



607 YSR

Meeting between Shimon Peres and Faisal el-Husseini;
Jerusalem, January 9, 1993, 9.30 to 12.00 a.m.
(present: Avi Gil, Dr. Ron Pundak, Dr. Yair Hirschfeld)

after first introductory remarks:

Shimon:

The Question of Deportation

We understand that the deportation of the 415 Hamas members has become a great obstacle and a heavy burden for the Palestinians. Yet, you have to understand, if our decision had been reversed, the burden would have been even greater - for everybody. Scepticism in Israel in regard to the development of the negotiations was already great before and our fear was to lose control of events. The chain of killings initiated and carried out by the Hamas, information we obtained of plans to kidnap and kill little children and of plans to make an attack on your life - all these made a shock treatment necessary. Now we have to minimize the damage.

We are trying to ease the present situation. For the first stage we have permitted the Red Cross to get there. We received information from the deportees. They asked us to permit two persons from the Red Cross to enter and told us that they have enough food. We received the special envoy from the United Nations.

We are looking for various solutions. Yet, if Israel will lose, the Hamas will gain.

We do not oppose the principle of them returning home. It is rather a problem of time. We suggested 9 months to two years each of them has the right to appeal. And nobody can know in advance the decision the supreme court will take.

Our main challenge in this affair is to prevent the Hamas from gaining strength and permit you to regain a position of leadership.

I have suggested several arrangements. This has been done in full concert with Rabin.

Peace Negotiations with Syria

Let us turn to the peace process:

It is our impression that we can do business with Syria, although progress is slow. President Assad has started a process of education of his people. He is calculated. His moves are well thought out; he is not impulsive. He is capable of making strategic decisions. He is progressing slowly for two reasons:

- First, he took the decision to make business with Clinton;
- second, he wants to educate his public.

The negotiations will not be easy. We believe that we can reach an agreement with Syria. Yet, the Syrians will not wait for you. I can tell you also why. Israeli-Palestinian negotiations are based on a two-stage agreement, whereas the first stage will take five years. The Syrians will not wait for five years and the Syrians will assumingly not go for a two-stage solution.

If the Syrians will go for two stages - we would not oppose it - but it would surprise us. Assad will not be able to go for something that is less than full agreement.

We - on our part - are also educating the public. We are publicly speaking of withdrawal.

So far the Syrians say rather provincial things about peace. They say for instance, they need no diplomatic relations with Israel, and compare the situation to their relations with Kasakhstan. Yet, they do understand that the situation is different. Syria did not fight wars with Kasakhstan.

Peace Negotiations with Jordan

Jordan will not be the first to sign a treaty with us, although they want to go ahead. In spite of what the king said, they have not lost their interest in the Palestinian destiny. The problems to be solved with Jordan relate to water, refugees (they speak about "displaced persons") and territory. In regard to territory we have achieved understanding in principle. We have told them that we will respect the Mandatory borderline - in the Arava.

Peace Negotiations with the Palestinians

On top of all what I have said, I want to stress that it is our vital interest to obtain agreement with you. We do not want to connect negotiations one with the other and want to reach independent agreements with each of our negotiating partners. Yet, in our view, peace remains indivisible. We believe that the time and the opportunity for peace has come and we want to build today a new and more stable future.

Our problems in negotiating with you are the following:

1. The greatest problem is the decision-making problem on your side. You have no democratic process. A minority like Hamas can easily kill the process. In politics the choice is to have either majority rule or the rule of the gun. It is a tragedy for you and for us.

Palestinians, among all the other Arab peoples - are the most open to democracy. I don't know any stable system, and no successful economic system that functions without democracy.

We are suggesting elections. The elected will not report to us, but to their people.

If this will be the case, we shall try to look for ways and means that will enable everybody who wants peace to participate in elections.

We know the situation: you speak to Tunisia. We don't prevent you from doing this. However, we cannot negotiate with Arafat, as there are a few problems:

First, he wants to negotiate for the Palestinian diaspora. - We have also our diaspora, but we never negotiated on behalf of our diaspora. Second, the PLO and Fatah are still engaging in acts of terror. It causes great bitterness - even if sometimes exaggerated - among our people.

I know that the dividing line among the Palestinian people is not geographic but political. There are of course moderate people both in- and outside the territories and there are extremists in- and outside the territories.

In case your leadership in Tunisia would stop terror for the entire duration of negotiations and support clearly the proposed solution in two stages, and be very clear on it, the situation could change. We are now speaking on issues related to the West Bank and Gaza. Only 1/5 of the Jewish people are living in Israel. We have never negotiated in Israel, negotiations of the diaspora.

Today there is a delegation recognized by you and us. If you want to change the delegation. The best way to go about it, is to go for elections. The people to be elected can serve in a double capacity; they can be negotiators and being elected, they can act as the heads of the new self-governing body.

2. The other problem in negotiations is the concept: Why can't we go straight ahead: as we would break all the glass. The situation is so complicated both on the map and in the relationship of our two peoples. We need time to create a different atmosphere. Under the present climate there will be clashes, if we shall move immediately to a one-stage solution.

We are told that you are afraid that the interim-stage will turn into a permanent arrangement. We have offered several answers to permit you to overcome this fear:

First: although we shall draw no clear map, we shall agree on a clear calendar;

Second, we create a clear interlock. We have agreed that the solution will be based on 242 and 338 and that there will be a clear interlock in time between the provisional and the permanent solution.

Third; in regard to land and water we have made important suggestions. Land, where there is Palestinian life, will be under Palestinian control; land where there is Israeli life, will be under Israeli control; and other areas will be jointly controlled.

We stopped settlements without your request.

Fourth; regarding legislation; we are ready to map the laws and give you the capacity to make your own laws in areas under your control; while we will keep the capacity to make laws in other areas.

If you agree on the concept, we can find solutions for other issues.

3. Jerusalem is an open-ended question. We suggested in the past that people in Jerusalem may vote by proximity. Today, if any Israeli government will make a move on Jerusalem, it will lose its majority. Therefore we have to keep it for later.

4. Confederation. The general development in the world is that the economies are becoming global, whereas political frameworks are becoming more and more national. It is too early to talk about this issue, as any talk will cause at this stage only problems; but we can prepare for an economic union.

5. Security: WE cannot have a solution without referring to security. Security will encounter also measures against unconventional and missile attacks. I am going this week to Paris to sign the Chemical Weapons Treaty and I shall make a statement, that if we reach peace, we will want the Middle East to be free of non-conventional weapons and we will agree to full inspections, also to unannounced

inspections.

For national security we need regional security and we shall seek progress in this area too.

6. Economic Development: The present economic situation causes us much concern. In most Arab countries the standard of living is US \$ 800,- per capita, at a time, when annual income has reached US \$ 30 000,- in highly developed industrial countries and about US \$ 12 000,- in Israel. Poor income causes poor education, which again leads to extremism and to Fundamentalism. Militant fundamentalism is a protest and not a religion. We have to raise the standard of living.

The Arab countries possess 13 000 000 km²; 89 % of which is desert and is of no use. The remaining 11 %, about 1 000 000 km² is presently under danger, as then drought and the desert tend to eat up the land (while Aids eats up the people).

I am afraid of the fact that we don't have an agreement on water. It is true, we use more water than you. While water consumption is 190 litres per person in Arab countries; it is 500 litres per person in Israel. We have to organise the water distribution and produce more water resources.

Economically speaking, the problem of the Middle East, is not to receive more money, but to generate income. On your side, there is fear of Israeli colonialism and domination; but the time hereof is gone; we live today in a time of competition and we will have to compete one with the other.

We on our behalf will take measures to fight the desert. We will build the greatest Institute in the world - that will specialize on research questions in this area.

The biggest treasure we, you, and the Jordanians have is the Dead Sea. It has enormous potential for exploitation: pottash, brom(ide), magnesium and salts. If we shall overcome the problem of transportation everybody may gain from it. You can be partners to the

project. We shall build a train from the North to the South, in full agreement with all parties. We shall built a Canal (from the Red Sea to the Dead Sea) that will have many purposes: it will create energy; there will be a desalination of water; we plan to transfer the harbours of Eilath and Aqaba further to the north, mainly to prevent pollution and the destruction of nature resources in the Red Sea, but also in order to open up the Dead Sea to all parties.

I know that you want to deal with many of these projects at the final status negotiations; however, to study various projects and ideas takes three to four years, and it would be a pity to lose this time. Let us save this time and start these studies now. The construction of a new Middle East calls for a lot of studies and research work!

The same is true for Gaza. I visited Gaza. Gaza needs immediately 50 million cubic meters of water (Immediately means within three to four years). In the beginning we planned to have a desalination plant for water outside of Gaza. I changed our attitude and said: let us build a water desalination plant in Gaza. The Palestinians will build it and will run it. Financial arrangements will have to be made.

I was told by Palestinians from Gaza, that - in order to go ahead - they needed an institution: a municipality of Gaza. It was suggested that Faiz Abu Rahme should be appointed Mayor of Gaza. But he is old.

In the past Israel took 4 million cubic metres water from Gaza. We stopped it. You should go ahead and build the desalination plant. It costs US \$ 250 000 000,-. We may help to get the financing plan. We are ready to guarantee to buy water which will not be needed. You can get the money from Saudi Arabia, or from any political source you like; even from Lybia. In case, you shall not built the plant, we shall do it by ourselves.

The plant will include also a power station for electricity.

We have to build bridges, rather than peers. (You know peers are frustrated bridges)

I am not looking for profits, I am looking for peace, which means that we will have to solve some of your problems, and you will have to solve some of our problems. 1993 is the year for peace. We are sincere, we are ready to take the risk and pay the price. It is possible to reach an agreement. Problems you will raise, we shall try to solve, provided it will be the same vice versa. Don't lose the opportunity.

7. The Role of the United States: There are some people who have the tendency to assume that the United States will solve the problem. Clinton will not impose any solution.

8. Concluding, I am happy that we have this opportunity to meet and discuss the outstanding questions openly and frankly.

Faisal: Thank you very much for your clear description of issues. I would like to start with the question of deportation.

It is a big obstacle for us. We have to find a way out. I will explain to you, how we look at it. The most important thing for us is the principle of deportation. It is not the time and not the numbers. Next time, if there is another terror attack, you may expell 1 000 or 2 000 and it will create more and more problems. We are concerned. You will have to put this weapon aside, as long as there are negotiations. All other issues can be discussed.

We can deal with negotiations like in Vietnam, or in Diem Bien Phu, or in Algeria. As long as negotiations are free.

Shimon: Do you relate to secret negotiations?

Faisal: No. I mean negotiations with Palestinians from outside. We want to know, what weapons can be used and what weapons can't be

used during negotiations. For instance when you launched the attack on Hamas. Hamas grew for a certain period. After Madrid the majority of our people was for negotiations. However, under Shamir and also under Rabin, no visible change has occurred. The majority of the people still support us, but they are not willing to fight for us; whereas the minority, who support the Hamas are willing to fight. The moment Hamas took Toledano as hostage to free Ahmad Yassin everybody applauded Hamas. We gained the public support again when the Hamas attacked us in Gaza. The moment the Hamas killed Toledano their popularity strongly declined. You saved them and prevented the Palestinian public to turn against them. I believe you did this to save the government and not in order to save the peace process.

Shimon: That is the same thing. Without our government there is no peace.

Faisal: We are enemies, but we are partners. We came with a paper, demanding the implementation and the respect of human rights, you did not solve, the issues we raised.

We would like to establish a mechanism for damage control. We want to move ahead in the peace process. We know it is most important for us. We will not permit anyone to kill the peace process; yet, at the same time, we will not permit the peace process to kill us.

For me, the basic formula is simple: the greater my credibility among my people is, the more flexible I can be. Since Madrid I am losing credibility. Today I am losing credibility and hence I am losing flexibility. I need a move from your side. The decision to let the Red Cross provide aid was a good decision.

[Yet, if the Hamas come back, they will become a problem for us]

Shimon: Deportation is not a policy, it is an exception to the policy. We want to facilitate your position, but we don't want to bring victory to Hamas.

[Faisal: Have a meeting with part of the Palestinian Delegation and at that opportunity announce an agreed upon solution of the problem.]

Faisal: Regarding negotiations with Syria. We were assured that it was Israel rather than Syria that wanted to postpone negotiations in order to deal with Clinton, rather than with Bush.

Shimon: If we could have reached an agreement under Bush we would have done it.

Faisal: Do you trust Assad?

Shimon: I don't trust people, neither you, nor us. I trust the situation. You, or Assad have no other choice. Once, during the Cold War, all basic questions were related to the strategic problem; now the main world problem will be the problem of political democratization.

Earlier nations fought wars. Egypt achieved in negotiations far more, than any Arab nation in war. Assad is a good chess player. He is capable of making a decision and imposing it on his people. He has adopted a change of strategy; although he is not under great (time) pressure. But he is getting older; and there are the problems of Iraq and Iran.

The Arab world needs an economic union not a political. A confederation between you, the Jordanians, and Israel could be a revolutionary step. You could be the first and leading Arab democracy. Take the destiny in your hands and implement democracy. We will not get involved, and not impose limitations even if the most extreme body will be elected. (Shimon gave an example from the elections for municipalities in 1976 when he served as Minister of Defence). why wait ? implement election. Those who will be elected would be allowed to nominate delegates to the negotiations.

Faisal: I agree to that.

We have a serious need to obtain CBM's, to allow ourselves to go ahead in negotiations:

- a. End collective punishment such as demolition of housing;
- b. in prisons: release some people over 65,
release some who are seriously ill (5 to 6) and
others; deal with it carefully;
- b. Settlements - there are 11 000 houses being built under
the present government, this is 33 000 settlers, this
is almost one third of the whole settlement activity;
I have a house in Ain Sinia and from there you can
see the ongoing building activity

Shimon: Tomorrow the government will take the decision to cross out all subsidies for the settlers. It is a revolution. We have changed the national priorities. We have stopped 7 000 units; legally we are powerless to stop the 11 000. Don't underestimate the decision to cross out the subsidies.

Faisal: I need the CBM's to go ahead. every step by you is an investment in moderating our steps. You have to understand that our relationship is not symmetric. I am not a government; I cannot give orders; I have to convince. I was speaking about the Intifada and said that the stones had neutralized the Israeli tank and therefore - so I argued - we Palestinians had to refrain from the use of fire weapons.

I am not in this position today. Then, we were joining negotiations and hoped to obtain a change of the situation. Now, the common sense is that nothing changes.

Regarding the multilaterals: it is very positive for us that the outside can participate in these negotiations. By this I succeeded in preventing extremism among the opposition to the peace process.

Regarding the two-phased solution: We are in favour of moving ahead in two stages: first an interim settlement and then a permanent settlement.

Regarding negotiations on land: For us, the Palestinian land occupied in 1967 is an indivisible unit. In the negotiations we will discuss about the whole area whether it will be Jordanian, Israeli, or Palestinian. If we can say this land is one unit, and that we deal with its future, we may be saying that there is a temporary solution and a permanent one.

Shimon: It is unattainable, leave it. Because it means to create a map just now. But, you can say - once you have 242, you can tell your people 242 is for all the land. If you want us to say the same, it will not happen. You cannot expect us to say, what the Arab position is. It is against the logic of negotiations. I also told one of the Syrians: you think 242 is a complete withdrawal and we do not; For a period of time the disagreement is part of the agreement. The art of negotiations is to distinguish between mobile and immobile issues. I will not ask you to do something you cannot do, and I ask you the same.

Faisal: Regarding settlements: you speak about cities and villages under Israeli control; does it mean that it will be final?

Shimon: We refer in the issue of land to three categories: sovereignty, ownership and management. We say sovereignty is open: we are not annexing any territory; Ownership will remain as it is; Management; can be largely under your control, or joint, or certain areas under direct Israeli control.

We have the longer perspective in mind. Also during and after the final settlement, even if there will be a Palestinian state, we want to maintain the right for Jewish ownership of land; on your side, there is the right of Arab ownership of land in Israel. At least today we cannot declare that it is impossible. We must look at it as a settlement of problem and not the problem of settlements.

Faisal: What is the difference between political and security settlements?

Shimon: Would we add new settlements, you would oppose them.

Faisal: Regarding democracy - we are in need of it. I believe it is a main problem of the Arab world. It needs a protector.

Shimon: The Zionist Movement had no protector. You can elect, whomever you want. We are not talking about municipal elections. Those who will be elected will report to their voters. We shall respect that. We will not censor your views

Faisal: The position on Jerusalem appears to be vague?

Shimon: There is no decision. In the past we were for voting in absence. In the negotiations, put the issue under the title of elections, and not under Jerusalem. it is an open question.

Faisal: Regarding Terrorism; families of people who had been involved in terrorist activities have gone to the army, indicating that their relatives would go to prison. The IDF, said: we want to kill them. So they fought stronger than ever before. Moreover, in our view, clashes between armed people is not terrorism, while attacks on civilians is.

Shimon: Even in regard to the deportee question, Rabin said: stop the intifada for the time of negotiations and the deportees can go home. Why don't you take it up.

I understand perfectly well, that it is difficult for you to accept suggestions that are made by us. Instead of permitting us to make public suggestions, you can make demands and we can agree to accept them. We can agree on a scenario before it will be made public.

Faisal: Was the proposal to include a moratorium on violence, or a ceasefire? If we speak about violence, we have to define it more carefully. Are demonstrations violence? The village of Salfit for instance, started off with non-violent demonstrations, but it ended otherwise; will the army refrain from shooting? The Palestinians perceived the Rabin proposal as an attempt to take 415 hostages in order to obtain an announced end of the intifada.

Even if we reach an agreement; you can implement it immediately; I need time;

Shimon: We know in most cases of terror, who has instigated and controlled the terror act on your side. If there are acts of violence that are not at all under your control, we will not blame you.

Faisal: Regarding the relationship between Israel and the diaspora. There is one big difference. Your diaspora had the right to come back; even under the Mandate. We have no such right. The diaspora is forbidden to take a role in any matter.

Shimon: The Right of Return was decided by Israel, not by the diaspora. You can say: We can negotiate about the diaspora; we cannot negotiate with the diaspora. There is another difference: We are one Jewish state and you have 22 Arab states, including Jordan with a Palestinian majority.

Faisal: I would like the diaspora to negotiate with our team.

Shimon: I have made such a distinction in the multilaterals. The bilateral negotiations are about the past; but the multilaterals are about the future and organized according to various subjects. Thus, everybody who is willing and qualified can participate, as long as certain difficulties on our side are respected by you.

Faisal: We want members of the PNC to participate in the negotiations. Palestinians who have distinguished professional qualifications are all members of one or the other Palestinian institution.

Shimon: May be; but if they want to negotiate they cannot be "card-holders". You, remember the negotiations in Canada; when your chairman (Muhammad Hallaj) said that he was not a "card-holder" we accepted his participation in the negotiations.

Faisal: Why is the PNC identical to the PLO according to you.

Shimon: The PNC is the parliament of the PLO.

Faisal: but one must distinguish between a government and a parliament. In the past I talked with you when I did not talk with [the Likud] government.

Regarding Gaza. We checked the idea of desalination. We do not oppose the idea, but the costs were too high. We can do something.

Shimon: But don't wait. take the initiative. We are ready to buy water for ten years and thereby offer ease the financing of the project.

Faisal: We feared in the past that the price will be too high, but if you are ready to buy it is a change. Was this suggested to our negotiating team?

Shimon: Not yet, but I talk about it with businessmen in Gaza. The cost of water depends on the cost of electricity and the cost of electricity depends on the cost of capital. You shall have also a power station.

Faisal: Regarding the role of the United States. We understand and know that the United States will not impose a solution. However, we need the Americans as a facilitator.

Shimon: Let us move ahead, as much as we can, (in direct contacts and negotiations). In case we shall make important headway we may check various ways as of how to reach (public) understanding. The logic of negotiations obliges us to understand the needs and limitations of the other side.

Faisal: We are now speaking openly and frankly, however, I am not negotiating.

Shimon: Sure; we are checking here various ideas, which, however, do not oblige either side.

Faisal: The PNC is the parliament of the PLO.

Faisal: It may be useful to check the possibility of having a follow-up meeting.

=====

P.S. Faisal to Y.H. in the car:

1. It is of great importance to coordinate plans quietly and carefully. For this reason this meeting and further meetings, which should lead to public action, are of great importance.

2. Showing the organisational chart of the HAMAS on Israeli TV tends to further improve the image and standing of HAMAS among the Palestinians. The Palestinian people don't lack a target to work for, but the organisational means to achieve it. Hence, the demonstration of organisational capabilities is of such major political importance.

3. The Palestinian technological committees have worked out a plan for the establishment of a national electricity grid; the plan refers also to the necessity to interconnect the electricity grid of Gaza with Egypt, Israel, the West Bank and Jordan. The exact locations for the interconnection have already been identified.

the other side.

negotiating.