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Feb. 24, 92

February 21, 1992.

To: Dr. H. Abdul Shafi
From: Ambassador E. Rubinstein

The Agenda in the Negotiations and General concept Ideas

- A. In order to proceed in our negotiations, we ought to agree first on the agenda, which encompasses issues of substance.
- B. Our concept of the interim self-government arrangements, for five years, as expressed in our agenda proposal, is based on the following:
- (1) The interim self-government arrangements must provide for a period of healing, rehabilitation and confidence building in our relationship with the Palestinian Arabs in the territories, following a long conflict and against the wellknown regional background.
 - (2) (a) The interim self-government arrangements concept includes the delegation of a wide list of powers encompassing the life of the Palestinian Arab population in the territories to representatives of the population. When the arrangements are agreed and implemented, the Palestinians in the territories will be able to run their own affairs in many sphere- in fact, the majority of their walks of life.
 - (b) The interim self-government arrangements should be fair to the Arab population but not hamper the rights of Jews. They cannot compromise Israel's security, which - given the wellknown circumstances of terrorist attacks, as well as other threats - is faced with a clear and present danger. That is why the security responsibility must remain with Israel; this is a vital strategic must.
 - (3) The interim self-government arrangements should be achieved without prejudice to the final status of the territories, to be negotiated beginning the third year, as understood. Until the final status is agreed upon, the present source of authority will remain intact.
 - (4) The arrangements will apply to the Palestinian Arab inhabitants of the territories under Israeli military administration. The arrangements will not have a territorial application, nor will they apply to the Israeli population in the territories. They will not include inhabitants of Jerusalem.
- C. We shall/share/with you our reasons for not accepting your agenda ideas as proposed, as well as your model, which - as indicated in my letter of January 16, 1992 - is a far cry from acceptable interim self-government arrangements and which basically represents

a Palestinian State in all but name, considered by Israel a mortal security threat. Your agenda and model proposals appear to reflect disengagement on your part from the spirit of the agreed staged framework for negotiations, which is the only hope for progress. Nor can we accept preconditions of any kind, as introduced and announced by you during the former round of negotiations.

- D. Israel's basic approach to the arrangements is founded in principle developments since 1978. We regret, however, that during the negotiations you have rejected the Camp David Accords.
- E. The interim self-government arrangements should be conducted in an atmosphere free of terrorism and violence. This will consist a major test to the whole process.
- F. (1) Naturally, the interim self-government arrangements should include cooperation and/or coordination with Israel in the various spheres of responsibility as necessary.
- (2) The interim self-government arrangements should be developed with proper attention to Jordanian-related aspects.
- G. The structure of the arrangements will be based on an agreed-upon functional-administrative approach, not to include state-like powers.
- H. The modalities for establishing the arrangements in accordance with agreed-upon structures, will be decided upon in the negotiations.
- I. The list of spheres to be delegated, subject to the necessary understandings, is suggested by us as part of the agenda.
- J. In light of the above, we should work on the agenda in a realistic and swift way, and further continue our deliberations on substance.
- K. Attached is a paper containing greater details on some of the above.
- L. We may presently be at a historic point which presents us with an opportunity to move towards peace. Let us work in this direction through serious direct negotiations, avoiding unnecessary polemics. God willing, our goal may thus be achieved.

February 20, 1992

Ideas for Peaceful coexistence in the territories during the interim period.

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.

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b. The interim period must present an opportunity:

- to examine and test the arrangements agreed upon for this period, including the fulfilment 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

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- 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

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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.

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- (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.

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.