. On February 21 of this year, as the United States called on North Korea to halt a ship carrying advanced Scud missiles and missile-related equipment to Iran for transfer to Syria, State Department spokesperson Margaret Tutwiler told reporters, “Syria . . . has had Scud missiles in its arsenal for years, and we believe that they are still trying to procure more, including from North Korea” (*Federal News Service* transcript). The Scud missiles’ successful arrival in Iran en route to Syria was seen by the Israelis as a reminder that Syria, whose powerful armed forces already constitute the biggest threat of any Arab army to Israel’s security, had not abandoned its efforts to build an offensive military option against Israel.

Despite their concerns over Syria’s intentions and actions, the Israelis expressed readiness to negotiate with the Syrians on any issue, including territorial withdrawal. Although, according to Israel, Damascus was completely unresponsive to Jerusalem’s willingness to negotiate Syrian territorial demands, the Jewish state said it would remain engaged in talks with Syria. Ben-Aharon said toward the close of Washington III that Israel “will continue as long as it takes because . . . if there is that sliver of an opportunity to talk to the delegation that represents a country that for 43 years has adopted perhaps the most extreme position, that in itself is something which we should not belittle, and we’ll do our best to continue the exchange, hoping that this will open the way to some kind of mutual understanding and then basing even on that slim basis, maybe we will reach points of agreement that will then serve the objective of future progress” (*Federal News Service* transcript, 3/3/92).

Ben-Aharon said during Washington II in January that despite the difficulties and frustrations, the very fact that Israel and Syria are holding direct talks represents progress: “If Syria has over the years rejected any kind of proposal to meet with us directly, and now has agreed, no matter what are the considerations and reasons for it, we appreciate and record this as a fact . . . [T]he fact that they have agreed is in itself progress” (*Federal News Service* transcript, 1/14/92). Even the Syrians have reported some progress in the negotiations process. Chief Syrian negotiator Allaf said on Feb-

ruary 25 as Washington III opened, “[W]e were able to introduce some substantive discussion again about the concept of peace and security, comprehensive peace, how to implement the resolution [242] in a manner which shows good faith” (*Federal News Service* transcript).

D. Israel— Lebanon

There is no question that if Lebanon were truly an independent country, a full-fledged Lebanese-Israeli peace treaty could be signed within a very short time. Neither Israel nor Lebanon has any territorial claims against the other; both nations want the withdrawal of all foreign forces from Lebanon and the extension of full Lebanese army control over the entire country; and both nations want to live in peace with each other.

But Lebanon is not an independent state. More than 40,000 Syrian soldiers control over half of its territory, and Syrian loyalists occupy most of the key positions in Lebanon’s government, parliament, and army. Lebanon’s foreign policy is largely determined in Damascus, and its foreign policy interests are subordinated to Syria’s. The Assad regime scuttled the 1983 Israeli-Lebanese treaty, and it is not permitting Lebanon to conclude a separate peace treaty with Israel in the current talks. While Lebanese negotiators in the bilaterals have been allowed some leeway on marginal issues, Lebanon’s negotiating stance in these discussions seems to reflect Syrian objectives more than Lebanese needs.

1. Israel Proposes Security Arrangements

Southern Lebanon, appropriately dubbed by journalists “The Wild South,” is one of the most chaotic and dangerous places on Earth. Bands of fundamentalist Muslim Hezbollah suicide fighters roam the nation, placing explosive charges on roads and booby traps elsewhere, shooting at passing vehicles, firing Katyusha rockets into northern Israel, and averaging about one attempted cross-border terrorist raid per week. After taking “credit” for blowing up the Israeli Embassy in Buenos Aires on March 17 of this year, Hezbollah’s political arm Islamic Jihad stated, “We proudly announce that the operation . . . is one of our continuous strikes against the criminal Israeli enemy in an open war that we will not finish until Israel is wiped out of existence” (*Washington Post*, 3/19/92). Hezbollah had earlier acknowledged blowing up the Marine headquarters and U.S. Embassy in Beirut and taking most of the former American hostages in Lebanon. The PLO and other Palestinian and Lebanese armed groups are active in southern Lebanon as well. To protect its citizens Israel maintains a narrow security zone in southern Lebanon, patrolled by IDF and South Lebanon Army soldiers.

A recent *Wall Street Journal* article (March 19) reported that Syria has given Hezbollah free rein to mount operations against Israel, because Damascus believes that these activities can serve its goal of extracting concessions from Israel and the United States. Iran for its part supplies financial and technical

II. HEADWAY IN THE BILATERALS
D. Israel—Lebanon (*continued*)

aid, and Iranian Revolutionary Guards stationed nearby provide guidance and operational assistance. The Israelis find this situation intolerable. They seek to negotiate an agreement with Lebanon that would replace the armed groups in the south with regular Lebanese army troops who will maintain order and prevent attacks against Israel; in return, the Israeli army would withdraw from the security zone. The Israelis further seek a full peace treaty with Lebanon to replace the shaky armistice agreement of 1949.

Chief Lebanese negotiator Souheil Chammas stated after Washington I, “[T]he Israelis have assured us that they have no claims or designs on Lebanese territory, not even on one centimeter. . . They even went further and they assured us that they do not covet or have any designs or any claims on one drop of Lebanese water” (*Federal News Service* transcript, 12/20/91). Indeed, co-chair of the Israeli delegation Yosef Hadass had stated at the opening of Washington I in December, “Israel has no territorial designs over Lebanon. All we seek is security for the northern part of Israel and to protect the lives of our citizens from terrorist attacks” (*PRNewswire* transcript, 12/10/91). Hadass reiterated this pledge during Washington III: “We have no claims, I repeat it here, over any inch of Lebanese territory” (*Federal News Service* transcript, 2/27/92). Israeli Ambassador to the U.S. Shoval had stated earlier that “if all foreign forces—Syrian, PLO, Hezbollah—leave Lebanon, Israel has absolutely no purpose to have any position in Lebanon at all” (CNN “One on One,” quoted in *Federal News Service* transcript, 10/27/91). And on the eve of the Madrid Conference, co-chairman of the Israeli delegation Uri Lubrani said that Israel was prepared to negotiate the withdrawal of its soldiers from the security zone if its security needs were met (*Washington Post*, 10/29/91).

Israel’s stance is compatible with Washington’s long-established position on this issue. Nearly a decade ago, the United States formally committed itself not to seek an Israeli withdrawal from southern Lebanon unless a simultaneous withdrawal is implemented by Syria and the PLO (U.S.-Israel Memorandum of Understanding, 5/17/83). More recently, according to a press report of U.S. pre-Madrid assurances to Lebanon, the Administration stated that “Lebanon and Israel have the right to secure borders,” and that nothing in the process would alter the United States’ “commitment to the unity, sovereignty and territorial integrity of Lebanon, as well as to the withdrawal of all non-Lebanese forces from [its territory] and the disarming of all militias” (*Mideast Mirror*, 10/29/91). UN Secretary General Boutros Ghali for his part has expressed support for “the process of deployment of the Lebanese Army in southern Lebanon, thus helping to re-establish the Government’s authority there” (letter to the Security Council, 1/30/92). Boutros Ghali’s letter is consistent with Security Council Resolution 520 (1982), which calls for “strict respect of the sovereignty, territorial integrity, unity and political independence of Lebanon under the sole and exclusive authority of the Government of Lebanon through the Lebanese Army throughout Lebanon.”

The Israelis' ultimate goal in the bilateral negotiations with the Lebanese is a full peace treaty between Israel and Lebanon. As Hadass stated on March 3 of this year toward the end of Washington III, "[W]e are here not to discuss partial peace, not to discuss another armistice or cease-fire agreement, or even non-belligerency. We have come here and we are here to achieve bilateral, comprehensive peace between Lebanon and Israel." But for now, Hadass said on February 25, the Israeli negotiators have "tried not to confine [themselves] to . . . peace . . . but to . . . negotiate concretely, [making] a very concrete proposal which can . . . move [the parties] forward toward this peace." Hadass said on March 4 that the Israelis had focused in their discussions with the Lebanese on security problems, and emphasized particularly the issues of terrorism from Lebanese territory and of the Syrian and Iranian presence in Lebanon. Among other proposals, the Israelis suggested the establishment of two working groups, one on security and one on civilian affairs. The chief Lebanese negotiator Souheil Chammas said on March 1 that while Lebanon objected to the proposal, "We never said we will not discuss [it]" (*Federal News Service* transcripts).

2. Lebanon Demands Immediate Israeli Withdrawal

The polite statement by Hadass on February 26 that Israel was "negotiating with a delegation of an independent and sovereign country" was gratefully acknowledged by the Lebanese; Chammas said on the same day, "The chairman of the Israeli delegation clearly stated that the delegation he faces . . . represents a free and sovereign Lebanon. And for us, that's a satisfactory statement." But all indications are that Lebanon's freedom and sovereignty are severely curtailed by the Syrians. A statement by Ben-Aharon on March 5 that the issues would remain as they are "as long as Syria rules [Lebanon]" was borne out by Lebanese positions and statements (*Federal News Service* transcripts.)

Asked last December 20 at the end of Washington I when the Lebanese army would be ready to take up security responsibilities in the south, Chammas responded: "I think by now we're ready. . . We have an army. It's ready to move. The decision will be political, not military. . . [W]e hope others would respond to our needs and requirements" (*Federal News Service* transcript). By "others" Chammas could only have meant the Syrians. Despite the well-known Lebanese desire to see a Syrian troop withdrawal from their country, Chammas said on February 26 of this year that the Syrians' "continued presence is acceptable to the Lebanese authorities." He then made the following extraordinary statement, however:

His Excellency the President of Syria, President Al-Assad, had assured the Lebanese leadership at the highest level that he will be happy when the day will arrive that the Lebanese authorities would request him to withdraw the Syrian troops from Lebanon (*Federal News Service* transcript).

It stands to reason that Lebanon's own interests would be best served by linkage of an Israeli withdrawal from southern Lebanon to a simultaneous

II. HEADWAY IN THE BILATERALS
D. Israel-Lebanon (*continued*)

withdrawal by Syria and all other foreign forces from the rest of the country; a unilateral Israeli withdrawal would remove Lebanon's strongest leverage for securing the withdrawal of the other forces. Yet throughout the three Washington rounds which have taken place, the Lebanese delegation persistently demanded an immediate, unilateral Israeli withdrawal—a long-established Syrian objective. During Washington III (February 26), Chammas said that the "effort to lay down the basis for a linkage between Syria's presence and Israeli occupation is only a futile attempt on the part of Israel to continue and justify its occupation of Lebanon" (*Federal News Service transcript*).

The Lebanese based their demand for a unilateral Israeli withdrawal on UN Security Council Resolution 425 (1978); they chose to ignore both the resolution's implicit demand for a withdrawal of *all* foreign forces in its call for "strict respect for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries," and Resolution 520's call for implementing "sole and exclusive authority of the Government of Lebanon through the Lebanese Army throughout Lebanon."

The Israelis acknowledged Resolution 425's relevance and importance. Hadass said on February 26, "425 is a very, very, very important resolution. We understand Lebanon's concern about it." But, Hadass explained, "it has to fit into the comprehensive framework of peace. It's not an isolated element." He added: "We'll discuss it, in due time, when we are going to discuss the different elements . . . of a peace treaty." But Chammas was adamant: He stated on March 2 that Resolution 425 is "the only starter available in the discussions of peace" (*Federal News Service transcripts*). The gap between these two positions has yet to be bridged.

Nonetheless, the Israeli-Lebanese negotiations have been useful and constructive by all accounts. Chammas stated at the conclusion of Washington I (December 20), "[W]hat we have done with our Israeli interlocutor is that we've been moving . . . The talks were open, they were direct, they were bilateral." Toward the end of Washington III (March 3) he was even more upbeat: "We're achieving much. We're defining areas of disagreement, and to define areas of disagreement is already an accomplishment." Israeli delegation co-chair Lubrani agreed. He told reporters on March 4, "It has been a very constructive round . . . I think that the most important achievement is that both we on our part, and I hope also the Lebanese delegation on its part, [are] clear about the problems and the subjects which need to be discussed and agreed upon before we can reach a peace agreement."

No less important, the Lebanese delighted in shaking hands with the Israelis and in conducting cordial exchanges with them, unlike the Syrian delegates. As Hadass stated on December 19, the talks were held in a "good atmosphere." It was a "relaxed atmosphere, with no tension, with jokes even,"

II. HEADWAY IN THE BILATERALS
D. Israel-Lebanon *(continued)*

he said. Even the Hezbollah Katyusha rocket shelling across the border did not affect the atmosphere. "On the contrary," said Hadass on February 24, "it gave both sides the sense that we need to move forward and to achieve this peace, to avoid such incidents or such serious threats to our security" (*Federal News Service* transcripts).

Given Syria's control over Lebanon, a breakthrough toward the achievement of an Israeli-Lebanese peace treaty will ultimately depend on a change in Syrian policy toward Lebanon. Nonetheless, the ongoing direct dialogue between the Israelis and the Lebanese on issues relating to peace and security is an important step.

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference

On January 28 of this year, just under three months after the historic Madrid Conference had launched the new Middle East peace process, Secretary of State Baker and Russian Federation Foreign Minister Andrei Kozyrev opened a two-day multinational conference in Moscow dedicated to launching multilateral discussions on Middle East regional issues. The opening session of the conference took place in the chandelier-adorned Hall of Columns in Moscow's House of Unions.

The House of Unions had gained international notoriety for being the site of the late Soviet dictator Josef Stalin's "show trials" of his political opponents in the 1930s. Now, in post-Stalinist, post-Communist, post-Soviet Union Russia, it was the site of a more uplifting spectacle—a majority of the Arab League's member nations was participating with the State of Israel at a conclave on interstate Middle East cooperation. Delegates from Israel and 11 Arab states—including Gulf Cooperation Council and Maghreb nations not bordering on the Jewish state—were joined at the conference by representatives of 24 other nations: the U.S.; the Russian Federation; the European Community Twelve; the six nations of the European Free Trade Association; Turkey; Canada; China; and Japan.

"Look around you, ladies and gentlemen, at the parties gathered around this table," Secretary of State Baker urged the delegates during the conference's opening session. "Who would have imagined fifty years ago that the nations of Europe, many of whom were for centuries the fiercest of enemies, would find lasting common purpose in a vibrant European Community? And who would have imagined even five years ago that the United States would launch a new partnership with a democratizing Russia? Who really knows what kinds of cooperation, however improbable it might seem today, might be possible in the Middle East over the rest of this decade?"

As Baker spoke, most of the world's attention was focused elsewhere. Lead headlines in U.S. newspapers on the day after the opening of the Moscow Conference were reserved for President Bush's much-anticipated State of the Union Address January 28. Even for the host of the conference, the Russian Federation, the plenum was hardly a focus of attention; Russian President Boris Yeltsin did not attend the Moscow meeting, flying instead to the Russian port of Novorossisk for talks with military leaders on the future of the former Soviet Union's Black Sea fleet.

1. U.S. Leadership

There was no doubt, however, that Secretary of State Baker was paying close attention to the course of the Moscow Conference. Baker deemed the launching of multilateral negotiations between Arab parties, Israel, and others in

the international community as a critically important element of the peace process, and he worked to secure the agreement of Arab parties to participate even in the face of a call from Syria for a boycott of the session unless Israel committed to withdraw from additional territory it had captured in the 1967 Six Day War. The Secretary of State also reached out to powerful nations in Europe, Japan, and elsewhere around the globe and lined up their participation in the talks.

To be sure, the heart of the peace process in the Bush Administration's view is the direct *bilateral* negotiation between Israel and immediate neighbors of hers, with the objective of achieving peace treaties following the precedent of the 1979 peace treaty between Israel and Egypt. But progress in multilateral negotiations—as President Bush said in his speech at the Madrid Conference—“is not intended as a substitute for what must be decided in the bilateral talks. To the contrary, progress in the multilateral issues can help create an atmosphere in which longstanding bilateral disputes can more easily be settled.” President Bush explained, “For too long, the Israeli people have lived in fear, surrounded by an unaccepting Arab world.” For Israel to take additional national security risks for the sake of a “comprehensive settlement,” the Administration understood, it would need signs that the Arab world was now ready to coexist with her.

Multilateral discussions on regional issues were viewed by the U.S. as important in their own right as a means of addressing such issues as arms control which affect the life of the Middle East across national boundaries. Multilateral talks, Baker told the assembled delegates in the domed Hall of Columns, “offer a real and valuable chance to address issues of major importance that do not lend themselves to discussion in the bilateral framework.”

2. *International Engagement*

In his address at the Moscow Conference, Japanese Foreign Minister Michio Watanabe echoed the U.S. view on the importance of the multilateral negotiations being launched. “[W]e should be fully aware that progress in the multilateral conference could facilitate direct negotiations through confidence-building among the parties,” Watanabe stated, “and thus sustain the Middle East peace process.” The Japanese Foreign Minister also made clear Tokyo shared the view that multilateral cooperation was also a necessary means of addressing regional issues. On environmental protection, for example, Watanabe said, “The environmental problems are hard to solve by one country alone and cooperation among countries in the region is absolutely necessary. . . . Arms control in the Middle East is as urgent a task for all of us as moves to ameliorate conflict among the parties concerned.”

Representing the 12 nations of the powerful European Community in his position as President of the EC Council of Ministers, Portuguese Foreign

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference *(continued)*

Minister Joao de Deus Pinheiro also spoke to the value of the multilateral discussions in his Moscow Conference address. "The Twelve . . . attach much significance to progress in the multilateral track of the negotiations as they view the creation of a climate of stability and confidence among the different parties as essential to fostering regional cooperation," Pinheiro said. "This is the key that will open the door to a new Middle East, demonstrating the benefits of peace." Canadian Secretary of State for External Affairs Barbara McDougall voiced a similar view, saying, "The approach being encouraged is fully consistent with Canada's concept of 'cooperative security,' that is, that true peace and security depend on comprehensive dialogue and cooperation among all concerned."

Through their support for the U.S. approach to the multilateral negotiations process, Japan, the EC, Canada, and the seven other participating nations outside the Middle East played a constructive role at the Moscow Conference. Additionally, several of these nations made an important contribution in Moscow by taking steps to strengthen their ties with Israel and thus reduce the Jewish state's sense of isolation in the international sphere. After a meeting in Moscow between Japanese Foreign Minister Watanabe and Israeli Foreign Minister David Levy, for example, a Japanese official announced that Tokyo would urge its private sector to halt its compliance with the Arab boycott of Israel. There were also indications that Japan might soon sign an aviation agreement with Israel.

3. Arab Participation: Another Setback for Syria and the PLO

Participating Arab governments at the Moscow Conference took pains to declare to their populations and to the international community that they were loath to actually cooperate with Israel unless the Jewish state committed to ceding additional territory to her immediate neighbors. Some, either in their speeches or through their state-run media outlets, expressed support for the most prominent Arab no-shows at the conclave—Syria, Lebanon, and the Palestinians, three of the four parties with whom Israel had engaged in direct bilateral negotiations after the Madrid Conference. And while both of Jordan's TV channels covered Israeli Foreign Minister Levy's speech live, complete with an Arabic translation (*Mideast Mirror*, 1/29/92), the Jordanian delegates at the conference made sure not to applaud when he finished. Indeed, only the delegation of Egypt applauded Levy's appeal for Arab-Israeli coexistence and cooperation (*New York Times*, 1/29/92).

Still, the Arab delegations' participation was significant. As noted above, Syria had called on Arab parties to condition their attendance at multilateral talks on an Israeli commitment to withdraw from additional lands it captured in the Six Day War. Last October 16, just two weeks before the Madrid Conference, Syrian Foreign Minister Farouk Sharaa had stood next to Secretary of State Baker in Damascus and told reporters that Syria would urge "all our brother Arab states" to refuse to participate in multilateral talks

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference (*continued*)

until Israel provided "tangible proof" that would cede additional territory. Sharaa expressed confidence that Arab states would heed Syria's call. "I am sure that the Arab countries would not come forward to multilateral talks before they are sure that the Israelis' intentions have been genuinely reversed," he said (*New York Times* and *Washington Post*, 10/17/91).

At a meeting of Arab foreign ministers in Damascus the following week, however, Syria was unable to persuade its Arab counterparts to announce a unified Arab boycott of the multilaterals. A joint communique issued by the ministers at the close of the meeting on October 24 made no mention of the multilaterals.

Syria's call was publicly rebuffed by the Gulf Cooperation Council just three days later. In an October 27 communique after an emergency session in Riyadh, Saudi Arabia, GCC foreign ministers announced that the GCC nations—Saudi Arabia, Kuwait, Qatar, Bahrain, the United Arab Emirates, and Oman—would participate in the multilateral negotiations, and no conditions for their participation were set forth. The GCC foreign ministers said that "in continuation of GCC efforts to achieve peace, security and stability in the Middle East," the Council looked forward to the Madrid Conference and would send an observer, and that "the states of the GCC will also take part in the multilateral meetings." GCC Secretary General Abdallah Beshara, a Kuwaiti who would attend the Madrid Conference as an observer, was quoted by a Kuwaiti daily as saying that the announced GCC decision to participate in the multilaterals with Israel was "a big step" (*Mideast Mirror*, 10/28/91).

An Arab newspaper close to Saudi Arabia reported that the GCC ministers issued their communique after receiving an "urgent message" from Secretary of State Baker asking for a "more supportive stand" with regard to the negotiations (*Mideast Mirror*, 10/28/91). It was readily apparent that urging from Washington in favor of constructive Gulf engagement with Israel was more potent than urging from Damascus in the other direction.

When he arrived in Madrid, GCC Secretary General Beshara foreshadowed the manner in which Arab delegations at the Moscow meeting would take pains to publicly devalue their participation in multilateral talks with Israel. "The third phase [the multilateral phase, with Madrid being the first phase and the bilateral talks being the second] will address regional problems," Beshara told reporters. "These are not negotiations but deal with issues like disarmament, the problem of water, economic and ecological development. These are all issues that cannot be discussed until after the states directly involved [in the Arab-Israeli conflict] agree on urgent issues like the issues of peace, withdrawal, water and settlements" (*Mideast Mirror*, 10/29/91).

Protestations aside, the bottom line was that the GCC had bucked Syria's call and had announced its intention to participate in multilateral talks. Moreover, the Gulf states would later reaffirm that they viewed the

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference (*continued*)

multilaterals as serving their own interests. In a joint statement issued last December 25, for example, GCC leaders announced that the Council "expresses its determination in taking part in the multilateral talks out of its desire in boosting the regional security" (*United Press International*, 12/26/91).

Other Arab parties joined the GCC in publicly affirming their intention to participate in the multilaterals despite the Syrian call for a boycott. At the Madrid Conference Jordanian Foreign Minister Kamal Abu Jaber referred reporters to a speech by King Hussein to a Jordanian national congress on October 12, in which the Jordanian leader made the case for Jordanian participation in the multilaterals. The King had stated at the congress (*Mideast Mirror*, 10/14/91):

[T]he conference is a peace conference. In other words, the retrieving of territory would be one and not all of its consequences. For there is also the issue of regional security and peace between the countries of the region as well as the issue of the environment, water and economic development. These issues require cooperation and collective agreements. Jordan, which is at the center of the East Mediterranean region, cannot dissociate itself from the efforts aimed at resolving those issues and not be a party in the agreements that could be reached.

After Madrid, King Hussein reaffirmed Jordan's opposition to the Syrian position on the multilaterals. He told the French newspaper *Le Monde* that he thought the bilateral talks and the multilaterals "should be simultaneous," in part because "regional talks would be an extra stimulus."

By the time of the Moscow Conference, Jordan felt confident enough about its participation in the multilaterals that it turned the tables on Damascus and urged Syria to participate. "From a Jordanian point of view, the Moscow talks will not be an alternative to the bilateral peace talks," said Abdul Salam Majali, chief negotiator for Amman in the Jordanian-Israeli bilateral talks, just before Jordanian Foreign Minister Abu Jaber left for Moscow (*Reuters*, 1/25/92). "Arabs should not give Israel the pretext to withdraw from the talks." Abu Jaber made clear to reporters before leaving that Jordan felt no compulsion to heed Damascus' boycott appeal. "We don't need an Arab authorization to go to the talks," Abu Jaber said. "We have our own independent views and we are going as a Jordanian delegation" (*Reuters*, 1/26/92). In an interview with the *Wall Street Journal* just before Moscow (1/27/92), Jordanian spokesperson Marwan Muasher reaffirmed King Hussein's public argument that the multilaterals were in the Jordanians' own interests and in the interests of the peace process: "Money needs to be injected into the region," Muasher told the *Journal*. "People have to feel that the quality of life improves, that compromise pays."

Egyptian President Hosni Mubarak had initially indicated support for the Syrian position. After meeting in Egypt with Sharaa just days before the Madrid Conference, Mubarak was quoted as saying, "It is natural that there be significant progress in the bilateral negotiations before we start talking about the multilateral negotiations." (*Mideast Mirror*, 10/28/91). But Cairo,

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference (*continued*)

no doubt encouraged by Washington, subsequently shifted its approach and took on a leading role in support of an unconditional launching of multilateral talks. After the U.S. and the Russian Federation issued invitations to the Moscow Conference in January, Egypt urged all Arab parties to attend. "Persuasion is the name of the game, but no coercion, no pressure, nothing of that sort," a spokesperson for the Egyptian Embassy in Washington was reported as saying on January 21 (*Jewish Telegraphic Agency*, 1/21/92).

Though they ultimately joined Syria and Lebanon in a boycott of the Moscow Conference, the Palestinians at the same time undermined the Syrian position on the multilaterals by pressing to participate in the Moscow plenum on their own terms. This reportedly infuriated Damascus, particularly since the PLO had indicated its support for the Syrian multilaterals boycott as part of a Damascus-Tunis reconciliation process linked to the peace talks. Days after the reopening last November of the Damascus office of PLO chief Yasir Arafat's Fatah faction (closed in 1983 amid a rift between Syrian President Assad and Arafat), PLO political chief Farouk Kaddoumi told reporters that the PLO and Syria had fully coordinated their positions on the multilaterals. "If there is tangible progress in the bilateral negotiations, the multilateral negotiations can be held, and in that event we can participate in them," Kaddoumi was quoted by the leading Saudi Arabian daily as saying. "But if the progress we seek does not occur, we will never attend the multilateral negotiations" (*Mideast Mirror*, 11/14/91).

As it became increasingly clear, however, that Arab states were going to defy the Syrian boycott call and that the multilaterals were going to be launched, the PLO decided it did not want to be left behind. The group lobbied for Arab support for a PLO seat at the multilaterals. Arab states still resentful of the PLO's support for Saddam Hussein did not even pay lip service to the idea.

Arafat quietly abandoned his effort. When the U.S. and the Russian Federation issued invitations to the Moscow Conference in January, however, Palestinian delegation spokesperson Hanan Ashrawi made sure to tell reporters that the decision on Palestinian participation in Moscow would ultimately be made by the PLO. Additionally, she indicated that Tunis would insist on the participation of Palestinians from outside the territories—in contravention of the terms of reference set before Madrid. "We feel that the terms or conditions of participation that were imposed on us in the bilaterals should not and cannot logically and in all fairness apply to the multilaterals," Ashrawi told reporters on January 13 (*Federal News Service* transcript). Participation of "external" Palestinians would mean, of course, an enhanced role for the "external" PLO.

Meanwhile, Syria pressed the PLO to support its boycott. During an Islamic Conference Organization meeting in Marrakesh, Morocco, the week before the Moscow Conference, Syrian Foreign Minister Sharaa held lengthy talks with Arafat and pressed him to support Damascus' position. After the

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference (*continued*)

meeting, Sharaa reported that the two had agreed Arab participation in the Moscow conference would serve the Israeli objective of "peace for peace" instead of "land for peace." Just days before, Syria released a leading member of Arafat's Fatah faction from a Syrian jail (*Mideast Mirror*, 1/24/92).

On the weekend before the Moscow Conference, the PLO in Tunis debated strategy for the plenum. Ultimately, it decided to direct a delegation including both "internals" and "externals" to go to Moscow and to press Secretary of State Baker for inclusion in the conference. When Baker insisted that a Palestinian delegation for the conference meet the "internals" criteria set before Madrid, the Palestinians boycotted the meeting. The Secretary made a significant concession to the Palestinians, however, by declaring after the opening session in the Hall of Columns that the U.S. would be "supportive of representation by diaspora Palestinians ["externals"] in working groups where that representation was appropriate" (State Department transcript).

Algeria and Yemen also sent delegations to Moscow in defiance of the Syrian position, but boycotted the meeting when it was apparent that the Palestinians were not going to participate. On the face of it, it might have seemed that Tunisia, host to the PLO, would also show solidarity with the Palestinians and stay away from the Moscow conclave. Eager, however, for a restoration of U.S. aid withheld as a result of its support for Iraq during the Gulf crisis, Tunisia decided to participate. Two other Maghreb Union members—Morocco and Mauritania—also participated. As he built the current peace talks, Secretary of State Baker had made clear to the four Maghreb Union nations besides Libya that the U.S. considered their participation in multilateral talks with Israel to be an important confidence-building step. Last August he had visited Tunisia, Morocco, and Algeria and discussed the multilaterals with the nations' leaders. In North Africa as in the Gulf, Washington's wishes proved more important than those of Damascus.

4. Israeli Hopefulness

After the conclusion of the Moscow Conference, Israeli Foreign Minister David Levy stated that Israel was pleased with the progress that had been made at the plenum. "Our expectations were fulfilled," he declared, adding that the conference gave the Arab parties, the Israelis, and the others gathered "a taste of the fruits of the coming peace" (*Associated Press*, 1/30/92).

Levy's comments reflected the general satisfaction among Israeli delegates about the course of each stage of the Moscow meeting. Choosing to accent the positive in the speeches by his Arab counterparts, Levy said on the first day of the conference, "Although each one has its own position, the majority generally focused on constructive issues, spoke about the future that must be built together, and openly spelled out the word peace, which had been blurred in the past. All in all, the trend is positive" (IDF Radio, 1/28/92). Briefing reporters after working group sessions on five regional issues—

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference (*continued*)

arms control, environmental protection, water resources, refugee rehabilitation, and economic development—convened on the second day, Israeli delegates credited their Arab counterparts for a “businesslike approach and the care they took to avoid political point-scoring” (*Associated Press*, 1/29/92). Overwhelmed Israeli delegates shared anecdotes with reporters about informal conversations and exchange of banter with their Arab interlocutors.

The upbeat Israeli assessment of the multilateral organizing meeting could be attributed to the fact that Jerusalem came to Moscow with “modest expectations,” as Israeli Foreign Ministry official Moshe Raviv said on the eve of the conference. “We have no illusions,” Raviv told reporters. “We know how difficult it is to move things ahead in the Middle East” (transcript released by the Israeli delegation, 1/27/92).

Cognizant of the Arab parties’ hesitancy to embark at this juncture on regional cooperation projects with Israel, Jerusalem’s delegation brought with it to Moscow a set of working papers outlining practical ideas for modest first steps in cooperative ventures (Appendix F). Officials in Israel had worked intensively on the ideas over the course of a year and a half, and Jerusalem was praised by the Bush Administration and European officials for its detailed project suggestions.

The working papers Israel presented in Moscow outlined possible projects in a variety of issue areas. With regard to the Gulf of Eilat/Aqaba, for example, an area in which U.S., Japanese, and Israeli officials are particularly hopeful that some modest programs can be initiated even in the short term, Jerusalem proposed: “Quality of the environment and regional emergency arrangements, including: prevention of pollution of the Eilat/Aqaba Gulf; regional life-saving services; regional navigation and flight-safety measures; regional authority for environmental management, including nature reserves and coastal activity planning.”

Israeli officials, it should be noted, were somewhat unnerved by Secretary of State Baker’s handling of Palestinian demands that Palestinians from outside the West Bank and Gaza be credentialed as delegates to the multilateral talks. As mentioned above, the Secretary made a significant concession to the Palestinians by declaring in Moscow that the U.S. would be “supportive of representation by diaspora Palestinians [“externals”] in working groups where that representation was appropriate.”

Though Baker did not say that the U.S. would insist on the participation of Palestinians that did not meet the Madrid criteria, Jerusalem was concerned that the Secretary of State appeared to be distancing himself from an understanding on Palestinian participation in the current stage of the Madrid process which he had painstakingly negotiated before the conference last October. In an editorial just after the Moscow Conference (2/1/92), the *New York Times* expressed concern about Secretary of State Baker’s statements in Moscow on including Palestinians that do not meet the Madrid criteria.

III. LAUNCHING THE MULTILATERALS

A. Progress at the Moscow Conference (*continued*)

“Mr. Baker has already made a concession to the Arabs by resisting Israeli pressure to hold talks in the region, thereby giving tacit legitimacy to the Israeli state,” the *Times* stated. “With Israel heading into a June election, Washington has to avoid even the perception of bending the Madrid rules.”

Israeli officials were also uncomfortable with Secretary of State Baker’s announcement after the opening session in Moscow that a working group on refugees had been created. Prior to the Moscow plenum the State Department had raised the possibility that a working group on refugees would be created, and Israel’s prime expert on refugee rehabilitation since the 1950s returned from his retirement to direct Jerusalem’s preparation for prospective talks on the issue. The refugee issue, however, was not among the four issue areas for which a “working group organizational meeting” was listed on a Moscow Conference schedule which the State Department had sent to plenum participants. The schedule said that at a steering group meeting after the working group meetings, “the U.S. would lay out advisory role of group with respect to agenda of working groups, function as clearinghouse for launching future groups on such items as *refugees* (emphasis added).” Israeli Transportation Minister Moshe Katzav said in an interview that it was “surprising” that Baker had unilaterally announced the formation of a refugee working group. “We view the United States as Israel’s best friend, and rightly so,” Katzav said. “But some of its decisions are taken without coordination with us, and harm its special standing as an honest broker” (*Mideast Mirror*, 1/29/92).

Despite Israel’s concerns, Foreign Minister Levy in his conference address recognized the important success of Secretary of State Baker and the U.S. in bringing about the Moscow Conference and the other facets of the Madrid process. “My special thanks,” Levy said, “go to the American people and their President for the courageous example of leadership which they have set for the world, and to U.S. Secretary of State James Baker for his contribution and determination in setting the wheels of this historic peace process in motion.”

Shortly after the Moscow Conference, the State Department issued a generally upbeat follow-up report to the participating nations. The Department wrote that “the meetings created a mechanism both in the working groups and in the steering group to provide continuity and follow-up action,” and that “the meetings identified and began work on some of the issues which are crucial to the development and stability of the region, and to the welfare of the people living there.” On the other hand, the State Department indicated that it recognized Arab parties may not be prepared to move forward on these vital issues. “Neither peace nor regional cooperation can be imposed from the outside,” the Department said. Indeed, the Moscow Conference demonstrated at once the potential for real peace and stability in the Middle East and the obstacles to a realization of this potential.

B. Arms Control

There is a broad consensus among military analysts that the need for controls on the Middle East arms race and on the proliferation of military technology has never been more clear. Since the end of the Gulf War last year, Israel's principal adversaries have been importing growing quantities of new military equipment. Syria is receiving advanced conventional arms from Eastern Europe and the Commonwealth of Independent States, as well as additional shipments of North Korean advanced Scud ballistic missiles (Scud-Cs). Iran is making a bid to become the dominant power in the Persian Gulf through a massive rearmament program including the development of nuclear technologies. Saudi Arabia has purchased \$15 billion in U.S. arms in the last 18 months and is planning to request 72 advanced F-15 fighter-bombers, increasing its air force to over 300 aircraft. The primary threats to Israel's security and to the general stability of the Middle East, many Israeli experts believe, remain these large arsenals of conventional weaponry. These analysts view the commonly used term "military balance" as a misnomer in the Arab-Israeli context, given the growing *imbalance* between Arab and Israeli arsenals.

Since last year, there has been an ongoing dialogue among the five major world arms suppliers—the United States, the former Soviet Union, France, Great Britain and China—aimed at limiting arms supply to the Third World. A meeting at foreign minister level was scheduled for March 26-27. In the course of several previous gatherings, the five states have agreed on prior notification of arms sales in an effort to shed some of the secrecy which has traditionally surrounded the weapons trade. There has been predictably little consensus, however, on the actual limitation of exports, beyond general references to avoiding "destabilizing" transfers.

Israel says it hopes for an arms control process that will result in a genuine reduction in the threat of a future military conflict. Discussions on arms control, Israeli analysts believe, will be to Jerusalem's advantage if they introduce measures to stabilize the arms race in the short term and ultimately lead to a reduction in regional arsenals. It is anticipated that arms limitations would also reduce the burden imposed on Israel's economy by the need to keep pace with the Arab buildup. At the same time, however, experts warn that ill-conceived arms control measures could weaken rather than enhance Israel's own security. The process is viewed as holding dangers as well as opportunities.

1. *The Moscow Talks*

At the Moscow multilateral session on arms control in January of this year, the parties set forth their basic positions on the arms control issue but did not engage in substantive negotiations. Participants brought proposals for follow-up rounds, the first of which had been set to take place in Washington in May but may be delayed. Nevertheless, the very fact that both arms suppliers and recipients sat down together to begin a dialogue was welcomed as an unprecedented historic event. In order for regional arms control

III. LAUNCHING THE MULTILATERALS
B. Arms Control *(continued)*

measures to have any lasting impact, a consensus of analysts and officials holds, both supplier and recipient states must have a role.

At the Moscow plenary, Israeli Foreign Minister David Levy stated that "we see great importance in the fact that the agenda for the multilateral talks includes monitoring and reduction of the arms race, coupled with confidence-building measures as an essential component in the coalescence of regional defense agreements." Although the specific agenda for the upcoming regional arms control discussions has not been finalized, Israeli Defense Ministry Director General David Ivri has hinted at what specifically Israel will propose. Confidence-building measures Israel may suggest include joint naval patrols and search & rescue operations with Israel's Arab neighbors. Coordination between Israel and Egypt, Jordan and Saudi Arabia would help build trust, Ivri has indicated. Another possibility, modelled on arms control steps taken by NATO and the former Warsaw Pact, would be allowing Egyptian and perhaps other Arab commanders to observe large-scale Israel Defense Forces maneuvers and visit Israeli army and air force bases.

At the same time, Ivri has indicated that Israel could not agree at this stage to monitoring of unconventional weapons or discussion of nuclear issues, which have traditionally been used by Arab states to deflect criticism of their own large-scale arms programs and numerical military superiority.

2. Limited Progress Expected

As important as arms control is as an agenda item for the multilateral talks, it is unlikely there will be any substantial progress toward slowing the regional arms race in the upcoming Washington round. All the participating regional parties will still be in a learning mode, trying to develop experience in an area that has rarely been addressed in the Middle East.

There is also a fundamental problem that it is precisely the states which pose the greatest risk to peace that will not be attending. At this time, it is still uncertain whether Syria will join the arms control talks. Even if Damascus were to participate, however, it is doubtful much progress would result. Syria's performance at the bilaterals indicates it is not ready to move from its demanding an Israeli commitment to unconditional withdrawal from all the territories the Jewish state captured in the Six Day War prior to addressing any other issues. Israel has proposed confidence-building measures to reduce tensions on the Golan front, but Damascus has thus far not been responsive.

Other major Middle Eastern military powers are also not part of the arms control group. These include Iran, Iraq, Libya and Algeria, each of which has both unconventional and conventional military capabilities that threaten Israel. Officials of various governments committed to participation in regional talks recognize that these other states, as well as suppliers such as North Korea and Eastern Europe, must be included in any serious efforts to limit arms proliferation in the Middle East.

C. Water

Though Arab parties and Israel disagree on a variety of issues, they agree that one of the most pressing issues facing the Middle East region today is the scarcity of water, although a momentary respite has been provided by the recent rainfall. Given the natural infrastructure of available water resources, regional experts say, no nation in the Middle East can effectively solve the certain long-term water deficits that all are likely to face.

While there are several areas of dispute on water between Israel and the Arab countries that surround her, such disputes in the region extend far beyond the Israeli-Arab sphere. Syria and Iraq have raised objections to Turkey damming the Euphrates, Syria's principal water supply. The Turkish dam has cut nearly half of the Euphrates' flow to Syria. Jordan and Syria have a dispute on water allocations of the Yarmouk, Jordan's principal water source.

As severe as the water problems facing the region are, they are not viewed as insurmountable. Most professionals agree that if regional agreements are reached, the problems can be solved. As one Syrian water official stated: "If it were left to the technical people, we could reach an agreement . . . in three months."

1. *Technology Transfers*

Large amounts of available water are wasted, analysts say, as a result of lack of technology in the areas of waste water management, agricultural irrigation techniques and desalination of brackish water. Israeli experts in particular are optimistic that technology transfers in these and other areas such as cloud seeding could enhance the efficiency of current water supplies.

Israel has proposed to create workshops to examine each individual area of technology to make the most effective use of existing water resources. These workshops, Israeli officials suggest, could be made up of experts on the technical level from the region, with assistance and technology transfers from countries outside the region.

2. *Collection and Exchange of Water Data*

Israel has proposed that data collection centers be established in the Middle East, with standards negotiated among the regional parties, so as to properly assess and address regional water problems.

Currently, there are no uniform standards in the region to assess waste and salinity levels of water, "red line" levels for water reserves, and other key measures.

Experts in Jerusalem suggest that the project could be overseen by a sponsor to the multilateral talks. The sponsoring nation, they say, could set up a clearinghouse for data from the region.

3. Water Transfers to the Region

Several ideas have been proposed by Israel and other nations on transferring water to the region from other countries with quantities to spare. One such idea is a "peace pipeline," or canal, extending from Turkey to Israel, Jordan and Syria. The estimated cost of a pipeline or canal is about \$20 billion. While these projects may be prohibitively expensive in the short term, agreement could be reached on long-term financing with assistance from outside parties.

Another initiative proposed is the transferring of run-off water from the Nile to Jordan and Israel.

4. A Mediterranean- Dead Sea Canal

The Dead Sea, a vital mineral source for both Israel and Jordan, is at critically low levels. Israel has suggested that building a canal from the Mediterranean to the Dead Sea could raise the levels and provide hydro-electric power to both Israel and Jordan.

5. Agreement on the Unity Dam (Yarmouk River)

Jordan's principal water source, the Yarmouk River, forms the border between Syria and Jordan before flowing into the Jordan River, Israel's main source of water. For years, U.S. and World Bank experts have considered the building of a dam on the Yarmouk essential to harnessing future water supplies. The World Bank has offered financing for such a dam.

To date, there has been no progress on the dam because of lack of agreement on allocation of water between Syria, Jordan and Israel. Jordan accuses Israel and Syria of withdrawing amounts of water greater than the shares recommended by the U.S. in its ill-fated 1956 Johnston Plan, which allocated precise shares of the water resources of the Jordan River and its tributaries to Israel, Syria, and Jordan.

Experts in Israel have pointed out that the building of such a dam on Syrian and/or Jordanian soil would make Israel's water supply highly vulnerable.

D. Economic Development

One of the major potential benefits of Middle East peace is a large economic dividend, officials and analysts in the U.S., Europe, Israel, and elsewhere concur. Conversely, the consensus view holds, cooperative economic arrangements can enhance political cooperation.

In addition to the future economic benefits of peace, it is recognized, any peace agreement would be accompanied by the cost of economic rearrangement, as was the case with the Egyptian-Israeli peace treaty. The Group Seven (G-7) nations could play a crucial role in alleviating the economic costs of

peace, as the United States did after the 1979 Egypt-Israel peace treaty. The European Community (EC), sponsor of the multilateral talks on economic development, has already committed nearly \$3 billion toward the economic development of the Middle East.

The economic disparity between populations among and within countries of the region are great. The per-capita Gross National Product (GNP) in the Gulf states of Qatar and the U.A.E. is \$17,000 and \$12,000 respectively; Jordan, Syria, Yemen and Egypt, on the other hand, all have per-capita GNPs of less than \$1800. The great majority of individuals in the Arab world, in fact, live in poverty. Israel has joined the U.S., EC nations, and other countries which make the case that there is an urgent need to address the issue of economic development through cooperation among the countries of the Middle East rather than separately.

In addition to reaping the future economic benefits of allocating fewer resources to defense, Israel has been vocal in saying that all nations of the region could benefit by agreement and cooperation in the following areas:

1. *West Bank and Gaza*

The U.S. and Japan have urged that economic development of the West Bank and Gaza should be an initial focus of the economic development working group. Ever since Israel captured the territories in the 1967 Six-Day War, their economic development has been a high priority for Jerusalem.

Since 1967, the economic conditions of the West Bank and Gaza have improved considerably. Such improvement is viewed as important to political normalization. Israel recently took steps that will allow for greater economic development in the West Bank and Gaza, including: establishing financial tools for business development; harmonizing tax policy; and organizational changes that will allow greater agricultural exports from the West Bank and Gaza. Continued development of these territories can be facilitated through assistance from the U.S., Japan and the EC.

2. *Agriculture*

Agriculture plays a dominant role in the economies of the Middle East. Expanded cooperation in the area of agriculture might begin under the framework of existing agreements such as the Middle East Regional Cooperation (MERC) program, facilitated through the U.S. Agency for International Development (AID). Israel's expertise in several areas of agricultural technology has proven highly beneficial to many countries in Africa, including Egypt, as well as to the agriculture industry in the United States.

3. Energy

There is a large disparity between energy-rich countries (Saudi Arabia, Kuwait, United Arab Emirates, Iraq, and Iran) and energy-poor countries (Jordan, Israel and Lebanon). The disparity could be bridged through cooperation on such energy projects as hydro-electric dams and joint research on alternative energy sources.

4. Gulf of Eilat/ Aqaba area

In addition to environmental protection matters related to the Gulf of Eilat/Aqaba area, there are economic issues to be addressed in the area. The four countries that share this area—Israel, Jordan, Saudi Arabia and Egypt—all have economic interests that could be expanded through cooperation. All parties could benefit through future agreements in the areas of transportation, tourism, scientific research, and regional energy.

E. Environment

Environmental issues in the Middle East have never been addressed on a regional scale because of the refusal of Arab states to cooperate with Israel even on non-political issues. The multilateral negotiations on environment have provided a historic opportunity to address pressing regional environmental problems. The oil fires and spills during and after the Gulf war have been cited as demonstrations of the argument that environmental problems do not recognize international boundaries. The environment working group is viewed by U.S. officials and analysts as having the best chance of any of the working groups which have been created to achieve some substantive progress.

The multilateral environment working group is scheduled to meet in Tokyo in May. Following that meeting, working groups may be established in the following areas to deal with environmental problems:

1. Gulf of Eilat/ Aqaba Area

The current level of pollution in the Gulf of Eilat/Aqaba is at alarming levels, according to most professionals who have surveyed the area. Given that the Gulf of Eilat/Aqaba is shared by Egypt, Israel, Jordan and Saudi Arabia, cooperation among all the parties in reducing pollution is essential.

The head of a Japanese fact-finding mission to the Eilat/Aqaba area after the Moscow Conference reported the environmental problems there as "severe."

Currently, there is cooperation among the parties of the region on a technical level limited to specific areas such as: water circulation; transport and fate of pollutants; coral reef communities; and mariculture. This could be expanded to include all areas of ecological/environmental concern.

2. Collection and Exchange of Data on the Environment

Israel has proposed the creation of environmental data collection centers in the Middle East, with uniform standards to be determined by the parties of the region. Environment and water data collection centers could be structured together, Israel has suggested, and could be overseen by a sponsor of the multilateral talks.

3. Eastern Mediterranean Sea

While the ecological/environmental problems in the Mediterranean are not as acute as in other areas, Israel has proposed that they be monitored and addressed. A regional working group surveillance center to prevent pollution there could be established, Jerusalem says.

4. Regional Environmental Thinktank

Israel has proposed a regional environmental thinktank, which would collect and analyze data and determine the proper regional approach to be taken on the above environmental issues as well as others, such as climate change and toxic waste disposal.

F. Refugees

Secretary of State Baker's announcement at the opening of the Moscow Conference that a working group on refugees had been created came as a surprise, as was noted above, since the State Department had written to invitees before the Conference that the question of convening "future groups" on refugees or other matters would be discussed in a steering group meeting toward the end of the plenum.

It appeared that Baker unilaterally announced the creation of the group as a concession to the Palestinians, who demanded in Moscow that Palestinians from outside the West Bank and Gaza be allowed to participate in the Moscow Conference. After lengthy and intense negotiations with Palestinians who came to Moscow, Baker told reporters that while Palestinian attendance at the Moscow Conference would have to be consistent with the Madrid rules prohibiting "externals," the U.S. would be supportive of "externals" participation "in working groups that were created to discuss, for instance, the question of refugees." Palestinians had highlighted refugee rehabilitation as one regional issue which they said demanded the participation of "externals," despite the political reality that decisions on rehabilitation of any refugee population will be made by the states in which the refugees are located.

Israeli officials had actually anticipated before Moscow that the Palestinians would be opposed to regional talks on refugee rehabilitation. Officials in Jerusalem calculated that the Palestinians would not want to discuss the issue

of refugees in a multilateral context because, one official told an interviewer after the Madrid Conference, "This would turn it into an economic resettlement problem" (Jerusalem Report, 12/26/91).

1. The Moscow Talks

Despite its concern about the prospect that the U.S. would insist on participation of "externals" in future sessions, Israel participated in the organizing meeting of the refugee working group on the second day of the Moscow Conference. Israel's delegation leader at the session, Israeli Foreign Ministry official and political researcher Yehoyada Haim, made the best of the meeting. Asked by reporters if there were expressions of friendship, Haim answered: "Yes, a Jordanian came up to me. I shook his hand. I introduced myself, he introduced himself. The Oman representative, who speaks very nice English, said we more or less deal with the same subject—political research—and we exchanged experiences" (Reuters, 1/30/92). Friendly gestures aside, Arab participants reportedly rejected an Israeli proposal that the talks include discussion of Jews who fled Arab countries after Israel's founding (Jewish Telegraphic Agency, 1/30/92).

2. Palestinian Refugee Issues Likely to Be Lead Agenda Item

It does appear, however, that the refugee working group may deal with a range of other regional refugee problems, including the tragedy of the Palestinian refugees who have lived with their descendants for more than four decades in refugee camps in Syria, Lebanon, Jordan, the West Bank, and Gaza; the plight of 400,000 Kurdish refugees still living in camps in Turkey, Iran, and northern Iraq; and the displacement of hundreds of thousands of Palestinians and other Arabs from their homes and jobs in Iraq, Kuwait, and other Gulf Arab countries as a result of the Gulf crisis. A State Department report to Moscow Conference participants after the plenum stated that at the initial substantive meeting of the refugee working group—to be hosted by Canada in the middle of May—"a seminar will be conducted to discuss the magnitude of the problem."

It is likely that the discussions will focus on the Palestinian refugees and their descendants in refugee camps in Syria, Lebanon, Jordan, and the territories. Israel is planning to make a major contribution to these discussions.

3. Palestinian Refugees in the West Bank and Gaza

Some 900,000 UN-registered Palestinian refugees now live under Israeli control in the West Bank and Gaza, including over 350,000 in refugee camps. Since taking control in 1967, Israel has sought to move the camps' inhabitants into permanent structures. As reported in a December 18, 1971 *New York Times* news article, Israel had begun to implement a long-term plan to "disperse the refugee concentrations and offer economic alternatives to the

life of misery in charity-supported camps." Approximately 1,900 families were resettled from camps in other parts of the Gaza Strip or the Sinai town of El Arish. Israel's efforts, however, infuriated Arabs and their supporters. The *New York Times* article explains: "Arab governments believe that the misery and poverty of Gaza serve as a constant reminder to the world of what they term the usurpation of Palestinian lands by the Jewish settlers." Citing international law, the Arabs generated sufficient international pressure to halt resettlement of the refugees. The fundamental Arab position on the political role of the Palestinian refugees is still unchanged. It applies not only to refugee camps in the West Bank and Gaza but also to those located in Syria, Lebanon, and Jordan, where there are still 1.5 million registered Palestinian refugees including 420,000 in camps.

For its part, Israel continues to express a wish to rehabilitate the Palestinian refugees living in the territories. In its May 14, 1989, peace initiative, Israel "calls for an international endeavor to resolve the problems of the residents of the Arab refugee camps" in the territories "in order to improve their living conditions and to rehabilitate them. Israel is prepared to be a partner in this endeavor." In his opening address at the Moscow Conference, Secretary of State Baker also called for an international effort directed at refugee rehabilitation.

After U.S. officials had urged the Israeli government to demonstrate the seriousness of its formal readiness to rehabilitate the refugees by way of producing a concrete plan of action, Israel's Ministry of Defense issued, in June of last year, a detailed list of approved development projects for the territories. Apart from industrial, agricultural, and infrastructure projects, the list includes approved refugee resettlement projects for the West Bank and Gaza totaling approximately \$140 million. As in the case of the other economic development projects, the multilateral negotiations could deal with Gulf Arab funding for the implementation of Israel's refugee rehabilitation and resettlement projects. Japanese Foreign Minister Michio Watanabe's call at the Moscow Conference for an emphasis on international cooperation over economic development of the West Bank and Gaza could be a useful prod to the Gulf states to fund the Israeli initiatives.

4. *Palestinian Refugees in Arab States*

Most Palestinian refugees live in Jordan, Lebanon, and Syria. Thus far, all Arab states other than Jordan have refused to resettle the refugees or even grant them citizenship. The multilateral negotiations could provide an excellent opportunity for discussing the resettlement of the Palestinian refugees in the countries where they now live—the standard solution for refugee problems around the world when refugees find themselves among people who share their language, culture, and religion as is the case here. Gulf Arab countries could provide funding for this project as well, and Israel—which has vast experience in quick resettlement of Jewish refugees—could provide technical advice.

APPENDICES

A. U.S.-Soviet Invitation to the Mideast Peace Conference in Madrid, October 18, 1991

Following is the complete text of the invitation to the Madrid peace conference on October 30, 1991, obtained by the Jerusalem Post. The invitation was jointly issued by the U.S. and Soviet Union to Israel, Syria, Jordan, Lebanon and the Palestinians.

After extensive consultations with Arab states, Israel and the Palestinians, the United States and the Soviet Union believe that an historic opportunity exists to advance the prospects for genuine peace throughout the region. The United States and the Soviet Union are prepared to assist the parties to achieve a just, lasting and comprehensive peace settlement, through direct negotiations along two tracks, between Israel and the Arab states, and between Israel and the Palestinians, based on United Nations Security Council Resolutions 242 and 338. The objective of this process is real peace.

Toward that end, the president of the U.S. and the president of the USSR invite you to a peace conference, which their countries will co-sponsor, followed immediately by direct negotiations. The conference will be convened in Madrid on October 30, 1991.

President Bush and President Gorbachev request your acceptance of this invitation no later than 6 p.m. Washington time, October 23, 1991, in order to ensure proper organization and preparation of the conference.

Direct bilateral negotiations will begin four days after the opening of the conference. Those parties who wish to attend multilateral negotiations will convene two weeks after the opening of the conference to organize those negotiations. The co-sponsors believe that those negotiations should focus on region-wide issues such as arms control and regional security, water, refugee issues, environment, economic development, and other subjects of mutual interest.

The co-sponsors will chair the conference which will be held at ministerial level. Governments to be invited include Israel, Syria, Lebanon and Jordan. Palestinians will be invited and attend as part of a joint Jordanian-Palestinian delegation. Egypt will be invited to the conference as a participant. The European Community will be a participant in the conference, alongside the United States and the Soviet Union and will be represented by its presidency. The Gulf Cooperation Council will be invited to send its secretary-general to the conference as an observer, and GCC member states will be invited to participate in organizing the negotiations on multilateral issues. The United Nations will be invited to send an observer, representing the secretary-general.

The conference will have no power to impose solutions on the parties or veto agreements reached by them. It will have no authority to make decisions for the parties and no ability to vote on issues or results. The conference can reconvene only with the consent of all the parties.

With respects to negotiations between Israel and Palestinians who are part of the joint Jordanian-Palestinian delegation, negotiations will be conducted in phases, beginning with talks on interim self-government arrangements. These talks will be conducted with the objective of reaching agreement within one year. Once agreed the interim self-government arrangements will last for a period of five years, beginning the third year of the period of interim self-government arrangements, negotiations will take place on permanent status. These permanent status negotiations, and the negotiations between Israel and the Arab states, will take place on the basis of Resolutions 242 and 338.

It is understood that the co-sponsors are committed to making this process succeed. It is their intention to convene the conference and negotiations with those parties who agree to attend.

The co-sponsors believe that this process offers the promise of ending decades of confrontation and conflict and the hope of a lasting peace. Thus, the co-sponsors hope that the parties will approach these negotiations in a spirit of goodwill and mutual respect. In this way, the peace process can begin to break down the mutual suspicions and mistrust that perpetuate the conflict and allow the parties to begin to resolve their differences. Indeed, only through such a process can real peace and reconciliation among the Arab states, Israel and the Palestinians be achieved. And only through this process can the peoples of the Middle East attain the peace and security they richly deserve.

Source: *Jerusalem Post*, October 21, 1991

**B. President George Bush's Address
to the Mideast Peace Conference
Madrid, Spain
October 30, 1991**

Prime Minister Gonzalez. President Gorbachev. Excellencies. Let me begin by thanking the government of Spain for hosting this historic gathering. With short notice, the Spanish people and their leaders stepped forward to make available this magnificent setting. And let us hope that this conference of Madrid will mark the beginning of a new chapter in the history of the Middle East.

I also want to express at the outset my pleasure at the presence of our fellow co-sponsor, President Gorbachev. At a time of momentous challenges at home, President Gorbachev and his senior associates have demonstrated their intent to engage the Soviet Union as a force for positive change in the Middle East. And this sends a powerful signal to all those who long for peace.

We come to Madrid on a mission of hope to begin work on a just, lasting and comprehensive settlement to the conflict in the Middle East. We come here to seek peace for a part of the world that in the long memory of man has known far too much hatred, anguish and war. I can think of no endeavor more worthy or more necessary.

Our objective must be clear and straightforward. It is not simply to end the state of war in the Middle East and replace it with a state of non-belligerency. This is not enough. This would not last. Rather, we seek peace. Real peace. And by real peace, I mean treaties, security, diplomatic relations, economic relations, trade, investment, cultural exchange, even tourism. What we seek is a Middle East where vast resources are no longer devoted to armaments; a Middle East where young people no longer have to dedicate and all too often give their lives to combat; a Middle East no longer victimized by fear and terror; a Middle East where normal men and women lead normal lives.

Let no one mistake the magnitude of this challenge. The struggle we seek to end has a long and painful history. Every life lost, every outrage, every act of violence, is etched deep in the hearts and history of the people of this region. There is a history that weighs heavily against hope. And yet history need not be man's master.

APPENDICES

B. President George Bush's Address to the Madrid Peace Conference *(continued)*

I expect that some will say that what I'm suggesting is impossible. But think back. Who, back in 1945, would have thought that France and Germany, bitter rivals for nearly a century, would become allies in the aftermath of World War II? And who, two years ago, would have predicted that the Berlin Wall would come down? And who, in the early 1960s, would have believed that the Cold War would come to a peaceful end, replaced by cooperation, exemplified by the fact that the United States and the Soviet Union are here today, not as rivals but as partners, as Prime Minister Gonzalez pointed out?

No, peace in the Middle East need not be a dream. Peace is possible. The Egyptian-Israeli peace treaty is striking proof that former adversaries can make and sustain peace. And moreover, parties in the Middle East have respected agreements, not only in the Sinai, but on the Golan Heights as well. The fact that we are all gathered here today for the first time attests to a new potential for peace. Each of us has taken an important step toward real peace by meeting here in Madrid. All the formulas on paper, all the pious declarations in the world, won't bring peace if there is not a practical mechanism for moving ahead.

Peace will only come as the result of direct negotiations, compromise, give-and-take. Peace cannot be imposed from the outside by the United States or anyone else. And while we will continue to do everything possible to help the parties overcome obstacles, peace must come from within. We come here to Madrid as realists. We don't expect peace to be negotiated in a day or a week or a month or even a year. It will take time. Indeed, it should take time—time for parties so long at war to learn to talk to one another, to listen to one another, time to heal old wounds and build trust. In this quest, time need not be the enemy of progress.

What we envision is a process of direct negotiations proceeding along two tracks, one between Israel and the Arab states, the other between Israel and the Palestinians. Negotiations are to be conducted on the basis of UN Security Council Resolutions 242 and 338. The real work will not happen here in the plenary sessions but in direct, bilateral negotiations. This conference cannot impose a settlement on the participants or veto agreements. And just as important, the conference can only be reconvened with the consent of every participant.

Progress is in the hands of the parties who must live with the consequences. Soon after the bilateral talks commence, parties will convene as well to organize multilateral negotiations. These will focus on issues that cross national boundaries and are common to the region—arms control, water, refugee concerns, economic development. Progress in these four is not intended as a substitute for what must be decided in the bilateral talks. To the contrary, progress in the multilateral issues can help create an atmosphere in which longstanding bilateral disputes can more easily be settled.

For Israel and the Palestinians, a framework already exists for diplomacy. Negotiations will be conducted in phases, beginning with talks on interim self-government arrangements. We aim to reach arrangements within one year; and once agreed, interim self-government arrangements will last for five years. Beginning the third year, negotiations will commence on permanent status.

No one can say with any precision what the end result will be. In our view, something must be developed, something acceptable to Israel, the Palestinians and Jordan, that gives the Palestinian people meaningful control over their own lives and fate and provides for the acceptance and security of Israel. We can all appreciate that both Israelis and Palestinians are worried about compromise, worried about compromising even the smallest point, for fear it becomes a precedent for what really matters. But no one should avoid compromise on interim arrangements for a simple reason. Nothing agreed to now will prejudice permanent status negotiations. To the contrary, these subsequent negotiations will be determined on their own merits.

APPENDICES

B. President George Bush's Address to the Madrid Peace Conference (*continued*)

Peace cannot depend upon promises alone. Real peace, lasting peace, must be based upon security for all states and peoples, including Israel. For too long, the Israeli people have lived in fear, surrounded by an unaccepting Arab world. And now is the ideal moment for the Arab world to demonstrate that attitudes have changed, that the Arab world is willing to live in peace with Israel and make allowances for Israel's reasonable security needs. We know that peace must also be based on fairness. In the absence of fairness, there will be no legitimacy, no stability. And this applies above all to the Palestinian people, many of whom have known turmoil and frustration above all else.

Israel now has an opportunity to demonstrate that it is willing to enter into a new relationship with its Palestinian neighbors, one predicated upon mutual respect and cooperation.

Throughout the Middle East, we seek a stable and enduring settlement. We've not defined what this means. Indeed, I make these points with no map showing where the final borders are to be drawn. And nevertheless, we believe that territorial compromise is essential for peace. Boundaries should reflect the quality of both security and political arrangements, and the United States is prepared to accept whatever the parties themselves find acceptable. What we seek, as I said on March 6th, is a solution that meets the twin tests of fairness and security.

I know, I expect we all know, that these negotiations will not be easy. I know too, that these negotiations will not be smooth. There will be disagreement and criticism, setbacks—who knows, possibly interruptions. Negotiation and compromise are always painful.

Success will escape us if we focus solely upon what is being given up. We must fix our vision on what real peace would bring. Peace, after all, means not just avoiding war and the cost of preparing for it. The Middle East is blessed with great resources—physical, financial, and, yes, above all, human. And new opportunities are within reach if we only have the vision to embrace them.

To succeed, we must recognize that peace is in the interest of all parties, war to the absolute advantage of none. The alternative to peace in the Middle East is a future of violence and waste and tragedy. In any future war lurks the dangers of weapons of mass destruction. As we learned in the Gulf War, modern arsenals make it possible to attach urban areas, to put the lives of innocent men, women, and children at risk, to transform city streets, schools, children's playgrounds into battlefields.

Today we can decide to take a different path to the future: to avoid conflict. And I call upon all parties to avoid unilateral acts, be they words or deeds, that would invite retaliation or, worse yet, prejudice or even threaten the process itself. I call upon all parties to consider taking measures that will bolster mutual confidence and trust, steps that signal a sincere commitment to reconciliation.

I want to say something about the role of the United States of America. We played an active role in making this conference possible, and both the Secretary of State Jim Baker and I will play an active role in helping the process succeed.

Toward this end, we've provided written assurances to Israel, to Syria, to Jordan, Lebanon, and the Palestinians, and, in the spirit of openness and honesty, we will be—brief all parties on the assurances that we have provided to the other. We're prepared to extend guarantees, provide technology and support, if that is what peace requires. And we will call upon our friends and allies in Europe and in Asia to join with us in providing resources so that peace and prosperity go hand in hand.

Outsiders can assist, but in the end, it is up to the peoples and the governments of the Middle East to shape the future of the Middle East. It is their opportunity and it is their responsibility to do all that they can to take advantage of this gathering, this historic gathering and what it symbolizes and what it promises.

No one should assume that the opportunity before us to make peace will remain if we fail to seize the moment. Ironically, this is an opportunity borne of war—the destruction of past wars, the fear of future wars.

The time has come to put an end to war. The time has come to choose peace.

And speaking for the American people, I want to reaffirm that the United States is prepared to facilitate the search for peace, to be a catalyst, as we've been in the past and as we've been very recently. We seek only one thing, and this we seek not for ourselves, but for the peoples of the area and particularly the children: that this and future generations of the Middle East may know the meaning and blessing of peace.

We have seen too many generations of children whose haunted eyes show only fear, too many funerals for their brothers and sisters, the mothers and fathers who've died too soon; too much hatred, too little love. And if we cannot summon the courage to lay down the past for ourselves, let us resolve to do it for the children.

May God bless and guide the work of this conference, and may this conference set us on the path of peace.

Thank you.

Source: *Federal News Service* transcript, 10/30/91

C. Israeli—Jordanian-Palestinian Statement Madrid, November 3, 1991

Following is the text of the statement issued by the Israeli and the joint Jordanian-Palestinian delegations following nearly five hours of talks. The statement was read by the Jordanian team leader, Abdul Salam Majali.

In the name of God the compassionate, the merciful.

The joint Jordanian-Palestinian delegation and the Israeli delegation met today to start direct negotiations on the basis of Security Council resolutions 242 and 338. These negotiations will be conducted along two tracks: a Palestinian-Israeli track and a Jordanian-Israeli track.

The talks were held in a good, businesslike atmosphere. Matters discussed were procedural issues at the talks, which it is hoped will take place soon.

The parties expressed their views on the possible venue of the negotiations. Consultations will continue in this regard, as well as on other matters pertaining to the negotiations.

Source: *Associated Press*, 11/3/91

APPENDICES

D. Israel—"Ideas for Peaceful Coexistence in the Territories During the Interim Period"

**D. Israel—"Ideas for Peaceful Coexistence in the Territories
During the Interim Period"
February 20, 1992**

A. *General Concept*

1. *Interim Arrangements*

- a. The concept of interim arrangements for the Palestinian Arab inhabitants for five years stems from the basic premises that:
 - The wounds inflicted by the long and bitter Arab-Israeli conflict, need a time for healing, and trust must be built gradually.
 - The deeply differing points of view of the parties concerned, cannot be bridged in one comprehensive step. The gap can be bridged only through a process of building coexistence, through interim arrangements followed by an agreement on final status.
- b. The interim period must present an opportunity:
 - to examine and test the arrangements agreed upon for this period, including the fulfillment of all commitments;
 - to accommodate to the reality of living together on the same soil;
 - to build mutual confidence;
- c. The interim arrangements should create a change in the reality of life of the Palestinian Arabs in the territories; this change must be delineated by certain guidelines:
 - it should not prejudge the outcome of the final status negotiations;
 - it must deal with people, not with the status of the territories;
 - it must be based on a strict adherence to the arrangements as agreed before the implementation; and
 - no change in the terms of the arrangements can take place unilaterally.

2. *Coexistence*

- a. The interim arrangements are based on the agreed terms of reference that stipulate an agreement on:
 - establishment of interim self government arrangements for the Palestinian Arab inhabitants of the territories;
 - keeping the established links between Judea, Samaria, Gaza district and Israel intact;
 - arrangements for cooperation and coordination between the ISGA administrative organs and Israel;
 - keeping the traditional ties between the Palestinian Arab inhabitants and Jordan.
- b. During the interim period:
 - The Palestinian Arab inhabitants will be given, in the framework of the interim self government arrangements, an opportunity to run their own affairs in most spheres, according to the agreement.
 - Residual powers and certain responsibilities will be reserved by Israel.
 - Israelis will continue, as of right, to live and settle in the territories.
 - The sole responsibility for security in all its aspects—external, internal and public order—will be that of Israel.

B. *Interim Self Government Arrangements (ISGA)*1. *Modalities*

The organs of the ISGA, which will be agreed upon by the parties concerned, will be established in an agreed way.

2. *Structure and Procedure*

- a. The organs of the interim self government arrangements will be of administrative-functional nature.
- b. The basic structural and functional configurations of the ISGA will be determined in the course of the negotiations.

3. *Jurisdiction*

The jurisdiction of the ISGA organs will apply to the Palestinian Arab inhabitants of Judea, Samaria and the Gaza district.

4. *Powers and Responsibilities*

- a. In the negotiations Israel will propose to negotiate delegation of powers and responsibilities to the proper organs of ISGA in the following spheres of operation (subject to agreement on the general concept and structure, and to coordination and cooperation arrangements, as well as Jordanian-related aspects):

- (1) *Administration of Justice*—Supervision of the administrative system of local courts in the areas; dealing with matters connected with the prosecution system and with the registration of companies and partnerships.
- (2) *Administrative Personnel Matters*—Appointments and working conditions of employees. (At the present time the civil service of the inhabitants of Judea-Samaria and Gaza, within the framework of the Military Government's Civilian Administration, comprises approximately 20,000 persons.)
- (3) *Agriculture*—Various branches of agriculture, fisheries, etc.
- (4) *Education and Culture*—Operation of the network of schools in the areas, from nursery to higher education; supervision of cultural, artistic and sporting activities.
- (5) *Budget and Taxation*—Budgeting of the administrative operations and allocations of funds; direct taxation.
- (6) *Health*—Management of hospitals and clinics; operation of sanitary and other services related to public health.
- (7) *Industry, Commerce and Tourism*—Development of industry, workshops, commerce and tourist services.
- (8) *Labour and Social Welfare*—Management of welfare services, labour and employment services.
- (9) *Local Police*—Operation of a local police force for criminal affairs, and maintenance of prisons for criminal offenders sentenced by local courts in the areas.
- (10) *Local Transportation and Communications*—Maintenance and coordination of local transport and internal postal services.
- (11) *Municipal Affairs*—Matters concerning Arab municipalities and their effective operation, including municipal water supply, housing, sewage and electricity supply.
- (12) *Religious Affairs*—Provision and maintenance of religious services for all religious communities among the Arab inhabitants of Judea, Samaria and the Gaza district.

APPENDICES

D. Israel—"Ideas for Peaceful Coexistence in the Territories During the Interim Period" (*continued*)

Powers and responsibilities in an agreed framework can be gradually delegated to the designated administrative organs, as determined in the negotiations.

b. *Cooperation and Coordination*

- (1) Agreement will be reached on arrangements to ensure cooperation and coordination between the designated organs and Israel in certain domains, for mutual benefit.
- (2) The ISGA organs will, therefore, operate in its spheres of competence in three ways:
 - As appropriate in the domains allocated to its agreed organs.
 - In coordination with Israel—in certain spheres; coordination means joint planning.
 - In cooperation with Israel—in certain spheres; cooperation means joint operation from the higher level of planning to the lower level of implementation.

5. *Residual Powers and Responsibilities*

- a. Powers and responsibilities which are not delegated to the agreed organs of the ISGA will be reserved by Israel, being the source of authority.

The powers and responsibilities of the organs of the ISGA will not apply to the Israeli Defense Forces or to Israeli civilians in Judea, Samaria and Gaza District, as well as to the Palestinian Arabs who reside in Jerusalem, the capital of Israel, which is not part of the territories.

b. *Security*

- The sole responsibility for external and internal security as well as public order will be that of Israel.
- In the area of public order there will be cooperation between the Israeli relevant authorities and the local police force.

c. *Laws*

- The laws and orders in force in Judea, Samaria and Gaza District, and all powers vested by virtue of them shall remain in force.
- The powers to promulgate regulations in the spheres of operation of the organs of the ISGA will be determined in the agreement, subject to coordination and cooperation with Israel as mentioned above.

Source: Photocopy of the original document

**E. Jordanian-Palestinian Delegation—
"Outline of the Palestinian Interim
Self-Government Arrangements"
March 3, 1992**

From: The Palestinian side in the Jordanian-Palestinian delegation

To: The Israeli delegation

The Palestinian delegation presented, on January 14, 1992, an outline of the model for Palestinian Interim Self-Governing Authority (PISGA), as part of interim arrangements for self-government. That outline is based on free elections under international supervision, and entails the orderly transfer of the powers and responsibilities at present exercised by the Israeli military and/or other Israeli authorities in the Occupied Palestinian

APPENDICES

E. Jordanian-Palestinian Delegation—"Outline of the Palestinian Self-Government Arrangements" (*continued*)

Territory (OPT), including Jerusalem, to the PISGA.

The establishment of PISGA would create a new authority based on the will of the people, and would provide a framework under which the Palestinians in the OPT, along with the Palestinians in exile, will be able to participate, on an equal footing, in all negotiations leading to the permanent solution of the Palestinian question in all its aspects.

The objective of the negotiations at this stage is to establish a Palestinian Self-Governing Authority as part of the interim arrangements for a transitional period. These proceedings must enable the Palestinian People to gain control over political, economic and other decisions that affect their lives and fate.

The acceptance, by the Palestinian People, of interim self-government arrangements does not in any way prejudice the exercise of their legitimate right to self-determination as embodied in the United Nations Charter and in the UN Resolutions affirming the inalienable rights of the Palestinian people. The General Assembly of the UN, by Resolution 181 of 1947, has consecrated the right of the Palestinian people to self-determination and statehood, and has affirmed the legal foundation of the independent Arab State of Palestine.

The Palestinian people is resolved to establish its own independent state. However, and after the conclusion of final status negotiations, the Independent State of Palestine, established alongside the State of Israel, would opt for a confederal relationship with Jordan.

The Letter of Invitation to the present negotiations states that these should take place on the basis of Resolutions 242 and 338, which affirm the inadmissibility of acquisition of territory by war and are the basis of the principle of the exchange of "*Territory for Peace*," and which demands a total Israeli withdrawal from the territories occupied in 1967.

Security Council Resolution 242, also calls, *inter alia*, for achieving a just solution of the refugee problem, on the basis of General Assembly Resolution 194, which recognizes the right of the Palestinian refugees to return to their homeland.

We also call your attention to the fact that the government of Israel and its armed forces are bound by the IVth Geneva Convention of 1949, as well as by the Hague Regulations of 1907, which are applicable to the OPT. UNSC Resolution 726, reaffirms that the IVth Geneva Convention is applicable to the totality of the Occupied Palestinian Territory, including Jerusalem. Practices proscribed under the Geneva conventions, particularly settlement activities, shall be halted immediately, and the consequences of earlier violations should be reversed.

In accordance with the above, the Palestinian delegation is willing to put forward concrete and workable proposals. At this stage, however, and while Israeli illegal practices impede our engagement in substantive negotiations, we would like to recall the basic assumptions underlying our participation in the process.

I

Throughout the centuries, Palestine has been the cradle where our people's identity was shaped, the homeland of its collective soul. The attachment of the people of Palestine to the land of Palestine is a permanent feature of their ancient as well as contemporary history.

All the successive wars and occupations that have befallen our people in the course of this century have not been able to erode this attachment. The Palestinian people have struggled, and will continue to struggle

APPENDICES

E. Jordanian-Palestinian Delegation—"Outline of the Palestinian Self-Government Arrangements" *(continued)*

for freedom on the soil of their homeland until they achieve their inalienable national rights, in accordance with international legality.

We have entered and remained in this process of bilateral negotiations with open hearts, open minds and sincere intentions in order to achieve a just and comprehensive settlement.

The Palestinian delegation, expressing the will of the Palestinian people inside and outside the OPT, emphasizes once again that the only way to pursue negotiations and engage them on the path of progress is a commitment, on the part of Israel—the occupying power—to abide by the provisions of international law and to implement, *de jure*, the IVth Geneva Convention, thus bringing an immediate halt to all forms of settlement activities. The continuation of these activities does not only impede our engagement into the following phases of negotiation on interim agreements. It also threatens to destroy the peace-process as a whole.

The Palestinian delegation hereby presents its full vision of the interim arrangements on the way to peace, including the holding of free elections based on universal suffrage and conducted by secret ballot, under international supervision, to provide the Palestinians in the OPT, including Jerusalem, with the democratic modalities, structures and institutions needed for the free exercise of their political will. It however considers peace as a global process, starting with the cessation of all illegal settlement activities all the way to the implementation of PISGA.

Israel's position vis-a-vis this key issue determines the continuation of the collapse of the very process making peace possible in our area. The choice rests with Israel; either to move on the road to peace, or to continue on the road to settlement.

This proposal constitutes a new and important contribution, by the Palestinian side, to the progress of the negotiations, and we hope that the Israelis [sic] side will respond to it in a similarly positive and constructive spirit.

In this context. It is necessary to reaffirm that Jerusalem is an integral part of the OPT, and that all transitional arrangements are applicable to it. Its annexation, as well as the artificial extension of its municipal boundaries, are illegal unilateral acts. As such they are null and void, and therefore should be reversed. Jerusalem is also a universal symbol and a repository of cultural creativity, spiritual enrichment and religious tolerance, in tune with the longstanding traditions of openness and generosity which have characterized our Palestinian people throughout its long history. Jerusalem lies at the heart of our people's aspirations, and we are committed to make it the capital of our future independent state.

The fact that the six million Palestinians, albeit physically torn between occupation and exile, constitute one single people is another basic element of our approach to peace. Their rights as a people must be respected.

Our people, inside and outside the OPT, including Jerusalem, have one sole leadership. Thus our very presence here, in conformity with the Palestinian peace initiative of November 1988 and other relevant PNC resolutions, derives from the unity of our national decision, and the unity of our representation, which must be recognized in the course of the negotiating process.

II

The Palestinian delegation is now presenting an expanded outline of the Palestinian Interim Self-Government Arrangements: concepts, outline, preliminary measures and elections modalities, which is based on the following:

- (1) Interim Self-Government Arrangements are by definition transitional. The transitional period must lead, through a phased negotiated process, to the full exercise of the legitimate rights of the Palestinian people. The success of such a process and the attainment of peace can only materialize if the Palestinian Interim Self-Governing Authority (PISGA) fully assumes powers and responsibilities throughout the OPT, including Jerusalem.
- (2) The Palestinians in the OPT, including Jerusalem, have the right and the wish to govern themselves according to democratic principles, through free elections. The PISGA should be an embodiment of the principle of democratic government—"By the People, of the People, for the People."

Part One: Concepts and expanded outline of the PISGA

I. *Introduction*

The immediate objective of the Palestinian-Israeli bilateral talks, as laid out in the co-sponsors' letter of invitation of October 18, 1991, is to negotiate interim self-government arrangements. These talks are conducted within the context of international legitimacy, which recognizes the right of the Palestinian people to self-determination.

The interim self-government arrangements are also intended to provide the basis for the second stage of negotiations on the permanent status of the West Bank including Jerusalem, the Gaza Strip and al-Himmah. According to United Nations Security Council Resolutions 242 and 338, the IVth Geneva Convention and the Hague Regulations, these areas are occupied territories and Israel is a belligerent occupant. (These territories are hereafter referred to as the Occupied Palestinian Territory—OPT.)

The Palestinian people have accepted to negotiate interim self-government arrangements in a phased approach that would allow them, in the second and final phase the free exercise of their legitimate right to self-determination. Moreover the Palestinians in the OPT and in exile are one people and the interim self-government arrangements should facilitate the exercise of the legitimate rights of those in exile, who will participate in the second phase of the negotiations to determine the final status of the OPT and achieve a comprehensive settlement of the Palestine Question in all its aspects.

II. *The transitional nature of the interim phase*

According to the co-sponsors' letter of invitation the entire negotiating process we have embarked upon including the "negotiations along two tracks," are "based on United Nations Security Council Resolutions 242 and 338." These resolutions stipulate that Israel's acquisition of the territories it occupied in the 1967 war is inadmissible, and are the basis of the principle of the exchange of territory for peace. It should be clear that resolutions 242 and 338 must guide all phases of the negotiations. They must be fully implemented by the final stage.

The interim phase therefore does not constitute a regime which would be stabilized short of self-determination. It represents, on the contrary, a framework whereby Resolutions 242 and 338 and international legality shall be implemented.

III. *Authority in the interim phase*

The term "interim self-government arrangements" can only mean arrangements for an interim self-government: a central, political entity that allows the Palestinian people in the OPT to govern themselves

by themselves. The Palestinians in the OPT have the right and have expressed the wish to govern themselves according to democratic principles, i.e. through free elections without external interference.

The success of the transitional process is only possible if the PISGA is vested with all the powers of a true self-governing authority. All the powers presently exercised by the military government and civil administration of the occupier should be transferred to the PISGA upon its election and inauguration.

IV. *Powers and responsibilities of the PISGA*

1. Being the representative of the Palestinian people in the OPT, the PISGA's authority is vested in it by them. Its powers and responsibilities cannot be delegated by a foreign authority. Israel was never entitled to sovereignty over the OPT but rather has exercised certain powers as a belligerent occupant since the entry of its armed forces into the areas occupied in 1967. With the start of the interim phase and the abolition of the Israeli military government and civil administration, Israel shall cease to enjoy all these powers, which shall be assumed by the PISGA.
2. There should be no limitations on the powers and responsibilities of the PISGA, except those which derive from its character as an interim arrangement and from the mutually agreed outcome of the peace process.
3. In order for the PISGA to exercise freely its powers and responsibilities and be assured a peaceful and orderly transfer of all powers to it, the Israeli armed forces shall complete their withdrawal in phases to mutually-agreed specific redeployment points along the borders of the OPT by the time the PISGA is inaugurated.
4. The jurisdiction of the PISGA should extend to all of the OPT, including its land, natural resources, water, sub-soil, territorial sea, exclusive economic zone and air space. The PISGA shall exercise its jurisdiction throughout the Occupied Palestinian Territory.
5. The PISGA should have legislative powers. The transition from the state of occupation to the final status necessitates the assumption of such powers. No self-governing authority can function without having the power to enact, amend and abrogate laws.
6. The PISGA should wield executive power. It should formulate and implement its policy without any foreign control.
7. The PISGA shall determine the spheres, objectives and means of cooperation with any states, groups of states or international bodies, and shall be empowered to conclude binding cooperation agreements free of any foreign control.
8. The PISGA should administer justice through an independent judiciary, exercising sole and exclusive jurisdiction throughout the OPT.
9. The PISGA should establish a strong police force responsible for security and public order in the OPT.
10. The PISGA can request the assistance of a UN peacekeeping force.

11. A standing committee should be established from representatives of the five permanent members of the UN Security Council, the Secretary-General of the United Nations, the PISGA, Jordan, Egypt, Syria and Israel, to supervise the implementation of the self-government arrangements during the interim phase and settle disputes arising therefrom.

Part Two: Preliminaries for the interim phase

1. The conclusion of the negotiations on the interim phase and the establishment of the PISGA require implementation of a number of necessary preliminary measures and the provision of appropriate conditions for the conduct of elections.
2. The period between the commencement of the peace process on October 29, 1991 and the elections for PISGA and its subsequent inauguration on a date no later than October 29, 1992, during which these preliminary measures are to be implemented constitutes a *preliminary phase*.
3. The IVth Geneva Convention and Hague Regulations and United Nations Security Council Resolutions 242, 338 and 726, provide the basis and principles for the implementation of the above.
4. During its prolonged occupation of the Palestinian Territory, the Israeli military government and the Israeli government have diverged increasingly since 1967 from the principles laid down in the Hague Regulations of 1907, the Fourth Geneva Convention of 1949, United Nations Security Council 242 and 338, and other international conventions and standards.
5. The Israeli authorities have introduced illegally a large number of substantial changes into the body of law applicable in the OPT which have made possible the establishment and expansion of illegal Israeli settlements. These changes have resulted in the creation of a system approaching apartheid. The consolidations of the system undermines the short- and long-term objectives of the ongoing peace process.
6. Discriminatory and extra-territorial legislation must therefore be rescinded and the issue of new military orders whether in the guise of primary or secondary legislation, must cease.
7. Dismantling the legal basis of this discriminatory system in the OPT is necessary for the successful transition into the interim phase and for the ultimate success of the peace process as a whole.
8. In order to establish the proper conditions for the conclusion of the interim negotiations, the exercise of the powers and responsibilities of the PISGA and the conclusion of the second stage of negotiations on the final status of the OPT, the Israeli authorities should immediately implement the following measures with regard to land and natural resources:
 - a. Cease all settlement activity, including construction of new settlements or expansion of existing ones, road construction and other infrastructural activity.
 - b. Cease acquisition, by any means, of land, water, and other natural resources.
 - c. Refrain from any and all unilateral actions affecting the legal, demographic or geographic status quo in the OPT.

APPENDICES

E. Jordanian-Palestinian Delegations—"Outline of the Palestinian Self-Government Arrangements" (*continued*)

- d. Revoke military order 291 which suspended the land registration process, thus allowing land registration to continue according to law.
 - e. Return all land and immovable properties seized under military order 58 on the basis of being absentee property.
9. In order to provide the proper atmosphere and conditions for the conduct of the elections and the establishment of the PISGA, the Israeli authorities should:
- a. Release all Palestinian political prisoners, including administrative detainees.
 - b. End the practice of administrative detention.
 - c. Allow the return of all deportees.
 - d. Revoke military order No. 224 that revived the 1945 Emergency Regulations.
 - e. Refrain from closing educational and other public institutions, blocking economic activity, imposing curfew, or otherwise impeding the normal conduct of the daily lives of the Palestinian people in the OPT.
 - f. Refrain from all forms of collective punishment.
 - g. Lift all restrictions on Palestinian social, cultural, political and economic activity, and formally revoke all military orders that affect those areas of daily life in the OPT.
 - h. Provide full protection of, and free access to, religious sites.
 - i. Approve all pending family reunification applications.
 - j. Make available all public records regarding all aspects of the resources and inhabitants of the OPT.

Part Three: Elections modalities

1. *The elections are intended to produce the legislative assembly of the PISGA, comprising 180 members.*
2. *Basic principles:*
 - a. The provisions of the Charter of the United Nations and the Universal Declaration of Human Rights provide the universally accepted basis for the conduct of free elections.
 - b. The elections for the establishment of the PISGA constitute a significant step towards realizing the national and political rights of the Palestinian people in the OPT.
 - c. The PISGA should be the self-governing authority which represents the Palestinian people in the OPT. It should be freely elected on the basis of the universal democratic principle of "by the people, of the people, for the people."

APPENDICES

E. Jordanian-Palestinian Delegation—"Outline of the Palestinian Self-Government Arrangements" (*continued*)

- d. All guarantees should be provided for free elections. It is necessary that elections be conducted and supervised by an international body. All measures must be taken to guarantee that Israel should not interfere in the election in any way.
3. *Purpose of the elections:*
 - a. *To enable the Palestinian people in the OPT to elect democratically accountable representatives.*
 - b. *To provide a democratic basis for the establishment of the institutions of the PISGA.*
 - c. *To give democratic legitimacy to the assumption of its powers and responsibilities by the PISGA, in the OPT during the interim phase.*
 4. *Proper conditions.* The preliminary measures mentioned in Part Two of this document, including in particular an immediate halt to all settlement activities, should be implemented before the elections. Further steps must also be undertaken in order to provide the proper conditions for the conduct of the elections, as follows:
 - a. Withdrawal of Israeli Army units, Border Police and other military and paramilitary forces outside all populated areas and main communication routes.
 - b. Disarming of Israeli settlers, disbanding of their paramilitary formations, and guaranteeing their noninterference in the election process.
 - c. The provision of international supervision (see below).
 5. *Full participation.* In order to ensure full participation by the Palestinian people in the OPT in the elections, the Israeli authorities should guarantee full freedom of:
 - a. Political expression, including the end of military censorship.
 - b. Access to, and establishment of, all forms of audio-visual or print media.
 - c. Assembly.
 - d. Public election campaigning.
 - e. Political activity, including formation of political parties.
 - f. Movement throughout the Occupied Palestinian Territory.
 6. *The various preliminary measures described above should be implemented at least three months before the elections, and by a date no later than 31 July 1992.*
 7. *International supervision.* International supervision is to be provided by the United Nations, or any other appropriate and mutually agreed international body. This international body shall provide the following:

APPENDICES

E. Jordanian-Palestinian Delegation—"Outline of the Palestinian Self-Government Arrangements (*continued*)"

- a. Designate a high commissioner to supervise the preparations for, and conduct of, the elections. The commissioner's mandate will continue at least until the inauguration of the Palestinian interim self-governing authority.
 - b. Establish an international supervisory committee that, in addition to assisting the high commissioner, will arbitrate disputes arising from implementation and allocate responsibility.
 - c. Station UN or other international observers to ensure continued respect of the above-mentioned preliminary measures.
 - d. Station UN or other appropriate international or multinational forces to provide for public order during the elections.
 - e. There shall be free access throughout the OPT for the international media as well as foreign visitors.
8. *The elections:*
- a. The elections shall be conducted in accordance with an electoral system endorsed by the international supervisory committee.
 - b. The elections shall be based on universal suffrage, and be conducted by secret ballot.
 - c. The elections shall take place at least one month prior to the inauguration of the PISGA, which is to take place at a date no later than 29 October 1992.
9. *All Palestinians, who, on June 4, 1967, were listed in the relevant official population registers in any part of the West Bank, including Jerusalem, the Gaza Strip, and al-Himmah, and their descendants, have the right to vote in the elections or stand as candidates.*
10. In order that all Palestinians eligible to vote can exercise that [sic] rights, the Israeli military authorities should:
- a. Facilitate the return of all persons displaced and/or deported since June 5, 1967 and their descendants.
 - b. Submit all relevant population records for the preparation of electoral registers.
 - c. Complete the above measures by a date not later than 31 July 1992, under international supervision.

Source: *Mideast Mirror*, 3/4/92.

**F. ISRAEL—WORKING PAPERS ON MULTILATERAL ISSUES:
“Multilateral Regional Cooperation”
“Water in the Middle East”
“Regional Cooperation: Economy”
“Regional Cooperation: The Environment”
January 28, 1992**

MULTILATERAL REGIONAL COOPERATION

Two distinct negotiating frameworks relating to the peace process are referred to in U.S. Secretary of State James Baker's letter of invitation (October 18, 1991): direct bilateral negotiations between Israel and its Arab neighbors, and multilateral negotiations for regional development. The assumption is that the multilateral regional negotiations, in addition to their own intrinsic importance and potential, should carry considerable weight as a supplementary and confidence-building element in facilitating the bilateral talks.

Israel feels that the regional negotiations could well inaugurate a new chapter in relations among the states of the Middle East, if they focus on issues which reflect a common regional interest and require concerted action by the states concerned to ensure their advancement.

Indeed, the absence of joint action among neighboring states on subjects of vital concern can cause, in the medium and long-term, irreversible damage to the area in which the inhabitants of the region live and raise their families. This constitutes a moral and regional imperative obliging all the states in the area to work together to ensure that these negotiations will provide a better future for the entire region.

Jordan, Egypt and Saudi Arabia have already announced their readiness to participate in the multilateral talks. Israel suggests formulating an approach which will enable countries which have not yet agreed to attend, to join the talks at a later stage when they decide to do so. There are undoubtedly subjects at the multilateral level in which progress can be made without reference to issues which touch on sovereignty or territory.

Secretary Baker's letter of invitation specifically mentioned five topics: regional security and arms control, refugee issues, water resources, quality of the environment and regional economic development. Israel proposes the inclusion at this stage of two further subjects: cooperation in the Eilat/Aqaba Gulf area and health.

The following thoughts and ideas relate to the last five topics listed above:

WATER RESOURCES

The water crisis, which has been building up over recent years, and the danger that the region will “dry up” are of great concern to all the countries of the Middle East. If no solution is found, the conflict over water resources will become much more acute. Water resources do not know or recognize political boundaries, thus constituting a classic example of a problem which cannot be effectively resolved within any given national framework, but should be approached on a regional, multilateral basis.

The key factor is the water shortage itself, involving, among other things, incorrect usage of existing water resources. Solutions are required which would be directed primarily toward:

- Producing potable water, mainly through desalination;

- Developing a comprehensive program of sewage disposal to recycle these waters for agricultural use and, at the same time, address the ecological problem caused by sewage.

In addition, a program for desalination, combined with electric power production, should be worked out, with the objective of “defusing the time bomb” of the threat of severe regional drought and all that eventually would imply. Such a project would help to alleviate the water shortage in the region, enable the removal of present restrictions on development due to lack of water, and contribute to a solution of one of the main elements of the Arab-Israel conflict.

Other items of cooperation in this field could include the following:

- Exchange of geophysical and rainfall data;
- Joint regional workshops dealing with common technical issues such as advanced irrigation techniques; prevention of salination and brine-disposal methods; schemes for limiting evaporation; etc.
- Establishment of a joint task force on rain-inducement techniques such as cloud seeding;
- integration of solar energy utilization and desalination.

QUALITY OF THE ENVIRONMENT

Protection of the seas and preservation of the seacoast are issues of paramount importance. They transcend geographical borders, and thus active cooperation among all the states of the region is essential if the region is to benefit from ecological protection. (Presumably, support for this program will be forthcoming from international bodies, as well as from the European Community, Japan and the United States.)

The following environmental subjects could be considered in a multilateral context for the entire Mediterranean region:

- Establishment of an eastern Mediterranean center for the prevention of pollution of the sea and a forecasting and communications network to combat sea pollution;
- Cooperation in formulating guidelines for the development of the coastline through integration of the planning agencies of all the countries concerned;
- Control measures to prevent destruction of coastal areas;
- Regional research on climatic changes and analysis of their impact on the region;
- Study of the possibilities of a regional approach to the elimination of solid and toxic wastes.

REGIONAL ECONOMIC DEVELOPMENT

In a peaceful Middle East, changes will occur which will require adaptation to a new reality and to the challenges arising from changes taking place in other parts of the world. The subject of the agenda, in this context, could be: ‘Aspects of the Economic Development of the Middle East in an Era of Peace.’ The

main categories to be discussed could be the following:

- The gradual transition from national economies based on security interest to peace economies;
- Regional development plans which will complement, rather than compete with each other;
- Joint projects to raise the standard of living.

Special attention should be devoted to the agricultural domain. Based on past experience, the agenda should focus, in the first stage, preferably on one central project. It is proposed, therefore, to begin with the establishment, on a regional basis, of applied and research cooperation in arid and semi-arid zone agriculture, on the model of the projects now being implemented in Egypt within the framework of MERC and in cooperation with US AID.

Other subjects to be considered could include:

- Projects essential for all the countries of the region such as: modern irrigation techniques through optimal utilization of available water (development and increased productivity of plant species with a low level of water consumption); plant protection and disease prevention.
- Projects of mutual benefit such as: deciduous fruit tree cultivation in hot climate conditions; increasing fruit and vegetable yields through adaptation to prevailing regional conditions; establishing a gene bank for fruit species of the Mediterranean basin; genetic methods of raising the fertility of sheep and other livestock; pest control by biological and other means minimizing ecological harm, including the damage to ground water resulting from the use of pesticides; preservation of harvested fruits and vegetables; food technology; methods of storing foodstuffs and seeds; etc.

THE EILAT/AQABA GULF AREA

The Eilat/Aqaba Gulf area includes four countries, all of which are undergoing economic development. The area thus offers an opportunity of particular interest—and, in some respects, urgency—to promote regional cooperation. In order to prevent the deterioration of the area's unique natural resources as well as to avoid conflicts of interest and negative mutual influences, joint steps should be taken with regard to planning, coordination and supervision.

Many of the subjects touching on cooperation in the Eilat/Aqaba area belong to the bilateral Israel-Jordan domain and, in fact, were thus noted in the American invitation to the bilateral talks. Other issues, however, have wider implications which would also affect Egypt and Saudi Arabia. These should therefore be considered as belonging to the multilateral sphere.

In the multilateral context, regional arrangements should be arrived at in the following area:

- Quality of the environment and regional emergency arrangements, including: prevention of pollution of the Eilat/Aqaba Gulf; regional life saving services; regional navigation and flight safety measures; regional authority for environmental management, including nature reserves and coastal activity planning.
- Expansion of water and energy resources, including: construction of an integrated power-and-desalination plant; exploitation of clean energy sources.

- Open tourism, including: free movement of tourist from third countries throughout the region; offers of regional tour packages; expansion of the existing Taba-Aqaba ferry services to include stops at Eilat and in Saudi Arabia.
- Other subjects could include: cooperation in aquaculture unique to the area; activation of a joint regional health center; coordination in seaport and airport operation; arrangement for the joint utilization of roads and rail facilities; establishment of a regional scientific center.

HEALTH

Each of the countries in the region would benefit from cooperation in the spheres of health and medical services, including the prevention of epidemics prevalent in the region and the fight against contagious and viral diseases. Considerable scope exists for cooperation, which should be activated in stages, beginning with subjects which can be easily implemented such as:

Joint research projects utilizing health teams from the countries of the region;

- Cooperation in the development of health data systems;
- Contagious and viral disease control;
- Development of services such as rehabilitation facilities, children's hospitals and the fight against blindness;
- Establishment of a regional center for poison control treatment;
- Establishment of a regional center for the use and maintenance of sophisticated medical equipment;
- Exchanges of medical and paramedical personnel;
- Exchanges of publications, establishment of medical education networks and the like;
- Development of basic medical facilities and services in rural and peripheral areas.

WATER IN THE MIDDLE EAST

COMMON WATER SOURCES IN THE MIDDLE EAST

Scarcity of water is a central problem throughout the entire Middle East, and what is available is usually shared by more than one country. Political boundaries are meaningless when dealing with the common use of limited resources. Thus, water could serve as a catalyst for cooperation for the advancement of peace and the development of the region and no longer be a focal point for war, crises and tensions.

At present, Saudi Arabia and the Gulf states deal with their water shortages by operating desalination plants. Egypt is totally dependent upon the Nile River for its water, with its supply affected both by natural causes and by the states (Sudan, Ethiopia and Uganda) which control the river sources and influence the flow of water. Iraq, Syria and Turkey are mutually dependent for most of their water on the Tigris, Euphrates

and Orontes rivers, the damming of any one of which could prove devastating for one or more of these countries. Lebanon, Syria, Jordan and Israel draw most of their water from the same sources. In the area west of the Jordan River, the residents of Israel, Judea-Samaria and Gaza have shared the same water sources, both before 1967 and since.

WATER-ENHANCING PROGRAMS IN ISRAEL

Water is in constant short supply in Israel. Rain falls only between November and April, with uneven distribution of yearly precipitation ranging from some 28 inches (70 cm) in the north to less than 2 inches (5 cm) in the south. Water sources include the Jordan River, Lake Kinneret (Sea of Galilee) and a few small river systems, as well as natural springs and underground water tables, which are tapped in controlled quantities to prevent depletion and salination. Annual renewable water resources amount to some 56 billion cubic feet (1.6 billion cu.m.), of which 75 percent is used for agriculture.

To overcome regional imbalances in water availability, most of the country's fresh-water sources have been joined in the National Water Carrier, an integrated network of pumping stations, reservoirs, canals and pipelines which transfers water from the north, where most of the sources are, to the agricultural areas of the semi-arid south. As maximum use has been made of all freshwater sources, ways are being developed to exploit marginal water resources through the recycling of waste water, cloud-seeding and desalination of brackish water.

The water-saving measures applied in Israel include:

- Heightening public awareness to the need to conserve water;
- Regulations on the use of water in both the private and public sectors;
- Encouraging the installation of water-saving devices in homes, factories and farms;
- Utilization of advanced water-saving devices such as drip irrigation, which directs water flow straight to the root zone of plants, and computerized irrigation systems;
- Switching to growing less water-intensive crops as well as to hothouse agriculture;
- Enlarging underground reservoirs and building new facilities for collecting rain water.

THE BENEFITS OF COOPERATION

Understanding of the need for cooperation in the use of the water resources of the region was recognized as early as 1953 when the United States proposed the Johnston Plan to allocate the waters of the Jordan River, whose sources are shared by Israel and its neighbors. According to this plan, 46.7 percent was to go to Jordan, 38.5 percent to Israel, 11.7 percent to Syria and 3.1 percent to Lebanon. Israel accepted the agreement, but the Arab countries refused to sign any accord involving Israel as a partner and mutual beneficiary. Although the Johnston Plan was never ratified, Israel and Jordan have been tacitly abiding by its quotas.

In the context of the Middle East peace process, the water issue could serve as an important element in building relations between Israel and the surrounding countries. Joint projects for desalination, the recycling of waste water and making more efficient use of water for irrigation would provide mutually beneficial

areas of cooperation for the betterment of the entire region.

REGIONAL COOPERATION: ECONOMY

Economic cooperation in the Middle East serves not only the interest of the countries in the region, but also of the entire world community. At a time when countries all over the world are establishing mechanisms for stable and common economic systems, economic understanding in the Middle East is a welcome and long-awaited step.

The issue of economic growth is on the agenda of every country in the Middle East. On a regional level, sharing of resources would allow each country to maximize its growth potential. Furthermore, cooperation between countries through joint research and sharing of technology would create a framework of common goals and interests, within which to build a strong base for regional development.

ECONOMIC RELATIONS BUILD PEACE

Economic ties based on equality and mutual interest constitutes an important step in building a solid and lasting peace between countries.

In the Middle East, economic relations could contribute to peace in two ways: as a constructive lever of mutual interest in peace negotiations; and as a common framework in which to maintain and strengthen peace after it is achieved.

ECONOMIC COOPERATION ENCOURAGES REGIONAL GROWTH

The Middle East holds tremendous potential for economic development, with its reservoir of renowned specialists and skilled personnel, vast untapped natural resources and ongoing technological research and development. The joining of personnel from neighboring countries as well as joint research and exchange programs for teachers, engineers, scientists and technicians would reduce duplication and catalyze economic development. As the Middle East continues to modernize and advance, cooperation within the framework of peace would establish the potential for accelerated development and growth for all the countries of the region.

ECONOMIC COOPERATION ENABLES ENTRANCE INTO THE WORLD MARKET

Regional economic cooperation would expand the economic market of the countries of the Middle East. This expanded market would attract investments, especially by foreign companies and oil exporting states, and would generate more capital for investments.

Peace in the region would induce international finance corporations to invest in the development of regional infrastructure.

ECONOMIC COOPERATION OFFERS OPPORTUNITIES FOR REGIONAL DEVELOPMENT

A variety of joint and multilateral projects for economic cooperation, which would be of equal benefit to all parties concerned, would enhance the well-being of the parties and thus foster a solid interest in the promotion and stabilization of mutual relations. The gulf shared by Eilat and Aqaba could serve as a microcosm for regional cooperation. Bordered by four countries, it offers a unique site for a variety of joint and multilateral cooperation ventures.

Possible areas of regional cooperation include: agriculture, energy and infrastructure, tourism and health.

AGRICULTURE

DEVELOPMENT PROJECTS: Projects for the development of agriculture in arid and semi-arid zones could be implemented on tripartite or multilateral bases, modelled on the Arid Lands Research Program carried out since 1981 by Egypt, Israel, and the United States. The project, which involves one university in each country, deals with research on the irrigation of desert crops with brackish water, cultivation of animal feed and breeding of livestock in desert conditions, and adaptation of crops to arid conditions.

JOINT VENTURES: The establishment of a master plan for agricultural extension services and the expansion of projects in horticulture, dairy production, sheep desert farming and aquaculture would help improve agricultural practices in the countries of the region.

INTERTRADING OF AGRICULTURAL INPUTS: Exchanges of means of production, including machinery and equipment, irrigation systems, fertilizers, pesticides, veterinary products, storage and packing equipment, breeding animals, day-old chicks and the like would enhance agricultural output in the region.

Specific fields of cooperation could include:

- Developing high-yield, high-quality and pest-resistant varieties of field crops and vegetables adapted to the Mediterranean region;
- Establishment of a gene bank for fruit species originating and abundant in the Mediterranean basin, to preserve valuable specimens and for future breeding purposes;
- Promotion of genetic and cultural means to improve development and production of temperate-zone fruits in warm climates;
- Improving the management and productivity of tropical and subtropical fruit species;
- Recycling of saline and effluent water for irrigation and developing methods of water application to increase irrigation efficiency;
- Efficient use of fertilizers to prevent pollution of groundwater and soil;
- Protection of the environment by preventing the pollution of soils and groundwater caused by agrochemicals, heavy metals, organic waste and oil products;
- Methods of increasing the natural resistance of fruits and vegetables to post-harvest diseases;
- Use of food-grade plant constituents to replace toxic chemicals in the preservation of fresh and processed agricultural products;
- Increasing production of lamb and mutton by introducing genes of prolific breeds;
- Developing crops-pasture systems for semi-arid areas by using improved pasture methods.

AQUACULTURE: The development of food production technologies based on seawater could be applied in other Middle Eastern countries with similar scarcity of freshwater. The importance of aquaculture (marine culture and freshwater ponds culture) as a means of food production and food supply is constantly increasing, and therefore, the development of this field should be emphasized. In addition to its many freshwater fish farms, Israel has developed seawater ponds as a potential means of food production, with tangible results. It is hoped that the freshwater ponds may be converted into marine fish ponds using seawater.

ENERGY AND INFRASTRUCTURE

Israel's accumulated experience and expertise in aspects of energy and infrastructure management could be applied to other countries in the region such as:

- **LOCATING NATURAL RESOURCES:** Israel's geological survey has established a good record in mapping mineral resources, with particular experience in phosphates and Dead Sea limnology. Cooperation in these fields may prove rewarding to neighboring countries.
- **USE OF GEOTHERMAL WATER:** The Arava region in southeastern Israel has reservoirs of geothermal water which can be utilized for heating protected crops on both sides of the Israel-Jordan border.
- **DESERT ARCHITECTURE:** Israel has developed architectural designs aimed at conserving energy while making maximum use of solar energy. This technology could be applied in desert climates throughout the region.
- **SOLAR ENERGY:** Israel is in the forefront of development in the field of solar water heaters. Cooperation could include open individual thermosiphonic system, open central systems, closed central systems, water quality, systems, manufacturing, operation and regulation.

Studies could be conducted to ascertain the viability of establishing a relatively large solar power plant in the region, with the aim of setting up a power station at a chosen site supplying power to neighboring countries.

- **SEISMIC RESEARCH:** An advanced earthquake reporting system in Israel has accumulated much data which could be of considerable importance for development and planning in other states situated along the Syrian-African Rift Valley.
- **DESALINATION PROGRAMS COMBINED WITH ELECTRIC POWER PRODUCTION:** Solar or gas energy centers including desalination units could be built at selected sites. The centers could serve as advanced training schools for engineers and technicians.

TOURISM

Regional cooperation in the area of tourism would both serve to enhance the national economies of the cooperating countries and make tourist attractions in each of them available to all visitors to the region, with the appeal and advantages of combined tourist packages for travel agent and consumer alike. The promotion of tourism between countries could also include direct flights.

The establishment of a joint forum (EMTC) to promote tourism in the area is recommended, with the cooperation of Greece, Turkey, Israel, Egypt, Cyprus, Syria, Lebanon, Jordan, and other interested countries.

Joint efforts should be encouraged in the investment and development of tourist sites shared by several countries such as the Eilat/Aqaba Gulf region which hosts resorts along the coast of Egypt, Israel and Jordan.

HEALTH

In the field of health, regional cooperation should be aimed at improving the health standards of all the inhabitants of the region; increasing the capacity of medical institutions in the area; establishing a significant level of interaction among scientists and health personnel in the countries concerned; and promoting good health practices and social development.

The following are suggested:

- A regional center for poison control treatment;
- Decompression tanks for diving casualties in the Red Sea;
- A regional center for the maintenance of sophisticated medical equipment for utilization by the health services in the region.
- Extension of the facilities and services available at the children's hospital at Israel's Beilinson Medical Center to all children of the Middle East.

THE GULF OF EILAT/AQABA

The need for regional cooperation among the countries bordering the Gulf of Eilat/Aqaba—Israel, Jordan, Egypt and Saudi Arabia—is particularly striking.

A process of continuing ecological pollution in the Eilat/Aqaba Gulf could result in irreversible damage to the environment and heavy economic losses to the Red Sea coastal countries. There is genuine concern among the coastal countries directly concerned and the international community about the need to safeguard the economic and natural resources of this area through mutually-agreed pollution control measures.

The limited amount of available land between the mountains on both sides has compelled the towns of Eilat and Aqaba to expand along the Israel-Jordan border. As a result, the two towns have, over time, developed into virtually a single urban area, separated by an armistice line. Aqaba's economy is dominated by its port, and the town is industrially oriented; in Eilat, tourism is the main economic endeavor. Common ventures between the two towns would benefit both.

REGIONAL COOPERATION: THE ENVIRONMENT

The past few years have brought an increased world-wide awareness of environmental issues. Many conferences have been convened to discuss global environmental problems such as expected changes in climate, the threat to the earth of a deteriorating ozone layer, the disposal of toxic waste, pollution and disease control, and more. These issues are not confined within the arbitrary borders of individual countries, but rather they span the borders of many nations. Therefore, it is necessary for all parties to create a framework for strategic cooperation by which to cope with regional problems.

The following are regional environmental topics which would benefit from institutionalized mechanisms for multilateral cooperation.

PROTECTION OF NATURE

It is suggested that a joint committee be established to develop and manage natural landscape reserves, protect endangered species and repair damaged ecosystems.

AIR QUALITY

Air pollution is not confined by the boundaries of any country. Pollution from the part of Haifa can reach Jordan in a matter of hours, given the proper weather conditions, and phosphorus dust from the Jordanian port of Aqaba easily reaches the shore of Eilat with the help of an eastern wind. Air quality deterioration is both a health threat to humans as well as a threat to vegetation and buildings.

SOLID WASTE DISPOSAL AND RECYCLING

It is suggested that joint disposal and recycling plants be established.

DUMPING SITES FOR TOXIC WASTE

Toxic waste disposal is a problem which all developed countries must face. The solution involves a suitable site, the proper technology and adequate funding.

Separate dumping sites and duplication of technology are both costly and unnecessary. It is suggested that regional dumping sites be combined in order to improve disposal technology and share disposal costs.

MOSQUITOES

Mosquito breeding sites such as those in the Jordan Valley and Dead Sea area are not simply local problems which are contained within the immediate area of the site. They create a serious nuisance to the economic activities (especially tourism) for surrounding area, as well as pose a threat of disease.

It is suggested that a multilateral committee be established, which will convene regularly and maintain direct contact all year long. Such a committee will coordinate mosquito control activities, inform each other of existing breeding sites and conduct anti-malaria research.

CLIMATE CHANGES

Every country in the Middle East is affected by climate changes in the region. Experts have observed warning signs that the drying of the deserts will further extend the desert regions. Such an eventuality is a threat to all the inhabitants of the area. The only way in which to combat such an awesome challenge of nature is through cooperation.

It is suggested that a joint research team be established to study the problem and make suggestion [sic] for the development of advanced technology, agriculture, construction adapted for desert conditions and climate manipulation.

MEDITERRANEAN REGION

Ocean pollution control is an issue which necessitates the cooperation of all the countries which share waterway and fishing rights. Proposals in this field call for:

- The establishment of an Eastern Regional Center for Marine Pollution Abatement, comprising an emergency response unit and a monitoring network;
- The setting up of a project for defining and implementing principles for coastal environmental planning, including the use and application of GIS (Geographic Information System) and EIS (Environmental Impact Statement) and a network for the monitoring, surveillance and safeguarding of coasts;
- The establishment of a regional project to evaluate climatic changes.

SOIL ENRICHMENT BY ORGANIC WASTE

Cooperation in soil enrichment programs has the potential for both economic and environmental improvements. Possible projects include: the establishment of joint factories; the establishment of joint land-monitoring stations; and the joint disposal of solid waste and recycling of materials.

OTHER SUGGESTIONS

- Common standards, institutional and legal frameworks for regional environment and management;
- Joint environmental research, education and information centers;
- Rehabilitation and preservation of ancient cities and other sites of historical and cultural importance;
- The establishment of a regional monitoring network for environmental radiation;
- Cooperation in the preservation of historical sites, and exchanges between archaeologists and other experts.

American Israel Public Affairs Committee
440 First Street, N.W. Suite 600
Washington, D.C. 20001



Mr. David F. Demarest, Jr.
Assistant to the President
for Communications
The White House
Washington DC 20500