

AGREEMENT ON PREPARATORY TRANSFER OF POWERS AND RESPONSIBILITIES

August 29, 1994

The Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO"), the representative of the Palestinian people;

PREAMBLE

WITHIN the framework of the Middle East peace process initiated at Madrid in October 1991;

REAFFIRMING their determination to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

REAFFIRMING their desire to achieve a just, lasting and comprehensive peace settlement through the agreed political process;

REAFFIRMING their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

REAFFIRMING their understanding that the interim self-government arrangements, including the preparatory arrangements to apply in the West Bank contained in this Agreement, are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council Resolutions 242 and 338;

FOLLOWING the Agreement on the Gaza Strip and the Jericho Area as signed at Cairo on May 4, 1994 (hereinafter "the Gaza-Jericho Agreement");

DESIROUS of putting into effect the Declaration of Principles on Interim Self-Government Arrangements as signed at Washington, D.C. on September 13, 1993 (hereinafter "the Declaration of Principles"), and in particular Article VI regarding preparatory transfer of powers and responsibilities and the Agreed Minutes thereto;

HEREBY AGREE to the following arrangements regarding the preparatory transfer of powers and responsibilities in the West Bank:

ARTICLE I

DEFINITIONS

For the purpose of this Agreement, unless otherwise indicated in the attached Protocols:

- a. the term "the Palestinian Authority" means the Palestinian Authority established in accordance with the Gaza-Jericho Agreement;
- b. the term "Joint Liaison Committee" means the Joint Israeli-Palestinian Liaison Committee established pursuant to Article X of the Declaration of Principles;

- c. the term "Interim Agreement" means the interim agreement referred to in Article VII of the Declaration of Principles; and
- d. the term "Israelis" also includes Israeli statutory agencies and corporations registered in Israel.

ARTICLE II

PREPARATORY TRANSFER OF POWERS AND RESPONSIBILITIES

1. Israel shall transfer and the Palestinian Authority shall assume powers and responsibilities from the Israeli military government and its Civil Administration in the West Bank in the following spheres: education and culture, health, social welfare, tourism, direct taxation and Value Added Tax on local production (hereinafter "VAT"), as specified in this Agreement (hereinafter "the Spheres").
2. For the purposes of this Agreement, the Palestinian Authority shall constitute the authorized Palestinians referred to in Article VI of the Declaration of Principles.
3. The Parties will explore the possible expansion of the transfer of powers and responsibilities to additional spheres.

ARTICLE III

SCOPE OF THE TRANSFERRED POWERS AND RESPONSIBILITIES

1. The scope of the powers and responsibilities transferred in each Sphere, as well as specific arrangements regarding the exercise of such powers and responsibilities, are set out in the Protocols attached as Annexes I through VI.
2. In accordance with the Declaration of Principles, the jurisdiction of the Palestinian Authority with regard to the powers and responsibilities transferred by this Agreement will not apply to Jerusalem, settlements, military locations and, unless otherwise provided in this Agreement, Israelis.
3. The transfer of powers and responsibilities under this Agreement does not include powers and responsibilities in the sphere of foreign relations, except as indicated in Article VI(2)(b) of the Gaza-Jericho Agreement.

ARTICLE IV

MODALITIES OF TRANSFER

1. The transfer of powers and responsibilities in the sphere of education and culture pursuant to this Agreement will be implemented on August 29, 1994. The transfer of powers and responsibilities in the remaining Spheres will be implemented in accordance with Article XI below.
2. The transfer of powers and responsibilities shall be coordinated through the Civil Affairs Coordination and Cooperation Committee referred to in Article X below and shall be implemented in accordance with the arrangements set out in this Agreement in a smooth, peaceful

and orderly manner.

3. Upon the signing of this Agreement, the Israeli side shall provide the Palestinian side with, or enable free access to, all information that is necessary for an effective and smooth transfer.
4. On the date of the transfer of powers and responsibilities, Israel shall also transfer all movable and immovable property which exclusively serves the offices of the Civil Administration in the Spheres, including premises, whether government-owned or rented, equipment, registers, files and computer programs. The treatment of property which serves the offices transferred to the Palestinian Authority as well as offices which are not so transferred will be as mutually agreed between the two sides, such as on the basis of sharing or exchange.
5. The coordination of the transfer of powers and responsibilities pursuant to this Article shall also include a joint review of the Civil Administration contracts the duration of which extends beyond the date of the transfer with a view to deciding which contracts will remain in force and which will be terminated.

ARTICLE V

ADMINISTRATION OF THE TRANSFERRED OFFICES

1. The Palestinian Authority shall be fully responsible for the proper functioning of the offices included in the Spheres and for the management of their personnel in all aspects, including employment and placement of employees, payment of their salaries and pensions and ensuring other employee rights.
2. The Palestinian Authority will continue to employ Palestinian Civil Administration employees currently employed in the offices included in each Sphere and shall maintain their rights.
3. The main office of each of the Spheres will be situated in the Jericho Area or in the Gaza Strip. The Palestinian Authority will operate the existing subordinate offices in the West Bank. The two sides may agree on the establishment of additional subordinate offices in the West Bank, if necessary, in such locations as mutually agreed.
4. The Palestinian Authority has the right to coordinate its activities in each of the Spheres with other Spheres in which it is empowered.

ARTICLE VI

RELATIONS BETWEEN THE TWO SIDES

1. With regard to each Sphere, the Palestinian Authority shall coordinate with the Civil Administration on issues relating to other spheres in which the Palestinian Authority is not empowered.
2. The military government and its Civil Administration shall assist and support the Palestinian Authority in promoting the effective exercise of its powers and responsibilities. In addition, the military government and its Civil Administration shall, in exercising their own

powers and responsibilities, take into account the interests of the Palestinian Authority and do their utmost to remove obstacles to the effective exercise of powers and responsibilities by the Palestinian Authority.

3. The Palestinian Authority shall prevent any activities with a military orientation within each of the Spheres and will do its utmost to maintain decorum and discipline and to avoid disruption in the institutions under its responsibility.
4. The Palestinian Authority will notify the military government and its Civil Administration and will coordinate with them regarding any planned public large-scale events and mass gatherings within the Spheres.
5. Nothing in this Agreement shall affect the continued authority of the military government and its Civil Administration to exercise their powers and responsibilities with regard to security and public order, as well as with regard to other spheres not transferred.

ARTICLE VII

LEGISLATIVE POWERS OF THE PALESTINIAN AUTHORITY

1. The Palestinian Authority may promulgate secondary legislation regarding the powers and responsibilities transferred to it. Such legislation includes amendments and changes to the existing laws, regulations and military orders specified in Appendix A to each Annex.
2. Legislation promulgated by the Palestinian Authority shall be consistent with the provisions of this Agreement.
3. Legislation promulgated by the Palestinian Authority shall be communicated to Israel which may, within a period of thirty (30) days, notify the Palestinian Authority that it opposes such legislation for any of the following reasons:
 - a. it exceeds the powers and responsibilities transferred to the Palestinian Authority;
 - b. it is inconsistent with the provisions of this Agreement; or
 - c. it otherwise affects legislation or powers and responsibilities which were not transferred to the Palestinian Authority.
4. Where Israel opposes proposed legislation, it shall specify the reason for the opposition.
5. If Israel has no reservations concerning the proposed legislation, it shall accordingly notify the Palestinian Authority at the earliest opportunity. If at the end of the thirty-day period Israel has not communicated any opposition concerning the proposed legislation, such legislation shall enter into force.
6. The Palestinian Authority may, in the event of opposition to the proposed draft legislation, submit a new draft or request a review by the Legislation Subcommittee established under the Gaza-Jericho

Agreement.

7. The Legislation Subcommittee shall attempt to reach a decision on the merits of the matter within thirty days. If the Legislation Subcommittee is unable to reach a decision within this period, the Palestinian Authority shall be entitled to refer the matter to the Joint Liaison Committee. The Joint Liaison Committee shall consider the matter immediately and will attempt to settle it within thirty days.
8. Where, upon communicating to Israel proposed legislation consisting of detailed technical regulations, the Palestinian Authority states that such regulations fulfill the requirements of paragraph 3 above and requests a speedy review, Israel shall immediately respond to such a request.
9. Legislation regarding the West Bank shall be published as a separate part of any publication of legislation regarding the Gaza Strip and the Jericho Area issued by the Palestinian Authority.

ARTICLE VIII

LAW ENFORCEMENT

1. The Palestinian Authority may bring disciplinary proceedings concerning persons it employs in the West Bank before disciplinary tribunals operating in the Gaza Strip or the Jericho Area.
2. The Palestinian Authority may, within each of the Spheres, authorize employees to act as civilian inspectors to monitor compliance with laws and regulations in that Sphere, within the powers and responsibilities transferred to the Palestinian Authority. Such inspectors shall operate in each Sphere separately and shall not be organized into a central unit. These inspectors shall not wear uniforms or carry arms, and shall not in any other way have the nature of a police force. They shall be required to carry the identification documentation referred to in paragraph 3 below. The number of employees to be authorized as civilian inspectors shall be agreed upon by both sides. The names of these employees shall be notified to Israel and, where these employees enjoy privileges pursuant to subparagraph 3 below, shall be agreed upon by both sides.
3. The Palestinian Authority shall issue the civilian inspectors in the West Bank with identification documentation specifying the office in which they are employed. Such documentation shall be used for identification and will not grant privileges, except those agreed in the Civil Affairs Coordination and Cooperation Committee referred to in Article X below, or immunities. This committee shall determine the format of the identification documentation.
4. Except as specifically provided in this Agreement, all powers and responsibilities regarding law enforcement, including investigation, judicial proceedings and imprisonment, will continue to be under the responsibility of the existing authorities in the West Bank.

ARTICLE IX

RIGHTS, LIABILITIES AND OBLIGATIONS

1.
 - a. The transfer of powers and responsibilities to the Palestinian Authority under this Agreement will include all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to the transfer. Israel and the Civil Administration will cease to bear any financial responsibility regarding such acts or omissions and the Palestinian Authority will bear all financial responsibility for these and for its own functioning.
 - b. Any financial claim made in this regard against Israel or the Civil Administration will be referred to the Palestinian Authority.
 - c. Israel shall provide the Palestinian Authority with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel or the Civil Administration in this regard.
 - d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Palestinian Authority and enable it to participate in defending the claim and raise any arguments on its behalf.
 - e. In the event that an award is made against Israel or the Civil Administration by any court or tribunal in respect of such a claim, the Palestinian Authority shall, once the award has been paid by Israel, reimburse Israel the full amount of the award.
 - f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Palestinian Authority shall not bear financial responsibility.
 - g. Notwithstanding subparagraphs 1.d through 1.f above, Israel may, pursuant to agreement within the Legal Subcommittee of the CAC established under the Gaza-Jericho Agreement, request an Israeli court or tribunal to dismiss a claim brought before it and, with regard to a pending claim, dismiss the claim and transfer the proceedings to a local court or tribunal.
 - h. Where a claim has been so transferred or where a new claim has been brought in a local court or tribunal subsequent to the dismissal of the claim pursuant to subparagraph 1.g above, the Palestinian Authority shall defend it and, in accordance with subparagraph 1.a above, in the event that an award is made for the plaintiff, shall pay the amount of the award.
 - i. The Legal Subcommittee referred to in subparagraph 1.g above shall agree on arrangements for the transfer of proceedings from Israeli courts or tribunals pursuant to subparagraph 1.g above and, where necessary, for the provision of legal assistance by Israel to the Palestinian Authority in defending such claims.
2. In accordance with paragraph 1 above:

- a. The Palestinian Authority may bring legal proceedings in respect of any acts or omissions relating to powers and responsibilities transferred under this Agreement which occurred prior to the date of the transfer. Israel shall provide the Palestinian Authority with the legal assistance necessary to bring such proceedings.
 - b. The Palestinian Authority may collect any taxes due under Annexes V and VI on the date of the transfer of powers and responsibilities in respect of these taxes, and shall assume responsibility for the payment of any rebates or refunds.
3. Subject to the provisions of this Article, the transfer of powers and responsibilities in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.

ARTICLE X

LIAISON AND COORDINATION

1. The Joint Civil Affairs Coordination and Cooperation Committee established in accordance with the Gaza-Jericho Agreement, (hereinafter "the CAC"), will deal with all issues of mutual concern regarding this Agreement.
2. The operation of the CAC shall not impede daily contacts between representatives of the Civil Administration and the Palestinian Authority in all matters of mutual concern.

ARTICLE XI

BUDGETARY ISSUES

1. The military government and its Civil Administration shall provide the Palestinian Authority with full information concerning the budget of each Sphere.
2. The Palestinian Authority shall immediately employ personnel who will promptly begin the process of becoming acquainted with the current budget issues. On the date of the transfer of powers and responsibilities in each of the Spheres, these personnel will assume responsibility for all accounts, assets and records on behalf of the Palestinian Authority.
3. Israel shall continue to provide the services of Israeli experts currently employed in the fields of income tax and VAT to ensure a smooth transition and efficient establishment of the taxation system of the Palestinian Authority. The terms of their employment shall be agreed upon by the two sides.
4. The Palestinian Authority will do its utmost to establish its revenue collection system immediately with the intent of collecting direct taxes and VAT.
5. The two sides will jointly approach the donor countries during the upcoming meetings of the Consultative Group and of the Ad Hoc Liaison

Committee, scheduled for September 8 through 10, 1994 in Paris, with a request to finance the shortfall that may be created in the collection of the direct taxes and the VAT during the initial period while the Palestinian Authority establishes its own revenue collection system.

6. The two sides will meet no later than three days after the conclusion of these meetings in order to decide on the date of transfer of powers and responsibilities in the remaining Spheres, based, among other things, on the response of the donor countries to the joint request.
7. The CAC will provide the donor countries, when necessary, with information to help adjust the allocation of contributions as a result of variations in tax collection.
8. The Palestinian Authority shall also assume full responsibility for any additional expenditures beyond the agreed budget which is attached as Schedule 1, as well as for any shortfall in tax collection that is not actually covered by the donor countries.
9. If actual revenues from the Spheres, including the donor contributions, exceed the budgeted revenues, the excess shall be applied to development of the Spheres.
10. The inclusion of the sphere of VAT in the spheres to be transferred to the Palestinian Authority shall constitute the adjustment referred to in paragraph (3) of the Agreed Minute to Article VI(2) of the Declaration of Principles, and no further adjustment shall be required.

ARTICLE XII

MUTUAL CONTRIBUTION TO PEACE AND RECONCILIATION

With regard to each of the Spheres, Israel and the Palestinian Authority will ensure that their respective systems contribute to the peace between the Israeli and Palestinian peoples and to peace in the entire region, and will refrain from the introduction of any motifs that could adversely affect the process of reconciliation.

ARTICLE XIII

FINAL CLAUSES

1. This Agreement shall enter into force on the date of its signing.
2. The arrangements established by this Agreement are preparatory measures and shall remain in force until and to the extent superseded by the Interim Agreement or by any other agreement between the Parties.
3. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the Interim Agreement or on the permanent status to be conducted pursuant to the Declaration of Principles. Neither Party shall be deemed, by virtue of having entered into this Agreement, to have renounced or waived any of its existing rights, claims or positions.

4. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity of which will be preserved during the interim period.
5. The Gaza Strip and the Jericho Area shall continue to be an integral part of the West Bank and the Gaza Strip. The status of the West Bank shall not be changed for the period of this Agreement. Nothing in this Agreement shall be considered to change this status.
6. The Preamble to this Agreement and the Annexes, Appendices and Schedules attached hereto, shall constitute an integral part hereof.

Done at Erez this twenty-ninth day of August 1994.

For the
Government of the State of Israel

For the PLO

List of Annexes

- * Schedule 1 - Six-month Budget for the Spheres
- * Annex I - Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Education and Culture
- * Annex II - Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Health
- * Annex III - Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Social Welfare
- * Annex IV - Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Tourism
- * Annex V - Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of Direct Taxation
- * Annex VI - Protocol Concerning Preparatory Transfer of Powers and Responsibilities in the Sphere of VAT on Local Production

THE ISRAELI-PALESTINIAN INTERIM AGREEMENT ON THE WEST BANK AND THE GAZA STRIP

Washington, D.C. September 28, 1995

The Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO"), the representative of the Palestinian people;

PREAMBLE

WITHIN the framework of the Middle East peace process initiated at Madrid in October 1991;

REAFFIRMING their determination to put an end to decades of confrontation and to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

REAFFIRMING their desire to achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process;

RECOGNIZING that the peace process and the new era that it has created, as well as the new relationship established between the two Parties as described above, are irreversible, and the determination of the two Parties to maintain, sustain and continue the peace process;

RECOGNIZING that the aim of the Israeli-Palestinian negotiations within the current Middle East peace process is, among other things, to establish a Palestinian Interim Self-Government Authority, i.e. the elected Council (hereinafter "the Council" or "the Palestinian Council"), and the elected Ra'ees of the Executive Authority, for the Palestinian people in the West Bank and the Gaza Strip, for a transitional period not exceeding five years from the date of signing the Agreement on the Gaza Strip and the Jericho Area (hereinafter "the Gaza-Jericho Agreement") on May 4, 1994, leading to a permanent settlement based on Security Council Resolutions 242 and 338;

REAFFIRMING their understanding that the interim self-government arrangements contained in this Agreement are an integral part of the whole peace process, that the negotiations on the permanent status, that will start as soon as possible but not later than May 4, 1996, will lead to the implementation of Security Council Resolutions 242 and 338, and that the Interim Agreement shall settle all the issues of the interim period and that no such issues will be deferred to the agenda of the permanent status negotiations;

REAFFIRMING their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

DESIROUS of putting into effect the Declaration of Principles on Interim Self-Government Arrangements signed at Washington, DC on September 13, 1993, and the Agreed Minutes thereto (hereinafter "the DOP") and in particular Article III and Annex I concerning the holding of direct, free

and general political elections for the Council and the Ra'ees of the Executive Authority in order that the Palestinian people in the West Bank, Jerusalem and the Gaza Strip may democratically elect accountable representatives;

RECOGNIZING that these elections will constitute a significant interim preparatory step toward the realization of the legitimate rights of the Palestinian people and their just requirements and will provide a democratic basis for the establishment of Palestinian institutions;

REAFFIRMING their mutual commitment to act, in accordance with this Agreement, immediately, efficiently and effectively against acts or threats of terrorism, violence or incitement, whether committed by Palestinians or Israelis;

FOLLOWING the Gaza-Jericho Agreement; the Agreement on Preparatory Transfer of Powers and Responsibilities signed at Erez on August 29, 1994 (hereinafter "the Preparatory Transfer Agreement"); and the Protocol on Further Transfer of Powers and Responsibilities signed at Cairo on August 27, 1995 (hereinafter "the Further Transfer Protocol"); which three agreements will be superseded by this Agreement;

HEREBY AGREE as follows:

CHAPTER 1 - THE COUNCIL

ARTICLE I

Transfer of Authority

1. Israel shall transfer powers and responsibilities as specified in this Agreement from the Israeli military government and its Civil Administration to the Council in accordance with this Agreement. Israel shall continue to exercise powers and responsibilities not so transfer.
2. Pending the inauguration of the Council, the powers and responsibilities transferred to the Council shall be exercised by the Palestinian Authority established in accordance with the Gaza-Jericho Agreement, which shall also have all the rights, liabilities and obligations to be assumed by the Council in this regard. Accordingly, the term "Council" throughout this Agreement shall, pending the inauguration of the Council, be construed as meaning the Palestinian Authority.
3. The transfer of powers and responsibilities to the police force established by the Palestinian Council in accordance with Article XIV below (hereinafter "the Palestinian Police") shall be accomplished in a phased manner, as detailed in this Agreement and in the Protocol concerning Redeployment and Security Arrangements attached as Annex I to this Agreement (hereinafter "Annex I").
4. As regards the transfer and assumption of authority in civil spheres, powers and responsibilities shall be transferred and assumed as set out in the Protocol Concerning Civil Affairs attached as Annex III to this Agreement (hereinafter "Annex III").

5. After the inauguration of the Council, the Civil Administration in the West Bank will be dissolved, and the Israeli military government shall be withdrawn. The withdrawal of the military government shall not prevent it from exercising the powers and responsibilities not transferred to the Council.
6. A Joint Civil Affairs Coordination and Cooperation Committee (hereinafter "the CAC"), Joint Regional Civil Affairs Subcommittees, one for the Gaza Strip and the other for the West Bank, and District Civil Liaison Offices in the West Bank shall be established in order to provide for coordination and cooperation in civil affairs between the Council and Israel, as detailed in Annex III.
7. The offices of the Council, and the offices of its Ra'ees and its Executive Authority and other committees, shall be located in areas under Palestinian territorial jurisdiction in the West Bank and the Gaza Strip.

ARTICLE II

Elections

1. In order that the Palestinian people of the West Bank and the Gaza Strip may govern themselves according to democratic principles, direct, free and general political elections will be held for the Council and the Ra'ees of the Executive Authority of the Council in accordance with the provisions set out in the Protocol concerning Elections attached as Annex II to this Agreement (hereinafter "Annex II").
2. These elections will constitute a significant interim preparatory step towards the realization of the legitimate rights of the Palestinian people and their just requirements and will provide a democratic basis for the establishment of Palestinian institutions.
3. Palestinians of Jerusalem who live there may participate in the election process in accordance with the provisions contained in this Article and in Article VI of Annex II (Election Arrangements concerning Jerusalem).
4. The elections shall be called by the Chairman of the Palestinian Authority immediately following the signing of this Agreement to take place at the earliest practicable date following the redeployment of Israeli forces in accordance with Annex I, and consistent with the requirements of the election timetable as provided in Annex II, the Election Law and the Election Regulations, as defined in Article I of Annex II.

ARTICLE III

Structure of the Palestinian Council

1. The Palestinian Council and the Ra'ees of the Executive Authority of the Council constitute the Palestinian Interim Self-Government Authority, which will be elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip for the transitional period agreed in Article I of the DOP.

2. The Council shall possess both legislative power and executive power, in accordance with Articles VII and IX of the DOP. The Council shall carry out and be responsible for all the legislative and executive powers and responsibilities transferred to it under this Agreement. The exercise of legislative powers shall be in accordance with Article XVIII of this Agreement (Legislative Powers of the Council).
3. The Council and the Ra'ees of the Executive Authority of the Council shall be directly and simultaneously elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip, in accordance with the provisions of this Agreement and the Election Law and Regulations, which shall not be contrary to the provisions of this Agreement.
4. The Council and the Ra'ees of the Executive Authority of the Council shall be elected for a transitional period not exceeding five years from the signing of the Gaza-Jericho Agreement on May 4, 1994.
5. Immediately upon its inauguration, the Council will elect from among its members a Speaker. The Speaker will preside over the meetings of the Council, administer the Council and its committees, decide on the agenda of each meeting, and lay before the Council proposals for voting and declare their results.
6. The jurisdiction of the Council shall be as determined in Article XVII of this Agreement (Jurisdiction).
7. The organization, structure and functioning of the Council shall be in accordance with this Agreement and the Basic Law for the Palestinian Interim Self- Government Authority, which Law shall be adopted by the Council. The Basic Law and any regulations made under it shall not be contrary to the provisions of this Agreement.
8. The Council shall be responsible under its executive powers for the offices, services and departments transferred to it and may establish, within its jurisdiction, ministries and subordinate bodies, as necessary for the fulfillment of its responsibilities.
9. The Speaker will present for the Council's approval proposed internal procedures that will regulate, among other things, the decision-making processes of the Council.

ARTICLE IV

Size of the Council

The Palestinian Council shall be composed of 82 representatives and the Ra'ees of the Executive Authority, who will be directly and simultaneously elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip.

ARTICLE V

The Executive Authority of the Council

1. The Council will have a committee that will exercise the executive authority of the Council, formed in accordance with paragraph 4 below (hereinafter "the Executive Authority").

2. The Executive Authority shall be bestowed with the executive authority of the Council and will exercise it on behalf of the Council. It shall determine its own internal procedures and decision making processes.
3. The Council will publish the names of the members of the Executive Authority immediately upon their initial appointment and subsequent to any changes.
4.
 - a. The Ra'ees of the Executive Authority shall be an ex officio member of the Executive Authority.
 - b. All of the other members of the Executive Authority, except as provided in subparagraph c. below, shall be members of the Council, chosen and proposed to the Council by the Ra'ees of the Executive Authority and approved by the Council.
 - c. The Ra'ees of the Executive Authority shall have the right to appoint some persons, in number not exceeding twenty percent of the total membership of the Executive Authority, who are not members of the Council, to exercise executive authority and participate in government tasks. Such appointed members may not vote in meetings of the Council.
 - d. Non-elected members of the Executive Authority must have a valid address in an area under the jurisdiction of the Council.

ARTICLE VI

Other Committees of the Council

1. The Council may form small committees to simplify the proceedings of the Council and to assist in controlling the activity of its Executive Authority.
2. Each committee shall establish its own decision-making processes within the general framework of the organization and structure of the Council.

ARTICLE VII

Open Government

1. All meetings of the Council and of its committees, other than the Executive Authority, shall be open to the public, except upon a resolution of the Council or the relevant committee on the grounds of security, or commercial or personal confidentiality.
2. Participation in the deliberations of the Council, its committees and the Executive Authority shall be limited to their respective members only. Experts may be invited to such meetings to address specific issues on an ad hoc basis.

ARTICLE VIII

Judicial Review

Any person or organization affected by any act or decision of the Ra'ees of the Executive Authority of the Council or of any member of the Executive Authority, who believes that such act or decision exceeds the authority of the Ra'ees or of such member, or is otherwise incorrect in law or procedure, may apply to the relevant Palestinian Court of Justice for a review of such activity or decision.

ARTICLE IX

Powers and Responsibilities of the Council

1. Subject to the provisions of this Agreement, the Council will, within its jurisdiction, have legislative powers as set out in Article XVIII of this Agreement, as well as executive powers.
2. The executive power of the Palestinian Council shall extend to all matters within its jurisdiction under this Agreement or any future agreement that may be reached between the two Parties during the interim period. It shall include the power to formulate and conduct Palestinian policies and to supervise their implementation, to issue any rule or regulation under powers given in approved legislation and administrative decisions necessary for the realization of Palestinian self-government, the power to employ staff, sue and be sued and conclude contracts, and the power to keep and administer registers and records of the population, and issue certificates, licenses and documents.
3. The Palestinian Council's executive decisions and acts shall be consistent with the provisions of this Agreement.
4. The Palestinian Council may adopt all necessary measures in order to enforce the law and any of its decisions, and bring proceedings before the Palestinian courts and tribunals.
5.
 - a. In accordance with the DOP, the Council will not have powers and responsibilities in the sphere of foreign relations, which sphere includes the establishment abroad of embassies, consulates or other types of foreign missions and posts or permitting their establishment in the West Bank or the Gaza Strip, the appointment of or admission of diplomatic and consular staff, and the exercise of diplomatic functions.
 - b. Notwithstanding the provisions of this paragraph, the PLO may conduct negotiations and sign agreements with states or international organizations for the benefit of the Council in the following cases only:
 1. economic agreements, as specifically provided in Annex V of this Agreement;
 2. agreements with donor countries for the purpose of implementing arrangements for the provision of assistance to the Council ;
 3. agreements for the purpose of implementing the regional development plans detailed in Annex IV of the DOP or in agreements entered into in the framework of the multilateral negotiations; and
 4. cultural, scientific and educational agreements.

- c. Dealings between the Council and representatives of foreign states and international organizations, as well as the establishment in the West Bank and the Gaza Strip of representative offices other than those described in subparagraph 5.a above, for the purpose of implementing the agreements referred to in subparagraph 5.b above, shall not be considered foreign relations.
6. Subject to the provisions of this Agreement, the Council shall, within its jurisdiction, have an independent judicial system composed of independent Palestinian courts and tribunals.

CHAPTER 2 - REDEPLOYMENT AND SECURITY ARRANGEMENTS

ARTICLE X

Redeployment of Israeli Military Forces

1. The first phase of the Israeli military forces redeployment will cover populated areas in the West Bank - cities, towns, villages, refugee camps and hamlets - as set out in Annex I, and will be completed prior to the eve of the Palestinian elections, i.e., 22 days before the day of the elections.
2. Further redeployments of Israeli military forces to specified military locations will commence after the inauguration of the Council and will be gradually implemented commensurate with the assumption of responsibility for public order and internal security by the Palestinian Police, to be completed within 18 months from the date of the inauguration of the Council as detailed in Articles XI (Land) and XIII (Security), below and in Annex I.
3. The Palestinian Police shall be deployed and shall assume responsibility for public order and internal security for Palestinians in a phased manner in accordance with Article XIII (Security) below and Annex I.
4. Israel shall continue to carry the responsibility for external security, as well as the responsibility for overall security of Israelis for the purpose of safeguarding their internal security and public order.
5. For the purpose of this Agreement, "Israeli military forces" includes Israel Police and other Israeli security forces.

ARTICLE XI

Land

1. The two sides view the West Bank and the Gaza Strip as a single territorial unit, the integrity and status of which will be preserved during the interim period.
2. The two sides agree that West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations, will come under the jurisdiction of the Palestinian Council in a phased manner, to be completed within 18 months from the

date of the inauguration of the Council, as specified below:

- a. Land in populated areas (Areas A and B), including government and Al Waqf land, will come under the jurisdiction of the Council during the first phase of redeployment.
 - b. All civil powers and responsibilities, including planning and zoning, in Areas A and B, set out in Annex III, will be transferred to and assumed by the Council during the first phase of redeployment.
 - c. In Area C, during the first phase of redeployment Israel will transfer to the Council civil powers and responsibilities not relating to territory, as set out in Annex III.
 - d. The further redeployments of Israeli military forces to specified military locations will be gradually implemented in accordance with the DOP in three phases, each to take place after an interval of six months, after the inauguration of the Council, to be completed within 18 months from the date of the inauguration of the Council.
 - e. During the further redeployment phases to be completed within 18 months from the date of the inauguration of the Council, powers and responsibilities relating to territory will be transferred gradually to Palestinian jurisdiction that will cover West Bank and Gaza Strip territory, except for the issues that will be negotiated in the permanent status negotiations.
 - f. The specified military locations referred to in Article X, paragraph 2 above will be determined in the further redeployment phases, within the specified time-frame ending not later than 18 months from the date of the inauguration of the Council, and will be negotiated in the permanent status negotiations.
3. For the purpose of this Agreement and until the completion of the first phase of the further redeployments:
- a. "Area A" means the populated areas delineated by a red line and shaded in brown on attached map No. 1;
 - b. "Area B" means the populated areas delineated by a red line and shaded in yellow on attached map No. 1, and the built-up area of the hamlets listed in Appendix 6 to Annex I; and
 - c. "Area C" means areas of the West Bank outside Areas A and B, which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in accordance with this Agreement.

ARTICLE XII

Arrangements for Security and Public Order

1. In order to guarantee public order and internal security for the Palestinians of the West Bank and the Gaza Strip, the Council shall establish a strong police force as set out in Article XIV below. Israel shall continue to carry the responsibility for defense against external threats, including the responsibility for protecting the

Egyptian and Jordanian borders, and for defense against external threats from the sea and from the air, as well as the responsibility for overall security of Israelis and Settlements, for the purpose of safeguarding their internal security and public order, and will have all the powers to take the steps necessary to meet this responsibility.

2. Agreed security arrangements and coordination mechanisms are specified in Annex I.
3. A Joint Coordination and Cooperation Committee for Mutual Security Purposes (hereinafter "the JSC"), as well as Joint Regional Security Committees (hereinafter "RSCs") and Joint District Coordination Offices (hereinafter "DCOs"), are hereby established as provided for in Annex I.
4. The security arrangements provided for in this Agreement and in Annex I may be reviewed at the request of either Party and may be amended by mutual agreement of the Parties. Specific review arrangements are included in Annex I.
5. For the purpose of this Agreement, "the Settlements" means, in the West Bank - the settlements in Area C; and in the Gaza Strip - the Gush Katif and Erez settlement areas, as well as the other settlements in the Gaza Strip, as shown on attached map No. 2.

ARTICLE XIII

Security

1. The Council will, upon completion of the redeployment of Israeli military forces in each district, as set out in Appendix 1 to Annex I, assume the powers and responsibilities for internal security and public order in Area A in that district.
2.
 - a. There will be a complete redeployment of Israeli military forces from Area B. Israel will transfer to the Council and the Council will assume responsibility for public order for Palestinians. Israel shall have the overriding responsibility for security for the purpose of protecting Israelis and confronting the threat of terrorism.
 - b. In Area B the Palestinian Police shall assume the responsibility for public order for Palestinians and shall be deployed in order to accommodate the Palestinian needs and requirements in the following manner:
 1. The Palestinian Police shall establish 25 police stations and posts in towns, villages, and other places listed in Appendix 2 to Annex I and as delineated on map No. 3. The West Bank RSC may agree on the establishment of additional police stations and posts, if required.
 2. The Palestinian Police shall be responsible for handling public order incidents in which only Palestinians are involved.
 3. The Palestinian Police shall operate freely in populated places where police stations and posts are located, as set

out in paragraph b(1) above.

4. While the movement of uniformed Palestinian policemen in Area B outside places where there is a Palestinian police station or post will be carried out after coordination and confirmation through the relevant DCO, three months after the completion of redeployment from Area B, the DCOs may decide that movement of Palestinian policemen from the police stations in Area B to Palestinian towns and villages in Area B on roads that are used only by Palestinian traffic will take place after notifying the DCO.
5. The coordination of such planned movement prior to confirmation through the relevant DCO shall include a scheduled plan, including the number of policemen, as well as the type and number of weapons and vehicles intended to take part. It shall also include details of arrangements for ensuring continued coordination through appropriate communication links, the exact schedule of movement to the area of the planned operation, including the destination and routes thereto, its proposed duration and the schedule for returning to the police station or post. The Israeli side of the DCO will provide the Palestinian side with its response, following a request for movement of policemen in accordance with this paragraph, in normal or routine cases within one day and in emergency cases no later than 2 hours.
6. The Palestinian Police and the Israeli military forces will conduct joint security activities on the main roads as set out in Annex 1.
7. The Palestinian Police will notify the West Bank RSC of the names of the policemen, number plates of police vehicles and serial numbers of weapons, with respect to each police station and post in Area B.
8. Further redeployments from Area C and transfer of internal security responsibility to the Palestinian Police in Areas B and C will be carried out in three phases, each to take place after an interval of six months, to be completed 18 months after the inauguration of the Council, except for the issues of permanent status negotiations and of Israel's overall responsibility for Israelis and borders.
9. The procedures detailed in this paragraph will be reviewed within six months of the completion of the first phase of redeployment.

ARTICLE XIV

The Palestinian Police

1. The Council shall establish a strong police force. The duties, functions, structure, deployment and composition of the Palestinian Police, together with provisions regarding its equipment and operation, as well as rules of conduct, are set out in Annex 1.
2. The Palestinian police force established under the Gaza-Jericho Agreement will be fully integrated into the Palestinian Police and will be subject to the provisions of this Agreement.
3. Except for the Palestinian Police and the Israeli military forces, no

other armed forces shall be established or operate in the West Bank and the Gaza Strip.

4. Except for the arms, ammunition and equipment of the Palestinian Police described in Annex I, and those of the Israeli military forces, no organization, group or individual in the West Bank and the Gaza Strip shall manufacture, sell, acquire, possess, import or otherwise introduce into the West Bank or the Gaza Strip any firearms, ammunition, weapons, explosives, gunpowder or any related equipment, unless otherwise provided for in Annex I.

ARTICLE XV

Prevention of Hostile Acts

1. Both sides shall take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against each other, against individuals falling under the other's authority and against their property, and shall take legal measures against offenders.
2. Specific provisions for the implementation of this Article are set out in Annex I.

ARTICLE XVI

Confidence Building Measures

With a view to fostering a positive and supportive public atmosphere to accompany the implementation of this Agreement, to establish a solid basis of mutual trust and good faith, and in order to facilitate the anticipated cooperation and new relations between the two peoples, both Parties agree to carry out confidence building measures as detailed herewith:

1. Israel will release or turn over to the Palestinian side, Palestinian detainees and prisoners, residents of the West Bank and the Gaza Strip. The first stage of release of these prisoners and detainees will take place on the signing of this Agreement and the second stage will take place prior to the date of the elections. There will be a third stage of release of detainees and prisoners. Detainees and prisoners will be released from among categories detailed in Annex VII (Release of Palestinian Prisoners and Detainees). Those released will be free to return to their homes in the West Bank and the Gaza Strip.
2. Palestinians who have maintained contact with the Israeli authorities will not be subjected to acts of harassment, violence, retribution or prosecution. Appropriate ongoing measures will be taken, in coordination with Israel, in order to ensure their protection.
3. Palestinians from abroad whose entry into the West Bank and the Gaza Strip is approved pursuant to this Agreement, and to whom the provisions of this Article are applicable, will not be prosecuted for offenses committed prior to September 13, 1993.

CHAPTER 3 - LEGAL AFFAIRS

ARTICLE XVII

Jurisdiction

1. In accordance with the DOP, the jurisdiction of the Council will cover West Bank and Gaza Strip territory as a single territorial unit, except for:
 - a. issues that will be negotiated in the permanent status negotiations: Jerusalem, settlements, specified military locations, Palestinian refugees, borders, foreign relations and Israelis; and
 - b. powers and responsibilities not transferred to the Council.
2. Accordingly, the authority of the Council encompasses all matters that fall within its territorial, functional and personal jurisdiction, as follows
 - a. The territorial jurisdiction of the Council shall encompass Gaza Strip territory, except for the Settlements and the Military Installation Area shown on map No. 2, and West Bank territory, except for Area C which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in three phases, each to take place after an interval of six months, to be completed 18 months after the inauguration of the Council. At this time, the jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for the issues that will be negotiated in the permanent status negotiations. Territorial jurisdiction includes land, subsoil and territorial waters, in accordance with the provisions of this Agreement.
 - b. The functional jurisdiction of the Council extends to all powers and responsibilities transferred to the Council, as specified in this Agreement or in any future agreements that may be reached between the Parties during the interim period.
 - c. The territorial and functional jurisdiction of the Council will apply to all persons, except for Israelis, unless otherwise provided in this Agreement.
 - d. Notwithstanding subparagraph a. above, the Council shall have functional jurisdiction in Area C, as detailed in Article IV of Annex III.
3. The Council has, within its authority, legislative, executive and judicial powers and responsibilities, as provided for in this Agreement.
4.
 - a. Israel, through its military government, has the authority over areas that are not under the territorial jurisdiction of the Council, powers and responsibilities not transferred to the Council and Israelis.
 - b. To this end, the Israeli military government shall retain the necessary legislative, judicial and executive powers and responsibilities, in accordance with international law. This provision shall derogate from Israel's applicable legislation over Israelis in personam.

5. The exercise of authority with regard to the electromagnetic sphere and air space shall be in accordance with the provisions of this Agreement.
6. Without derogating from the provisions of this Article, legal arrangements detailed in the Protocol Concerning Legal Matters attached as Annex IV to this Agreement (hereinafter "Annex IV") shall be observed. Israel and the Council may negotiate further legal arrangements.
7. Israel and the Council shall cooperate on matters of legal assistance in criminal and civil matters through a legal committee (hereinafter "the Legal Committee"), hereby established.
8. The Council's jurisdiction will extend gradually to cover West Bank and Gaza Strip territory, except for the issues to be negotiated in the permanent status negotiations, through a series of redeployments of the Israeli military forces. The first phase of the redeployment of Israeli military forces will cover populated areas in the West Bank - cities, towns, refugee camps and hamlets, as set out in Annex I - and will be completed prior to the eve of the Palestinian elections, i.e. 22 days before the day of the elections. Further redeployments of Israeli military forces to specified military locations will commence immediately upon the inauguration of the Council and will be effected in three phases, each to take place after an interval of six months, to be concluded no later than eighteen months from the date of the inauguration of the Council.

ARTICLE XVIII

Legislative Powers of the Council

1. For the purposes of this Article, legislation shall mean any primary and secondary legislation, including basic laws, laws, regulations and other legislative acts.
2. The Council has the power, within its jurisdiction as defined in Article XVII of this Agreement, to adopt legislation.
3. While the primary legislative power shall lie in the hands of the Council as a whole, the Ra'ees of the Executive Authority of the Council shall have the following legislative powers:
 - a. the power to initiate legislation or to present proposed legislation to the Council;
 - b. the power to promulgate legislation adopted by the Council; and
 - c. the power to issue secondary legislation, including regulations, relating to any matters specified and within the scope laid down in any primary legislation adopted by the Council.
4. a. Legislation, including legislation which amends or abrogates existing laws or military orders, which exceeds the jurisdiction of the Council or which is otherwise inconsistent with the provisions of the DOP, this Agreement, or of any other agreement that may be reached between the two sides during the interim period, shall have no effect and shall be void ab initio.

- b. The Ra'ees of the Executive Authority of the Council shall not promulgate legislation adopted by the Council if such legislation falls under the provisions of this paragraph.
5. All legislation shall be communicated to the Israeli side of the Legal Committee.
6. Without derogating from the provisions of paragraph 4 above, the Israeli side of the Legal Committee may refer for the attention of the Committee any legislation regarding which Israel considers the provisions of paragraph 4 apply, in order to discuss issues arising from such legislation. The Legal Committee will consider the legislation referred to it at the earliest opportunity.

ARTICLE XIX

Human Rights and the Rule of Law

Israel and the Council shall exercise their powers and responsibilities pursuant to this Agreement with due regard to internationally-accepted norms and principles of human rights and the rule of law.

ARTICLE XX

Rights, Liabilities and Obligations

1.
 - a. The transfer of powers and responsibilities from the Israeli military government and its civil administration to the Council, as detailed in Annex III, includes all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to such transfer. Israel will cease to bear any financial responsibility regarding such acts or omissions and the Council will bear all financial responsibility for these and for its own functioning.
 - b. Any financial claim made in this regard against Israel will be referred to the Council.
 - c. Israel shall provide the Council with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel in this regard.
 - d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Council and enable it to participate in defending the claim and raise any arguments on its behalf.
 - e. In the event that an award is made against Israel by any court or tribunal in respect of such a claim, the Council shall immediately reimburse Israel the full amount of the award.
 - f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Council shall not bear financial responsibility.
2.
 - a. Notwithstanding the provisions of paragraphs 1.d through 1.f

above, each side may take the necessary measures, including promulgation of legislation, in order to ensure that such claims by Palestinians, including pending claims in which the hearing of evidence has not yet begun, are brought only before Palestinian courts or tribunals in the West Bank and the Gaza Strip, and are not brought before or heard by Israeli courts or tribunals.

- b. Where a new claim has been brought before a Palestinian court or tribunal subsequent to the dismissal of the claim pursuant to subparagraph a. above, the Council shall defend it and, in accordance with subparagraph 1.a above, in the event that an award is made for the plaintiff, shall pay the amount of the award.
 - c. The Legal Committee shall agree on arrangements for the transfer of all materials and information needed to enable the Palestinian courts or tribunals to hear such claims as referred to in subparagraph b. above, and, when necessary, for the provision of legal assistance by Israel to the Council in defending such claims.
3. The transfer of authority in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.
 4. The Council, upon its inauguration, will assume all the rights, liabilities and obligations of the Palestinian Authority.
 5. For the purpose of this Agreement, "Israelis" also includes Israeli statutory agencies and corporations registered in Israel.

ARTICLE XXI

Settlement of Differences and Disputes

Any difference relating to the application of this Agreement shall be referred to the appropriate coordination and cooperation mechanism established under this Agreement. The provisions of Article XV of the DOP shall apply to any such difference which is not settled through the appropriate coordination and cooperation mechanism, namely:

1. Disputes arising out of the application or interpretation of this Agreement or any related agreements pertaining to the interim period shall be settled through the Liaison Committee.
2. Disputes which cannot be settled by negotiations may be settled by a mechanism of conciliation to be agreed between the Parties.
3. The Parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both Parties, the Parties will establish an Arbitration Committee.

CHAPTER 4 - COOPERATION

ARTICLE XXII

Relations between Israel and the Council

1. Israel and the Council shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each other and, without derogating from the principle of freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within their jurisdiction.
2. Israel and the Council will ensure that their respective educational systems contribute to the peace between the Israeli and Palestinian peoples and to peace in the entire region, and will refrain from the introduction of any motifs that could adversely affect the process of reconciliation.
3. Without derogating from the other provisions of this Agreement, Israel and the Council shall cooperate in combating criminal activity which may affect both sides, including offenses related to trafficking in illegal drugs and psychotropic substances, smuggling, and offenses against property, including offenses related to vehicles.

ARTICLE XXIII

Cooperation with Regard to Transfer of Powers and Responsibilities

In order to ensure a smooth, peaceful and orderly transfer of powers and responsibilities, the two sides will cooperate with regard to the transfer of security powers and responsibilities in accordance with the provisions of Annex I, and the transfer of civil powers and responsibilities in accordance with the provisions of Annex III.

ARTICLE XXIV

Economic Relations

The economic relations between the two sides are set out in the Protocol on Economic Relations, signed in Paris on April 29, 1994, and the Appendices thereto, and the Supplement to the Protocol on Economic Relations, all attached as Annex V, and will be governed by the relevant provisions of this Agreement and its Annexes.

ARTICLE XXV

Cooperation Programs

1. The Parties agree to establish a mechanism to develop programs of cooperation between them. Details of such cooperation are set out in Annex VI.
2. A Standing Cooperation Committee to deal with issues arising in the context of this cooperation is hereby established as provided for in Annex VI.

ARTICLE XXVI

The Joint Israeli-Palestinian Liaison Committee

1. The Liaison Committee established pursuant to Article X of the DOP shall ensure the smooth implementation of this Agreement. It shall deal with issues requiring coordination, other issues of common interest and disputes.
2. The Liaison Committee shall be composed of an equal number of members from each Party. It may add other technicians and experts as necessary.
3. The Liaison Committee shall adopt its rules of procedures, including the frequency and place or places of its meetings.
4. The Liaison Committee shall reach its decisions by agreement.
5. The Liaison Committee shall establish a subcommittee that will monitor and steer the implementation of this Agreement (hereinafter "the Monitoring and Steering Committee"). It will function as follows:
 - a. The Monitoring and Steering Committee will, on an ongoing basis, monitor the implementation of this Agreement, with a view to enhancing the cooperation and fostering the peaceful relations between the two sides.
 - b. The Monitoring and Steering Committee will steer the activities of the various joint committees established in this Agreement (the JSC, the CAC, the Legal Committee, the Joint Economic Committee and the Standing Cooperation Committee) concerning the ongoing implementation of the Agreement, and will report to the Liaison Committee.
 - c. The Monitoring and Steering Committee will be composed of the heads of the various committees mentioned above.
 - d. The two heads of the Monitoring and Steering Committee will establish its rules of procedures, including the frequency and places of its meetings.

ARTICLE XXVII

Liaison and Cooperation with Jordan and Egypt

1. Pursuant to Article XII of the DOP, the two Parties have invited the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives on the one hand, and the Governments of Jordan and Egypt on the other hand, to promote cooperation between them. As part of these arrangements a Continuing Committee has been constituted and has commenced its deliberations.
2. The Continuing Committee shall decide by agreement on the modalities of admission of persons displaced from the West Bank and the Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder.
3. The Continuing Committee shall also deal with other matters of common concern.

ARTICLE XXVIII

Missing Persons

1. Israel and the Council shall cooperate by providing each other with all necessary assistance in the conduct of searches for missing persons and bodies of persons which have not been recovered, as well as by providing information about missing persons.
2. The PLO undertakes to cooperate with Israel and to assist it in its efforts to locate and to return to Israel Israeli soldiers who are missing in action and the bodies of soldiers which have not been recovered.

CHAPTER 5 - MISCELLANEOUS PROVISIONS

ARTICLE XXIX

Safe Passage between the West Bank and the Gaza Strip

Arrangements for safe passage of persons and transportation between the West Bank and the Gaza Strip are set out in Annex I.

ARTICLE XXX

Passages

Arrangements for coordination between Israel and the Council regarding passage to and from Egypt and Jordan, as well as any other agreed international crossings, are set out in Annex I.

ARTICLE XXXI

Final Clauses

1. This Agreement shall enter into force on the date of its signing.
2. The Gaza-Jericho Agreement, the Preparatory Transfer Agreement and the Further Transfer Protocol will be superseded by this Agreement.
3. The Council, upon its inauguration, shall replace the Palestinian Authority and shall assume all the undertakings and obligations of the Palestinian Authority under the Gaza-Jericho Agreement, the Preparatory Transfer Agreement, and the Further Transfer Protocol.
4. The two sides shall pass all necessary legislation to implement this Agreement.
5. Permanent status negotiations will commence as soon as possible, but not later than May 4, 1996, between the Parties. It is understood that these negotiations shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbors, and other issues of common interest.
6. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the permanent status to be conducted pursuant to the DOP. Neither Party shall be deemed, by virtue of having entered

into this Agreement, to have renounced or waived any of its existing rights, claims or positions.

7. Neither side shall initiate or take any step that will change the status of the West Bank and the Gaza Strip pending the outcome of the permanent status negotiations.
8. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity and status of which will be preserved during the interim period.
9. The PLO undertakes that, within two months of the date of the inauguration of the Council, the Palestinian National Council will convene and formally approve the necessary changes in regard to the Palestinian Covenant, as undertaken in the letters signed by the Chairman of the PLO and addressed to the Prime Minister of Israel, dated September 9, 1993 and May 4, 1994.
10. Pursuant to Annex I, Article IX of this Agreement, Israel confirms that the permanent checkpoints on the roads leading to and from the Jericho Area (except those related to the access road leading from Mousa Alami to the Allenby Bridge) will be removed upon the completion of the first phase of redeployment.
11. Prisoners who, pursuant to the Gaza-Jericho Agreement, were turned over to the Palestinian Authority on the condition that they remain in the Jericho Area for the remainder of their sentence, will be free to return to their homes in the West Bank and the Gaza Strip upon the completion of the first phase of redeployment.
12. As regards relations between Israel and the PLO, and without derogating from the commitments contained in the letters signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO, dated September 9, 1993 and May 4, 1994, the two sides will apply between them the provisions contained in Article XXII, paragraph 1, with the necessary changes.
13.
 - a. The Preamble to this Agreement, and all Annexes, Appendices and maps attached hereto, shall constitute an integral part hereof.
 - b. The Parties agree that the maps attached to the Gaza-Jericho Agreement as:
 - a. map No. 1 (The Gaza Strip), an exact copy of which is attached to this Agreement as map No. 2 (in this Agreement "map No. 2");
 - b. map No. 4 (Deployment of Palestinian Police in the Gaza Strip), an exact copy of which is attached to this Agreement as map No. 5 (in this Agreement "map No. 5"); and
 - c. map No. 6 (Maritime Activity Zones), an exact copy of which is attached to this Agreement as map No. 8 (in this Agreement "map No. 8");

are an integral part hereof and will remain in effect for the duration of this Agreement.
14. While the Jafflik area will come under the functional and personal

jurisdiction of the Council in the first phase of redeployment, the area's transfer to the territorial jurisdiction of the Council will be considered by the Israeli side in the first phase of the further redeployment phases.

Done at Washington DC, this 28th day of September, 1995.

For the Government of
the State of Israel

For the PLO

Witnessed by:

The United States of America

The Russian Federation

The Arab Republic of Egypt

The Hashemite Kingdom of Jordan

The Kingdom of Norway

The European Union

-
- * Annex 1 - Redeployment and Security Arrangements
 - * Annex 2 - Elections Protocol
 - * Annex 3 - Civil Affairs
 - * Annex 4 - Legal Matters
 - * Annex 5 - Economic Relations
 - * Annex 6 - Israeli-Palestinian Cooperation
 - * Annex 7 - Release of Palestinian Prisoners

 - * Map No. 1 - First Phase of Redeployment (Areas A & B)
 - * Map No. 2 - Security Arrangements in the Gaza Strip
 - * Map No. 5 - Palestinian Police Deployment - Gaza Strip
 - * Map No. 6 - Safe Passage Routes
 - * Map No. 8 - Maritime Activity Zones
 - * Map No. 9 - Hebron

ISRAEL-JORDAN COMMON AGENDA

September 14, 1993

Washington, D.C.

A. Goal:

The achievement of just, lasting and comprehensive peace between the Arab States, the Palestinians and Israel as per the Madrid invitation.

B. Components of Israel-Jordan Peace Negotiations:

1. Searching for steps to arrive at a state of peace based on Security Council Resolutions 242 and 338 in all their aspects.

2. Security:

a. Refraining from actions or activities by either side that may adversely affect the security of the other or may prejudice the final outcome of negotiations.

b. Threats to security resulting from all kinds of terrorism.

i. Mutual commitment not to threaten each other by any use of force and not to use weapons by one side against the other including conventional and non-conventional mass destruction weapons.

ii. Mutual commitment, as a matter of priority and as soon as possible, to work towards a Middle East free from weapons of mass destruction, conventional and non-conventional weapons; this goal is to be achieved in the context of a comprehensive, lasting and stable peace characterized by the renunciation of the use of force, reconciliation and openness.

Note: The above (item c-ii) may be revised in accordance with relevant agreements to be reached

in the Multilateral Working Group on Arms Control and Regional Security.

c. Mutually agreed upon security arrangements and security confidence building measures.

3. Water:

- a. Securing the rightful water shares of the two sides.
- b. Searching for ways to alleviate water shortage.

4. Refugees and Displaced Persons:

the
Achieving an agreed just solution to the bilateral aspects of
problem of refugees and displaced persons in accordance with
international law.

5. Borders and Territorial Matters:

of
Settlement of territorial matters and agreed definitive
delimitation and demarcation of the international boundary
between Israel and Jordan with reference to the boundary
definition under the Mandate, without prejudice to the status
the
any territories that came under Israeli Military Government
control in 1967. Both parties will respect and comply with
above international boundary.

within
6. Exploring the potentials of future bilateral cooperation,
a regional context where appropriate, in the following:

a. Natural Resources:

- + Water, energy and environment
- + Rift Valley development

b. Human Resources:

- + Demography
- + Labor
- + Health
- + Education
- + Drug Control

c. Infrastructure:

- + Transportation: land and air
- + Communication

d. Economic areas including tourism.

items
7. Phasing the discussion, agreement and implementation of the
above including appropriate mechanisms for negotiations in
specific fields.

8. Discussion on matters related to both tracks to be decided upon in common by the two tracks.

C. It is anticipated that the above endeavor will ultimately, following the attainment of mutually satisfactory solutions to the elements of this agenda, culminate in a peace treaty.

THE WASHINGTON DECLARATION

Israel - Jordan - The United States

July 25th, 1994

A. After generations of hostility, blood and tears and in the wake of years of pain and wars, His Majesty King Hussein and Prime Minister Yitzhak Rabin are determined to bring an end to bloodshed and sorrow. It is in this spirit that His Majesty King Hussein of the Hashemite Kingdom of Jordan and Prime Minister and Minister of Defense, Mr. Yitzhak Rabin of Israel, met in Washington today at the invitation of President William J. Clinton of the United States of America. This initiative of President William J. Clinton constitutes an historic landmark in the United States' untiring efforts in promoting peace and stability in the Middle East. The personal involvement of the President has made it possible to realise agreement on the content of this historic declaration.

The signing of this declaration bears testimony to the President's vision and devotion to the cause of peace.

B. In their meeting, His Majesty King Hussein and Prime Minister Yitzhak Rabin have jointly reaffirmed the five underlying principles of their understanding on an Agreed Common Agenda designed to reach the goal of a just, lasting and comprehensive peace between the Arab States and the Palestinians, with Israel.

1. Jordan and Israel aim at the achievement of just, lasting and comprehensive peace between Israel and its neighbours and at the conclusion of a Treaty of Peace between both countries.
2. The two countries will vigorously continue their negotiations to arrive at a state of peace, based on Security Council Resolutions 242 and 338 in all their aspects, and founded on freedom, equality and justice.
3. Israel respects the present special role of the Hashemite Kingdom of Jordan in Muslim Holy shrines in Jerusalem. When negotiations on the permanent status will take place, Israel will give high priority to the Jordanian historic role in these shrines. In addition the two sides have agreed to act together to promote interfaith relations among the three monotheistic religions.
4. The two countries recognise their right and obligation to live in peace with each other as well as with all states within secure

and recognised boundaries. The two states affirmed their respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every state in the area.

5. The two countries desire to develop good neighbourly relations of cooperation between them to ensure lasting security and to avoid threats and the use of force between them.

C. The long conflict between the two states is now coming to an end. In this spirit the state of belligerency between Jordan and Israel has been terminated.

D. Following this declaration and in keeping with the Agreed Common Agenda, both countries will refrain from actions or activities by either side that may adversely affect the security of the other or may prejudice the final outcome of negotiations. Neither side will threaten the other by use of force, weapons, or any other means, against each other and both sides will thwart threats to security resulting from all kinds of terrorism.

E. His Majesty King Hussein and Prime Minister Yitzhak Rabin took note of the progress made in the bilateral negotiations within the Jordan-Israel track last week on the steps decided to implement the sub-agendas on borders, territorial matters, security, water, energy, environment and the Jordan Rift Valley.

In this framework, mindful of items of the Agreed Common Agenda (borders and territorial matters) they noted that the boundary sub-commission has reached agreement in July 1994 in fulfillment of part of the role entrusted to it in the sub-agenda. They also noted that the sub-commission for water, environment and energy agreed to mutually recognise, as the role of their negotiations, the rightful allocations of the two sides in Jordan River and Yarmouk River waters and to fully respect and comply with the negotiated rightful allocations, in accordance with agreed acceptable principles with mutually acceptable quality. Similarly, His Majesty King Hussein and Prime Minister Yitzhak Rabin expressed their deep satisfaction and pride in the work of the trilateral commission in its meeting held in Jordan on Wednesday, July 20th 1994, hosted by the Jordanian Prime Minister, Dr. Abdessalam al-Majali, and attended by Secretary of State Warren Christopher and Foreign Minister Shimon Peres. They voiced their pleasure at the association and commitment of the United States in this endeavour.

F. His Majesty King Hussein and Prime Minister Yitzhak Rabin believe that steps must be taken both to overcome psychological barriers and to break with the legacy of war. By working with optimism towards the

dividends of peace for all the people in the region, Jordan and Israel are determined to shoulder their responsibilities towards the human dimension of peace making. They recognise imbalances and disparities are a root cause of extremism which thrives on poverty and unemployment and the degradation of human dignity. In this spirit His Majesty King Hussein and Prime Minister Yitzhak Rabin have today approved a series of steps to symbolise the new era which is now at hand:

1. Direct telephone links will be opened between Jordan and Israel.
2. The electricity grids of Jordan and Israel will be linked as part of a regional concept.
3. Two new border crossings will be opened between Jordan and Israel - one at the southern tip of Aqaba- Eilat and the other at a mutually agreed point in the north.
4. In principle free access will be given to third country tourists traveling between Jordan and Israel.
5. Negotiations will be accelerated on opening an international air corridor between both countries.
6. The police forces of Jordan and Israel will cooperate in combating crime with emphasis on smuggling and particularly drug smuggling. The United States will be invited to participate in this joint endeavour.
7. Negotiations on economic matters will continue in order to prepare for future bilateral cooperation including the abolition of all economic boycotts.

All these steps are being implemented within the framework of regional infrastructural development plans and in conjunction with the Jordan-Israel bilaterals on boundaries, security, water and related issues and without prejudice to the final outcome of the negotiations on the items included in the Agreed Common Agenda between Jordan and Israel.

G. His Majesty King Hussein and Prime Minister Yitzhak Rabin have agreed to meet periodically or whenever they feel necessary to review the progress of the negotiations and express their firm intention to shepherd and direct the process in its entirety.

H. In conclusion, His Majesty King Hussein and Prime Minister Yitzhak Rabin wish to express once again their profound thanks and appreciation to President William J. Clinton and his Administration for their untiring efforts in furthering the cause of peace, justice and prosperity for all the peoples of the region. They wish to thank the President personally for his warm welcome and hospitality. In recognition of their appreciation to the President, His Majesty King

Hussein and Prime Minister Yitzhak Rabin have asked President William J. Clinton to sign this document as a witness and as a host to their meeting.

His Majesty King Hussein

Prime Minister Yitzhak Rabin

President William J. Clinton

TREATY OF PEACE
BETWEEN THE STATE OF ISRAEL AND THE HASHEMITE KINGDOM OF
JORDAN

October 26, 1994

PREAMBLE

The Government of the State of Israel and the Government of the Hashemite Kingdom of Jordan:

Bearing in mind the Washington Declaration , signed by them on 25th July, 1994, and which they are both committed to honour;

Aiming at the achievement of a just, lasting and comprehensive peace in the Middle East based an Security Council resolutions 242 and 338 in all their aspects;

Bearing in mind the importance of maintaining and strengthening peace based on freedom, equality, justice and respect for fundamental human rights, thereby overcoming psychological barriers and promoting human dignity;

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and recognising their right and obligation to live in peace with each other as well as with all states, within secure and recognised boundaries;

Desiring to develop friendly relations and co-operation between them in accordance with the principles of international law governing international relations in time of peace;

Desiring as well to ensure lasting security for both their States and in particular to avoid threats and the use of force between them;

Bearing in mind that in their Washington Declaration of 25th July, 1994, they declared the termination of the state of belligerency between them;

Deciding to establish peace between them in accordance with this Treaty of Peace;

Have agreed as follows:

ARTICLE I

ESTABLISHMENT OF PEACE

Peace is hereby established between the State of Israel and the Hashemite Kingdom of Jordan (the "Parties") effective from the exchange of the instruments of ratification of this Treaty.

ARTICLE 2

GENERAL PRINCIPLES

The Parties will apply between them the provisions of the Charter of the United Nations and the principles of international law governing relations among states in times of peace. In particular:

1. They recognise and will respect each other's sovereignty, territorial integrity and political independence;
2. They recognise and will respect each other's right to live in peace within secure and recognised boundaries;
3. They will develop good neighbourly relations of co-operation between them to ensure lasting security, will refrain from the threat or use of force against each other and will settle all disputes between them by peaceful means;
4. They respect and recognise the sovereignty, territorial integrity and political independence of every state in the region;
5. They respect and recognise the pivotal role of human development and dignity in regional and bilateral relationships;
6. They further believe that within their control, involuntary movements of persons in such a way as to adversely prejudice the security of either Party should not be permitted.

ARTICLE 3

INTERNATIONAL BOUNDARY

1. The international boundary between Israel and Jordan is delimited with reference to the boundary definition under the Mandate as is shown in Annex I (a), on the mapping materials attached thereto and co-ordinates specified therein.
2. The boundary, as set out in Annex I (a), is the permanent, secure and recognised international boundary between Israel and Jordan, without prejudice to the status of any territories that came under Israeli military government control in 1967.

3. The parties recognise the international boundary, as well as each other's territory, territorial waters and airspace, as inviolable, and will respect and comply with them.
4. The demarcation of the boundary will take place as set forth in Appendix (I) to Annex I and will be concluded not later than nine months after the signing of the Treaty.
5. It is agreed that where the boundary follows a river, in the event of natural changes in the course of the flow of the river as described in Annex I (a), the boundary shall follow the new course of the flow. In the event of any other changes the boundary shall not be affected unless otherwise agreed.
6. Immediately upon the exchange of the instruments of ratification of this Treaty, each Party will deploy on its side of the international boundary as defined in Annex I (a).
7. The Parties shall, upon the signature of the Treaty, enter into negotiations to conclude, within 9 months, an agreement on the delimitation of their maritime boundary in the Gulf of Aqaba.
8. Taking into account the special circumstances of the Naharayim/Baquara area, which is under Jordanian sovereignty, with Israeli private ownership rights, the Parties agreed to apply the provisions set out in Annex I (b).
9. With respect to the Zofar/Al-Ghamr area, the provisions set out in Annex I (c) will apply.

ARTICLE 4

SECURITY

1. a. Both Parties, acknowledging that mutual understanding and co-operation in security-related matters will form a significant part of their relations and will further enhance the security of the region, take upon themselves to base their security relations on mutual trust, advancement of joint interests and co-operation, and to aim towards a regional framework of partnership in peace.
- b. Towards that goal the Parties recognise the achievements of the European Community and European Union in the development of the Conference on Security and Co-operation in Europe (CSCE) and

commit themselves to the creation, in the Middle East, of a CSCME (Conference on Security and Co-operation in the Middle East). This commitment entails the adoption of regional models of security successfully implemented in the post World War era (along the lines of the Helsinki process) culminating in a regional zone of security and stability.

2. The obligations referred to in this Article are without prejudice to the inherent right of self-defence in accordance with the United Nations Charter.
3. The Parties undertake, in accordance with the provisions of this Article, the following:
 - a. to refrain from the threat or use of force or weapons, conventional, non-conventional or of any other kind, against each other, or of other actions or activities that adversely affect the security of the other Party;
 - b. to refrain from organising, instigating, inciting, assisting or participating in acts or threats of belligerency, hostility, subversion or violence against the other Party;
 - c. to take necessary and effective measures to ensure that acts or threats of belligerency, hostility, subversion or violence against the other Party do not originate from, and are not committed within, through or over their territory (hereinafter the term "territory" includes the airspace and territorial waters).
4. Consistent with the era of peace and with the efforts to build regional security and to avoid and prevent aggression and violence, the Parties further agree to refrain from the following:
 - a. joining or in any way assisting, promoting or co-operating with any coalition, organisation or alliance with a military or security character with a third party, the objectives or activities of which include launching aggression or other acts of military hostility against the other Party, in contravention of the provisions of the present Treaty.
 - b. allowing the entry, stationing and operating on their territory, or through it, of military forces, personnel or materiel of a third party, in circumstances which may adversely prejudice the security of the other Party.

5. Both Parties will take necessary and effective measures, and will co-operate in combating terrorism of all kinds. The Parties undertake:
 - a. to take necessary and effective measures to prevent acts of terrorism, subversion or violence from being carried out from their territory or through it and to take necessary and effective measures to combat such activities and all their perpetrators.
 - b. without prejudice to the basic rights of freedom of expression and association, to take necessary and effective measures to prevent the entry, presence and co-operation in their territory of any group or organisation, and their infrastructure, which threatens the security of the other Party by the use of or incitement to the use of, violent means.
 - c. to co-operate in preventing and combating cross-boundary infiltrations.
6. Any question as to the implementation of this Article will be dealt with through a mechanism of consultations which will include a liaison system, verification, supervision, and where necessary, other mechanisms, and higher level consultation. The details of the mechanism of consultations will be contained in an agreement to be concluded by the Parties within 3 months of the exchange of the instruments of ratification of this Treaty.
7. The Parties undertake to work as a matter of priority, and as soon as possible in the context of the Multilateral Working Group on Arms Control and Regional Security, and jointly, towards the following:
 - a. the creation in the Middle East of a region free from hostile alliances and coalitions;
 - b. the creation of a Middle East free from weapons of mass destruction, both conventional and non-conventional, in the context of a comprehensive, lasting and stable peace, characterised by the renunciation of the use of force, reconciliation and goodwill.

ARTICLE 5

DIPLOMATIC AND OTHER BILATERAL RELATIONS

1. The Parties agree to establish full diplomatic and consular relations and to exchange resident ambassadors within one month of the exchange of the instruments of ratification of this Treaty.

2. The Parties agree that the normal relationship between them will further include economic and cultural relations.

ARTICLE 6

WATER

With the view to achieving a comprehensive and lasting settlement of all the water problems between them:

1. The Parties agree mutually to recognise the rightful allocations of both of them in Jordan River and Yarmouk River waters and Araba/Arava ground water in accordance with the agreed acceptable principles, quantities and quality as set out in Annex II , which shall be fully respected and complied with.
2. The Parties, recognising the necessity to find a practical, just and agreed solution to their water problems and with the view that the subject of water can form the basis for the advancement of co-operation between them, jointly undertake to ensure that the management and development of their water resources do not, in any way, harm the water resources of the other Party.
3. The Parties recognise that their water resources are not sufficient to meet their needs. More water should be supplied for their use through various methods, including projects of regional and international co-operation.
4. In light of paragraph 3 of this Article, with the understanding that co-operation in water-related subjects would be to the benefit of both Parties, and will help alleviate their water shortages, and that water issues along their entire boundary must be dealt with in their totality, including the possibility of trans-boundary water transfers, the Parties agree to search for ways to alleviate water shortage and to co-operate in the following fields:
 - a. development of existing and new water resources, increasing the water availability including co-operation on a regional basis as appropriate, and minimising wastage of water resources through the chain of their uses;
 - b. prevention of contamination of water resources;
 - c. mutual assistance in the alleviation of water shortages;

d. transfer of information and joint research and development in water-related subjects, and review of the potentials for enhancement of water resources development and use.

5. The implementation of both Parties' undertakings under this Article is detailed in Annex II.

ARTICLE 7

ECONOMIC RELATIONS

1. Viewing economic development and prosperity as pillars of peace, security and harmonious relations between states, peoples and individual human beings, the Parties, taking note of understandings reached between them, affirm their mutual desire to promote economic co-operation between them, as well as within the framework of wider regional economic co-operation.

2. In order to accomplish this goal, the Parties agree to the following:

- a. to remove all discriminatory barriers to normal economic relations, to terminate economic boycotts directed at each other, and to co-operate in terminating boycotts against either Party by third parties;
- b. recognising that the principle of free and unimpeded flow of goods and services should guide their relations, the Parties will enter into negotiations with a view to concluding agreements on economic co-operation, including trade and the establishment of a free trade area, investment, banking, industrial co-operation and labour, for the purpose of promoting beneficial economic relations, based on principles to be agreed upon, as well as on human development considerations on a regional basis. These negotiations will be concluded no later than 6 months from the exchange the instruments of ratification of this Treaty.
- c. to co-operate bilaterally, as well as in multilateral forums, towards the promotion of their respective economies and of their neighbourly economic relations with other regional parties.

ARTICLE 8

REFUGEES AND DISPLACED PERSONS

1. Recognising the massive human problems caused to both Parties by the conflict in the Middle East, as well as the contribution made by them

towards the alleviation of human suffering, the Parties will seek to further alleviate those problems arising on a bilateral level.

2. Recognising that the above human problems caused by the conflict in the Middle East cannot be fully resolved on the bilateral level, the Parties will seek to resolve them in appropriate forums, in accordance with international law, including the following:

a. in the case of displaced persons, in a quadripartite committee together with Egypt and the Palestinians:

b. in the case of refugees,

i. in the framework of the Multilateral Working Group on Refugees;

ii. in negotiations, in a framework to be agreed, bilateral or otherwise, in conjunction with and at the same time as the permanent status negotiations pertaining to the territories referred to in Article 3 of this Treaty;

c. through the implementation of agreed United Nations programmes and other agreed international economic programmes concerning refugees and displaced persons, including assistance to their settlement.

ARTICLE 9

PLACES OF HISTORICAL AND RELIGIOUS SIGNIFICANCE

1. Each party will provide freedom of access to places of religious and historical significance.

2. In this regard, in accordance with the Washington Declaration, Israel respects the present special role of the Hashemite Kingdom of Jordan in Muslim Holy shrines in Jerusalem. When negotiations on the permanent status will take place, Israel will give high priority to the Jordanian historic role in these shrines.

3. The Parties will act together to promote interfaith relations among the three monotheistic religions, with the aim of working towards religious understanding, moral commitment, freedom of religious worship, and tolerance and peace.

ARTICLE 10

CULTURAL AND SCIENTIFIC EXCHANGES

The Parties, wishing to remove biases developed through periods of conflict, recognise the desirability of cultural and scientific exchanges in all fields, and agree to establish normal cultural relations between them. Thus, they shall, as soon as possible and not later than 9 months from the exchange of the instruments of ratification of this Treaty, conclude the negotiations on cultural and scientific agreements.

ARTICLE 11

MUTUAL UNDERSTANDING AND GOOD NEIGHBOURLY RELATIONS

1. The Parties will seek to foster mutual understanding and tolerance based on shared historic values, and accordingly undertake:
 - a. to abstain from hostile or discriminatory propaganda against each other, and to take all possible legal and administrative measures to prevent the dissemination of such propaganda by any organisation or individual present in the territory of either Party;
 - b. as soon as possible, and not later than 3 months from the exchange of the instruments of ratification of this Treaty, to repeal all adverse or discriminatory references and expressions of hostility in their respective legislation;
 - c. to refrain in all government publications from any such references or expressions;
 - d. to ensure mutual enjoyment by each other's citizens of due process of law within their respective legal systems and before their courts.
2. Paragraph 1 (a) of this Article is without prejudice to the right to freedom of expression as contained in the International Covenant on Civil and Political Rights.
3. A joint committee shall be formed to examine incidents where one Party claims there has been a violation of this Article.

ARTICLE 12

COMBATING CRIME AND DRUGS

The Parties will co-operate in combating crime, with an emphasis on smuggling, and will take all necessary measures to combat and prevent such

activities as the production of, as well as the trafficking in illicit drugs, and will bring to trial perpetrators of such acts. In this regard, they take note of the understandings reached between them in the above spheres, in accordance with Annex III and undertake to conclude all relevant agreements not later than 9 months from the date of the exchange of the instruments of ratification of this Treaty.

ARTICLE 13

TRANSPORTATION AND ROADS

Taking note of the progress already made in the area of transportation, the Parties recognise the mutuality of interest in good neighbourly relations in the area of transportation and agree to the following means to promote relations between them in this sphere:

1. Each party will permit the free movement of nationals and vehicles of the other into and within its territory according to the general rules applicable to nationals and vehicles of other states. Neither party will impose discriminatory taxes or restrictions on the free movement of persons and vehicles from its territory to the territory of the other.
2. The Parties will open and maintain roads and border-crossings between their countries and will consider further road and rail links between them.
3. The Parties will continue their negotiations concerning mutual transportation agreements in the above and other areas, such as joint projects, traffic safety, transport standards and norms, licensing of vehicles, land passages, shipment of goods and cargo, and meteorology, to be concluded not later than 6 months from the exchange of the instruments of ratification of this Treaty.
4. The Parties agree to continue their negotiations for a highway to be constructed and maintained between Egypt, Israel and Jordan near Eilat.

ARTICLE 14

FREEDOM OF NAVIGATION AND ACCESS TO PORTS

1. Without prejudice to the provisions of paragraph 3, each Party recognises the right of the vessels of the other Party to innocent passage through its territorial waters in accordance with the rules of international law.

2. Each Party will grant normal access to its ports for vessels and cargoes of the other, as well as vessels and cargoes destined for or coming from the other Party. Such access will be granted on the same conditions as generally applicable to vessels and cargoes of other nations.
3. The Parties consider the Strait of Tiran and the Gulf of Aqaba to be international waterways open to all nations for unimpeded and non-suspendable freedom of navigation and overflight. The Parties will respect each other's right to navigation and overflight for access to either Party through the Strait of Tiran and the Gulf of Aqaba.

ARTICLE 15

CIVIL AVIATION

1. The Parties recognise as applicable to each other the rights, privileges and obligations provided for by the multilateral aviation agreements to which they are both party, particularly by the 1944 Convention on International Civil Aviation (The Chicago Convention) and the 1944 International Air Services Transit Agreement.
2. Any declaration of national emergency by a Party under Article 89 of the Chicago Convention will not be applied to the other Party on a discriminatory basis.
3. The Parties take note of the negotiations on the international air corridor to be opened between them in accordance with the Washington Declaration. In addition, the Parties shall, upon ratification of this Treaty, enter into negotiations for the purpose of concluding a Civil Aviation Agreement. All the above negotiations are to be concluded not later than 6 months from the exchange of the instruments of ratification of this Treaty.

ARTICLE 16

POSTS AND TELECOMMUNICATIONS

The Parties take note of the opening between them, in accordance with the Washington Declaration, of direct telephone and facsimile lines. Postal links, the negotiations on which having been concluded, will be activated upon the signature of this Treaty. The Parties further agree that normal wireless and cable communications and television relay services by cable, radio and satellite, will be established between them, in accordance with all relevant international conventions and regulations. The negotiations on

these subjects will be concluded not later than 9 months from the exchange of the instruments of ratification of this Treaty.

ARTICLE 17

TOURISM

The Parties affirm their mutual desire to promote co-operation between them in the field of tourism. In order to accomplish this goal, the Parties -- taking note of the understandings reached between them concerning tourism -- agree to negotiate, as soon as possible, and to conclude not later than three months from the exchange of the instruments of ratification of this Treaty, an agreement to facilitate and encourage mutual tourism and tourism from third countries.

ARTICLE 18

ENVIRONMENT

The Parties will co-operate in matters relating to the environment, a sphere to which they attach great importance, including conservation of nature and prevention of pollution, as set forth in Annex IV . They will negotiate an agreement on the above, to be concluded not later than 6 months from the exchange of the instruments of ratification of this Treaty.

ARTICLE 19

ENERGY

1. The Parties will co-operate in the development of energy resources, including the development of energy-related projects such as the utilisation of solar energy.
2. The Parties, having concluded their negotiations on the interconnecting of their electric grids in the Eilat-Aqaba area, will implement the interconnecting upon the signature of this Treaty. The Parties view this step as a part of a wider binational and regional concept. They agree to continue their negotiations as soon as possible to widen the scope of their interconnected grids.
3. The Parties will conclude the relevant agreements in the field of energy within 6 months from the date of exchange of the instruments of ratification of this Treaty.

ARTICLE 20

RIFT VALLEY DEVELOPMENT

The Parties attach great importance to the integrated development of the Jordan Rift Valley area, including joint projects in the economic, environmental, energy-related and tourism fields. Taking note of the Terms of Reference developed in the framework of the Trilateral Israel-Jordan-US Economic Committee towards the Jordan Rift Valley Development Master Plan, they will vigorously continue their efforts towards the completion of planning and towards implementation.

ARTICLE 21

HEALTH

The Parties will co-operate in the area of health and shall negotiate with a view to the conclusion of an agreement within 9 months of the exchange of instruments of ratification of this Treaty.

ARTICLE 22

AGRICULTURE

The Parties will co-operate in the areas of agriculture, including veterinary services, plant protection, biotechnology and marketing, and shall negotiate with a view to the conclusion of an agreement within 6 months from the date of the exchange of instruments of ratification of this Treaty.

ARTICLE 23

AQABA AND EILAT

The Parties agree to enter into negotiations, as soon as possible, and not later than one month from the exchange of the instruments of ratification of this Treaty, on arrangements that would enable the joint development of the towns of Aqaba and Eilat with regard to such matters, inter alia, as joint tourism development, joint customs, free trade zone, co-operation in aviation, prevention of pollution, maritime matters, police, customs and health co-operation. The Parties will conclude all relevant agreements within 9 months from the exchange of instruments of ratification of the Treaty.

ARTICLE 24

CLAIMS

The Parties agree to establish a claims commission for the mutual settlement of all financial claims.

ARTICLE 25

RIGHTS AND OBLIGATIONS

1. This Treaty does not affect and shall not be interpreted as affecting, in any way, the rights and obligations of the Parties under the Charter of the United Nations.
2. The Parties undertake to fulfil in good faith their obligations under this Treaty, without regard to action or inaction of any other party and independently of any instrument inconsistent with this Treaty. For the purposes of this paragraph each Party represents to the other that in its opinion and interpretation there is no inconsistency between their existing treaty obligations and this Treaty.
3. They further undertake to take all the necessary measures for the application in their relations of the provisions of the multilateral conventions to which they are parties, including the submission of appropriate notification to the Secretary General of the United Nations and other depositories of such conventions.
4. Both Parties will also take all the necessary steps to abolish all pejorative references to the other Party, in multilateral conventions to which they are parties, to the extent that such references exist.
5. The Parties undertake not to enter into any obligation in conflict with this Treaty.
6. Subject to Article 103 of the United Nations Charter, in the event of a conflict between the obligations of the Parties under the present Treaty and any of their other obligations, the obligations under this Treaty will be binding and implemented.

ARTICLE 26

LEGISLATION

Within 3 months of the exchange of ratifications of this Treaty the Parties undertake to enact any legislation necessary in order to implement the Treaty, and to terminate any international commitments and to repeal any legislation that is inconsistent with the Treaty.

ARTICLE 27

RATIFICATION

1. This Treaty shall be ratified by both Parties in conformity with their respective national procedures. It shall enter into force on the exchange of instruments of ratification.
2. The Annexes, Appendices, and other attachments to this Treaty shall be considered integral parts thereof.

ARTICLE 28

INTERIM MEASURES

The Parties will apply, in certain spheres, to be agreed upon, interim measures pending the conclusion of the relevant agreements in accordance with this Treaty, as stipulated in Annex V.

ARTICLE 29

SETTLEMENT OF DISPUTES

1. Disputes arising out of the application or interpretation of this Treaty shall be resolved by negotiations.
2. Any such disputes which cannot be settled by negotiations shall be resolved by conciliation or submitted to arbitration.

ARTICLE 30

REGISTRATION

This Treaty shall be transmitted to the Secretary General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at the Arava/Araba Crossing Point this day Heshvan 21st, 5775, Jumada Al-Ula 21st, 1415 which corresponds to 26th October, 1994 in the Hebrew, English and Arabic languages, all texts being equally authentic. In case of divergence of interpretation the English text shall prevail.

For the State of Israel
Yitzhak Rabin, Prime Minister

For the Hashemite Kingdom of Jordan
Abdul Salam Majali, Prime Minister

Witnessed by:

William J. Clinton
President of the United States of America

List of Annexes, Appendices and Other Attachments

* Annex I:

- a. International Boundary
- b. Naharayim/Baqura Area
- c. Zofar Area

Appendices (27 sheets):

- I. Emer Ha'arava (10 sheets), 1:20,000 orthophoto maps
- II. Dead Sea (2 sheets), 1:50,000 orthoimages
- III. Jordan and Yarmouk Rivers (12 sheets), 1:10,000 orthophoto maps
- IV. Naharayim Area (1 sheet), 1:10,000 orthophoto map
- V. Zofar Area (1 sheet), 1:20,000 orthophoto map
- VI. Gulf of Eilat (1 sheet), 1:50,000 orthoimage

* Annex II: Water

* Annex III: Crime and Drugs

* Annex IV: Environment

* Annex V: Interim Measures

* Agreed Minutes

TEXT: THE WYE RIVER MEMORANDUM

[1998]

Interim Agreement signed October 23 by Arafat and Netanyahu

Washington -- Following is the text of the Interim Agreement signed October 23 at the White House by Palestinian Chairman Yasser Arafat and Israeli Prime Minister Benjamin Netanyahu:

(Begin text)

THE WYE RIVER MEMORANDUM

The following are steps to facilitate implementation of the Interim Agreement on the West Bank and Gaza Strip of September 28, 1995 (the "Interim Agreement") and other related agreements including the Note for the Record of January 17, 1997 (hereinafter referred to as "the prior agreements") so that the Israeli and Palestinian sides can more effectively carry out their reciprocal responsibilities, including those relating to further redeployments and security respectively. These steps are to be carried out in a parallel phased approach in accordance with this Memorandum and the attached time line. They are subject to the relevant terms and conditions of the prior agreements and do not supersede their other requirements.

I. FURTHER REDEPLOYMENTS

A. Phase One and Two Further Redeployments

1. Pursuant to the Interim Agreement and subsequent agreements, the Israeli side's implementation of the first and second F.R.D. will consist of the transfer to the Palestinian side of 13% from Area C as follows:

- 1% to Area (A)
- 12% to Area (B)

The Palestinian side has informed that it will allocate an area/areas amounting to 3% from the above Area (B) to be designated as Green Areas and/or Nature Reserves. The Palestinian side has further informed that they will act according to the established scientific standards, and that therefore there will be no changes in the status of these areas, without prejudice to the rights of the existing inhabitants in these areas including Bedouins; while these standards do not allow new construction in these areas, existing roads and buildings may be maintained.

The Israeli side will retain in these Green Areas/Nature Reserves the overriding security responsibility for the purpose of protecting Israelis and confronting the threat of terrorism. Activities and movements of the Palestinian Police forces may be carried out after coordination and confirmation; the Israeli side will respond to such requests expeditiously.

2. As part of the foregoing implementation of the first and second F.R.D., 14.2% from Area (B) will become Area (A).

B. Third Phase of Further Redeployments

With regard to the terms of the Interim Agreement and of Secretary Christopher's letters to the two sides of January 17, 1997 relating to the further redeployment process, there will be a

committee to address this question. The United States will be briefed regularly.

II. SECURITY

In the provisions on security arrangements of the Interim Agreement, the Palestinian side agreed to take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against the Israeli side, against individuals falling under the Israeli side's authority and against their property, just as the Israeli side agreed to take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against the Palestinian side, against individuals falling under the Palestinian side's authority and against their property. The two sides also agreed to take legal measures against offenders within their jurisdiction and to prevent incitement against each other by any organizations, groups or individuals within their jurisdiction.

Both sides recognize that it is in their vital interests to combat terrorism and fight violence in accordance with Annex I of the Interim Agreement and the Note for the Record. They also recognize that the struggle against terror and violence must be comprehensive in that it deals with terrorists, the terror support structure, and the environment conducive to the support of terror. It must be continuous and constant over a long-term, in that there can be no pauses in the work against terrorists and their structure. It must be cooperative in that no effort can be fully effective without Israeli-Palestinian cooperation and the continuous exchange of information, concepts, and actions.

Pursuant to the prior agreements, the Palestinian side's implementation of its responsibilities for security, security cooperation, and other issues will be as detailed below during the time periods specified in the attached time line:

A. Security Actions

1. Outlawing and Combating Terrorist Organizations

(a) The Palestinian side will make known its policy of zero tolerance for terror and violence against both sides.

(b) A work plan developed by the Palestinian side will be shared with the U.S. and thereafter implementation will begin immediately to ensure the systematic and effective combat of terrorist organizations and their infrastructure.

(c) In addition to the bilateral Israeli-Palestinian security cooperation, a U.S.-Palestinian committee will meet biweekly to review the steps being taken to eliminate terrorists calls and the support structure that plans, finances, supplies and abets terror. In these meetings, the Palestinian side will inform the U.S. fully of the actions it has taken to outlaw all organizations (or wings of organizations, as appropriate) of a military, terrorist or violent character and their support structure and to prevent them from operating in area under its jurisdiction.

(d) The Palestinian side will apprehend the specific individuals suspected of perpetrating acts of violence and terror for the purpose of further investigation, and prosecution and punishment of all persons involved in acts of violence and terror.

(e) A U.S.-Palestinian committee will meet to review and evaluate information pertinent to the decisions on prosecution, punishment or other legal measures which affect the status of individuals suspected of abetting or perpetrating acts of violence and terror.

2. Prohibiting Illegal Weapons

(a) The Palestinian side will ensure an effective legal framework is in place to criminalize, in conformity with the prior agreements, any importation, manufacturing or unlicensed sale,

acquisition or possession of firearms, ammunition or weapons in areas under Palestinian jurisdiction.

(b) In addition, the Palestinian side will establish and vigorously and continuously implement a systematic program for the collection and appropriate handling of all such illegal items in accordance with the prior agreements. The U.S. has agreed to assist in carrying out this program.

(c) A U.S.-Palestinian-Israeli committee will be established to assist and enhance cooperation in preventing the smuggling or other unauthorized introduction of weapons or explosive materials into areas under Palestinian jurisdiction.

3. Prevention Incitement

(a) Drawing on relevant international practice and pursuant to Article XXII (1) of the Interim Agreement and the Note for the Record, the Palestinian side will issue a decree prohibiting all forms of incitement to violence or terror, and establishing mechanisms for acting systematically against all expressions or threats of violence or terror. This decree will be comparable to the existing Israeli legislation which deals with the same subject.

(b) A U.S.-Palestinian-Israeli committee will meet on a regular basis to monitor cases of possible incitement to violence or terror and to make recommendations and reports on how to prevent such incitement. The Israeli, Palestinian and U.S. sides will each appoint a media, specialist, a law enforcement representative, an educational specialist and a current or former elected official to the committee.

B. Security Cooperation

The two sides agree that their security cooperation will be based on a spirit of partnership and will include, among other things, the following steps:

1. Bilateral Cooperation

There will be full bilateral security cooperation between the two sides which will be continuous, intensive and comprehensive.

2. Forensic Cooperation

There will be an exchange of forensic expertise, training, and other assistance.

3. Trilateral Committee

In addition to the bilateral Israeli-Palestinian security cooperation, a high-ranking U.S.-Palestinian-Israeli committee will meet as required and not less than biweekly to assess current threats, deal with any impediments to effective security cooperation and coordination and address the steps being taken to combat terror and terrorist organizations. The committee will also serve as a forum to address the issue of external support for terror. In these meetings, the Palestinian side will fully inform the members of the committee of the results of its investigations concerning terrorist suspects already in custody and the participants will exchange additional relevant information. The committee will report regularly to the leaders of the two sides on the status of cooperation, the results of the meetings and its recommendations.

C. Other Issues

1. Palestinian Police Force

(a) The Palestinian side will provide a list of its policemen to the Israeli side in conformity with the prior agreements.

(b) Should the Palestinian side request technical assistance, the U.S. has indicated its willingness to help meet those needs in cooperation with other donors.

(c) The Monitoring and Steering Committee will, as part of its functions, monitor the implementation of this provision and brief the U.S.

2. PLO Charter

The Executive Committee of the Palestine Liberation Organization and the Palestinian Central Council will reaffirm the letter of 22 January 1998 from PLO Chairman Yasir Arafat to President Clinton concerning the nullification of the Palestinian National Charter provisions that are inconsistent with the letters exchanged between the PLO and the Government of Israel on 9-10 September 1993. PLO Chairman Arafat, the Speaker of the Palestine National Council, and the Speaker of the Palestinian Council will invite the members of the PNC, as well as the members of the Central Council, the Council, and the Palestinian Heads of Ministries to a meeting to be addressed by President Clinton to reaffirm their support for the peace process and the aforementioned decisions of the Executive Committee and the Central Council.

3. Legal Assistance in Criminal Matters

Among other forms of legal assistance in criminal matters, the requests for arrest and transfer of suspects and defendants pursuant to Article II (7) of Annex IV of the Interim Agreement will be submitted (or resubmitted) through the mechanism of the Joint Israeli-Palestinian Legal Committee and will be responded to in conformity with Article II (7) (f) of Annex IV of the Interim Agreement within the 12 week period. Requests submitted after the eighth week will be responded to in conformity with Article II (7) (f) within four weeks of their submission. The United States has been requested by the sides to report on a regular basis on the stops being taken to respond to the above requests.

4. Human Rights and the Rule of Law

Pursuant to Article XI (1) of Annex I of the Interim Agreement, and without derogating from the above, the Palestinian Police will exercise powers and responsibilities to implement this Memorandum with due regard to internationally accepted norms of human rights and the rule of law, and will be guided by the need to protect the public, respect human dignity, and avoid harassment.

III. INTERIM COMMITTEES AND ECONOMIC ISSUES

1. The Israeli and Palestinian sides reaffirm their commitment to enhancing their relationship and agree on the need actively to promote economic development in the West Bank and Gaza. In this regard, the parties agree to continue or to reactivate all standing committees established by the Interim Agreement, including the Monitoring and Steering Committee, the Joint Economic Committee (JEC), the Civil Affairs Committee (CAC), the Legal Committee, and the Standing Cooperation Committee.

2. The Israeli and Palestinian sides have agreed on arrangements which will permit the timely opening of the Gaza Industrial Estate. They also have concluded a "Protocol Regarding the Establishment and Operation of the International Airport in the Gaza Strip During the Interim Period."

3. Both sides will renew negotiations on Safe Passage immediately. As regards the southern route, the sides will make best efforts to conclude the agreement within a week of the entry into force of this Memorandum. Operation of the southern route will start as soon as possible thereafter. As regards the northern route, negotiations will continue with the goal of reaching agreement as soon as possible. Implementation will take place expeditiously thereafter.

4. The Israeli and Palestinian sides acknowledge the great importance of the Port of Gaza for the development of the Palestinian economy, and the expansion of Palestinian trade. They commit themselves to proceeding without delay to conclude an agreement to allow the construction and operation of the port in accordance with the prior agreements. The Israeli-Palestinian Committee will reactivate its work immediately with a goal of concluding the protocol within 60 days, which will allow commencement of the construction of the port.

5. The two sides recognize that unresolved legal issues adversely affect the relationship between the two peoples. They therefore will accelerate efforts through the Legal Committee to address outstanding legal issues and to implement solutions to these issues in the shortest possible period. The Palestinian side will provide to the Israeli side copies of all of its laws in effect.

6. The Israeli and Palestinian sides also will launch a strategic economic dialogue to enhance their economic relationship. They will establish within the framework of the JEC an Ad Hoc Committee for this purpose. The committee will review the following four issues: (1) Israeli purchase taxes; (2) cooperation in combating vehicle theft; (3) dealing with unpaid Palestinian debts; and (4) the impact of Israeli standards as barriers to trade and the expansion of the A1 and A2 lists. The committee will submit an interim report within three weeks of the entry into force of this Memorandum, and within six weeks will submit its conclusions and recommendations to be implemented.

7. The two sides agree on the importance of continued international donor assistance to facilitate implementation by both sides of agreements reached. They also recognize the need for enhanced donor support for economic development in the West Bank and Gaza. They agree to jointly approach the donor community to organize a Ministerial Conference before the end of 1998 to seek pledges for enhanced levels of assistance.

IV. PERMANENT STATUS NEGOTIATIONS

The two sides will immediately resume permanent status negotiations on an accelerated basis and will make a determined effort to achieve the mutual goal of reaching an agreement by May 4, 1999. The negotiations will be continuous and without interruption. The United States has expressed its willingness to facilitate these negotiations.

V. UNILATERAL ACTIONS

Recognizing the necessity to create a positive environment for the negotiations, neither side shall initiate or take any step that will change the status of the West Bank and the Gaza Strip in accordance with the Interim Agreement.

ATTACHMENT: Time Line

This Memorandum will enter into force ten days from the date of signature.

Done at Washington, DC this 23rd day of October 1998.

For the Government
of the State of Israel

For the PLO

Witnessed by:
The United States of America

TIME LINE

Note: Parenthetical references below are to paragraphs in "The Wye River Memorandum" to which this time line is an integral attachment. Topics not included in the time line follow the schedule provided for in the text of the memorandum.

1. Upon Entry into Force of the Memorandum:

- Third further redeployment committee starts (I (B))
- Palestinian security work plan shared with the U.S. (II (A)(1)(b))
- Full bilateral security cooperation (II (B)(1))
- Trilateral security cooperation committee starts (II (B)(3))
- Interim committees resume and continue; Ad Hoc Economic Committee starts (III)
- Accelerated permanent status negotiations start (IV)

2. Entry into Force - Week 2:

- Security work plan implementation begins (II (A)(1)(b)); (II (A)(1)(c)) committee starts
- Illegal weapons framework in place (II (A)(2)(a)); Palestinian implementation report (II (A)(2)(b))
- Anti-incitement committee starts (II (A)(3)(b)); decree issued (II (A)(3)(a))
- PLO Executive Committee reaffirms Charter letter (II (C)(2))
- Stage 1 of F.R.D. implementation: 2% C to B, 7.1% B to A. Israeli officials acquaint their Palestinian counterparts as required with areas; F.R.D. carried out; report on F.R.D. implementation (I(A))

3. Week 2-6:

- Palestinian Central Council reaffirms Charter letter (weeks two to four) (II (C)(2))
- PNC and other PLO organizations reaffirm Charter letter (weeks four to six) (II (C)(2))
- Establishment of weapons collection program (II (A)(2)(b)) and collection stage (II (A)(2)(c)); committee starts and reports on activities
- Anti-incitement committee report (II (A)(3)(b))
- Ad Hoc Economic Committee: interim report at week three; final report at week six (III)
- Policemen list (II (C)(1)(a)), Monitoring and Steering Committee review starts (II (C)(1)(c))
- Stage 2 of F.R.D. implementation: 5% C to B. Israeli officials acquaint their Palestinian counterparts as required with areas; F.R.D. carried out; report on F.R.D. implementation (I (A))

4. Week 6-12:

- Weapons collection stage (II (A)(2)(b)); (II (A)(2)(c)) committee report on its activities.
- Anti-Incitement committees report (II (A)(3)(b))

-- Monitoring and Steering Committee briefs U.S. on policemen list (II (C)(1)(c))

-- Stage 3 of F.R.D. implementation: 5% C to B, 1% C to A, 7.1% B to A -- Israeli officials acquaint Palestinian counterparts as required with areas; F.R.D. carried out; report on F.R.D. implementation (I (A))

5. After Week 12:

Activities described in the Memorandum continue as appropriate and if necessary, including;

-- Trilateral security cooperation committee (II (B)(3))

-- (II (A)(1)(c)) committee

-- (II (A)(1)(e)) committee

-- Anti-incitement committee (II (A)(3)(b))

-- Third Phase F.R.D. Committee (I (B))

-- Interim Committees (III)

-- Accelerated permanent status negotiations (IV)

(End text)

THE WHITE HOUSE
Office of the Press Secretary
(Jerusalem)

For Immediate
Release

December 13, 1998

REMARKS BY THE PRESIDENT
TO THE PEOPLE OF ISRAEL

Ussishkin Hall
International Convention Center
Jerusalem

6:38 P.M. (L)

THE PRESIDENT: Thank you very much. Let me begin by thanking the Prime Minister for his leadership for peace and his leadership of Israel -- (applause) -- Mrs. Netanyahu, members of the Israeli government; to the distinguished American delegation here. I want to say a special word of appreciation to the young man who spoke first -- Ben Mayofit -- didn't he do a good job? (Applause.)

This is my third trip to Jerusalem as President, my third time in this magnificent hall, and the young woman who was with me here last time on the stage, Liad Mudrick

(phonetic), is also here. Thank you, I'm really glad to see you. (Applause.)

I'd like to also thank this magnificent choir, the Ankor Choir. Didn't they do a good job -- they left, but they were great. (Applause.) I understand we have students from Jerusalem, Tel Aviv, Haifa, Beersheva, Akko and other cities. Welcome to you all. (Applause.)

We come here today to speak about the future of Israel and the Middle East -- your future. Six weeks ago, Prime Minister Netanyahu came to the United States to seek a new understanding with the Palestinian Authority on the best way to achieve peace with security. Today I come to Israel to fulfill a pledge I made to the Prime Minister and to Chairman Arafat at Wye River -- to speak to Israelis and Palestinians about the benefits of peace, and to reaffirm America's determination to stand with you as you take risks for peace. (Applause.)

The United States will always stand with Israel, always remember that only a strong Israel can make peace. That is why --(applause.) We were, after all, your partners in security before we were partners for peace; our commitment to your security is ironclad -- it will not ever change. (Applause.)

The United States stood with Israel at the birth of your nation, at your darkest hour in 1973, through the long battle against terror, against Saddam Hussein's Scuds in 1991. And today, American Marines and Patriot missiles are here in Israel exercising with the IDF. We have also stood with you as you reached out to your neighbors, always recognizing that only Israelis can make final decisions about your own future. (Applause.)

And as the Prime Minister said in his remarks about education for peace, we agree that peace must begin with a genuine transformation in attitudes. Despite all the difficulties, I believe that transformation has begun. Palestinians are recognizing that rejection of Israel will not bring them freedom, just as Israelis recognize that control over Palestinians will not bring you security. (Applause.)

As a result, in just the last few years you have achieved peace with Jordan and the Arab world has accepted the idea

of peace with Israel. The boycotts of the past are giving way to a future in which goods move across frontiers while soldiers are able to stay at home. The pursuit of peace has withstood the gravest doubts; it has survived terrorist bombs and assassins bullets.

Just a short while ago, this afternoon, Hillary and I visited the gravesite of Prime Minister Rabin with Mrs. Rabin, her daughter and granddaughter. He was killed by one who hoped to kill the peace he worked so hard to advance. But the Wye memorandum is proof that peace is still alive, and it will live as long as the parties believe in it and work for it.

Of course, there have been setbacks; more misunderstandings, more disagreements, more provocations, more acts of violence. You feel Palestinians should prove in word and deed that their intentions have actually changed, as you redeploy from land on which tears and blood have been shed, and you are right to feel that.

Palestinians feel you should acknowledge they too have suffered and they, too, have legitimate expectations that should be met and, like Israel, internal political pressure that must be overcome. And they are right, too. (Applause.)

Because of all that has happened and the mountain of memories that has not yet been washed away, the road ahead will be hard. Already, every step forward has been tempered with pain. Each time the forces of reconciliation on each side have reached out, the forces of destruction have lashed out. The leaders at Wye knew that. The people of Israel know that.

Israel is full of good people today who do not hate, but who have experienced too much sorrow and too much loss, to embrace with joy each new agreement the peace process brings. As always, we must approach the task ahead without illusions -- but not without hope -- for hope is not an illusion. (Applause.)

Every advance in human history, every victory for the human spirit, every victory in your own individual lives begins with hope -- the capacity to imagine a better future and the conviction that it can be achieved. The people of Israel, after all, have beaten the most impossible odds,

overcome the most terrible evils on the way to the Promised Land. The idea of the Promised Land kept hope alive. In the remaining work to be done, the idea of peace and security in the Promised Land must keep hope alive. (Applause.)

For all you young people today, under all the complexities and frustrations of this moment, there lies a simple question: What is your vision for your future? There can be only two ways to answer that question. You could say that the only possible future for Israel is one of permanent siege, in which the ramparts hold and people stay alive, but the nation remains preoccupied with its very survival, subject to gnawing anxiety, limited in future achievement by the absence of real partnerships with your neighbors.

Perhaps you can live with that kind of future, but you should not accept it unless you are willing to say -- and I will try to say properly -- ein breirah -- there is no alternative. (Applause.) But if you are not willing to say that, not willing to give up on hope with no real gain in security, you must say, yesh, breirah, there is an alternative. (Applause.)

If you are to build a future together, hard realities cannot be ignored. Reconciliation after all this trouble is not natural. The differences among you are not trivial. There is a history of heartbreak and loss. But the violent past and the difficult present do not have to be repeated forever. (Applause.)

In the historical relationship between Israelis and Palestinians, one thing, and only one thing, is predestined: you are bound to be neighbors. The question is not whether you will live side by side, but how you will live side by side. (Applause.)

Will both sides recognize there can be no security for either until both have security? That there will be no peace for either until both have peace? Will both sides seize this opportunity to build a future in which preoccupation with security, struggle and survival can finally give way to a common commitment to keep all our young minds strong and unleash all your human potential?

Surely, the answer must be, yes. Israelis and Palestinians can reach that conclusion sooner, reducing the pain and violence they endure, or they can wait until later -- more and more victims suffer more loss -- and, ultimately, the conclusion must be the same.

Your leaders came to an agreement at Wye because a majority of people on both sides have already said, now is the time to change. (Applause.)

I want to talk just a little bit about this agreement at Wye. It does not, by itself, resolve the fundamental problems that divide Israelis and Palestinians. It is a means to an end, not the end itself. But it does restore life to a process that was stalled for 18 months, and it will bring benefits that meet the requirements of both sides if both sides meet their obligations. Wye is an opportunity for both that must not be lost. Let me try to explain why.

Prime Minister Netanyahu went to Wye, rightly determined to ensure that the security of Israeli citizens is protected as the peace process moves forward. He fought hard -- not to kill the peace, but to make it real for all those Israelis who only want to live normal lives in their own country. And he succeeded in obtaining a set of systematic Palestinian security commitments and a structure for carrying them out.

The Palestinian Authority agreed to a comprehensive and continuous battle against terror. It pledged to combat terrorist organizations, to crack down on unlicensed weapons, to take action against incitement to terror. U.S.-Palestinian committees will be set up to review specific actions the Palestinians are taking in each of these areas and to recommend further steps. We also will submit to our Congress a \$1.2 billion package to help Israel meet its future security needs, including those growing out of the redeployments agreed to at Wye. (Applause.)

The agreement can benefit Israel in another way. It offers the prospect of continuing a process that is changing how most Palestinians define their interests and their relationship with you. More and more, Palestinians have begun to see that they have done more to realize their aspirations in five years of making peace than in 45 years of making war. They are beginning to see that Israel's

mortal enemies are, in fact, their enemies, too, and that it is in their interests to help to defeat the forces of terror.

This transformation, however, is clearly unfinished. It will not happen overnight. There will be bumps in the road and there have been some already. The Palestinian leaders must work harder to keep the agreement and avoid the impression that unilateral actions can replace agreed-upon negotiations. But it is vital that you, too, recognize the validity of this agreement and work to sustain it and all other aspects of the peace process.

Tomorrow, I go to Gaza to address the members of the Palestinian National Council and other Palestinian organizations. I will witness the reaffirmation of their commitment to forswear fully, finally and forever, all the provisions in their Charter that called for the destruction of Israel. (Applause.)

I will also make it clear that with rights come responsibilities, reminding people there that violence never was and never can be a legitimate tool; that it would be wrong and utterly self-defeating to resume a struggle that has taken Palestinians from one tragedy to another. I will ask the Palestinian leaders to join me in reaffirming what the vast majority of Muslims the world over believed -- that tolerance is an article of faith and terrorism a travesty of faith. (Applause.)

And I will emphasize that this conviction should echo from every Palestinian schoolhouse and mosque and television tower.

I will point out, of course, all the ways in which this Wye Agreement benefits Palestinians -- it provides for the transfer of more territory, the redeployment of more Israeli troops, safe passage between Gaza and the West Bank, the opening of the airport in Gaza, other initiatives to lift their economic condition, and new commitments of international assistance to improve the lives of the Palestinian people.

In doing these things, this agreement benefits Israelis as well, for it is in Israelis interest to give the Palestine economy space to breathe and the Palestinian people a chance to defeat the hopelessness that extremists exploit to unleash their terror. And it is surely in Israel's interest to

deal with Palestinians in a way that permits them to feel a sense of dignity instead of despair. (Applause.)

The peace process will succeed if it comes with a recognition that the fulfillment of one side's aspirations must come with -- not at the expense of -- the fulfillment of the other side's dreams. (Applause.) It will succeed when we understand that it is not just about mutual obligations, but mutual interest, mutual recognition, mutual respect; when all agree there is no sense in a tug-of-war over common ground.

It will succeed when we all recognize, as Prime Minister Netanyahu and Chairman Arafat did at Wye, that ultimately this can and must be a partnership between Israelis and Palestinians. It will succeed if both sides continue the work that Wye makes possible -- if they face the hard decisions ahead so that the future continues to be shaped at the negotiating table, rather than by unilateral acts or declarations.

We cannot, of course, expect everyone to see that. There are still people in this region, indeed in every region, who believe that their unique cultures can thrive only behind walls that keep out those who are different, even if the price is mutual mistrust and hatred. There are some who still talk openly about the "threat" of peace because peacemaking requires making contact with the other side, recognizing the legitimacy of different faiths and different points of view, and openness to a world of competing ideas and values.

But I don't think that's the majority view in the Middle East any longer. What once was a conflict among mainstreams is evolving into a mainstream seeking peace. We must not let the conflict invade the mainstream of Israel or of the Palestinians, or of any other group in this region again.

I believe you can not only imagine, you young people, but actually shape the kind of partnership that will give you the future you want. I think you can do it while protecting Israel's fundamental interests. To anyone who thinks that is impossible, I would ask you this: How many people thought Israel was possible when your grandparents were just people searching for a land? Who would have imagined the marvel Israel has become?

For decades you lived in a neighborhood which rejected you. Yet, you not only survived and thrived, but held fast to the traditions of tolerance and openness upon which this nation was founded. You were forced to become warriors, yet you never lost the thirst to make peace. You turned weakness into strength, and along the way you built a partnership with the United States that is enduring and unassailable.

Now Israel enters its second half-century. You have nourished an ancient culture; you have built from the desert a modern nation. You stand on the edge of a new century prepared to make the very most of it. You have given your children a chance to grow up and learn who they are, not just from stories of wandering and martyrdom, but from the happy memories of people living good lives in a natural way.

You have proven again and again that you are powerful enough to defeat those who would destroy you, but strong and wise enough to make peace with those who are ready to accept you. (Applause.) You have given us every reason to believe that you can build a future on hope that is different from the past.

This morning the Prime Minister and Mrs. Netanyahu and Hillary and I had breakfast together, and he said something to me I'd like to repeat to you to make this point to all of you young people. He said, you know, there are three great ancient civilizations in the world -- the Chinese civilization, the Indian civilization, and the Jewish civilization -- all going back 4,000 years or more. The Chinese are 1.2 billion people, the Indians are nearly a billion people. To be sure, they have suffered invasion, loss in war; in the Indian case, colonization. But they have always had their land and they have grown.

There are 12 million Jews in the world, driven from their homeland, subject to Holocaust, subject to centuries of prejudice -- and yet, here you are. Here you are.
(Applause.)

If you can do this after 4000 years, you can make this peace. Believe me, you can do this. (Applause.)

Years ago, before the foundation of Israel, Golda Meir said of her people -- and I quote -- "We only want that which is

given naturally to all people of the world, to be masters of our own fate -- only our fate, not the destiny of others. To live as a right and not on sufferance; to have the chance to bring the surviving Jewish children, of whom not so many are left in the world now, to this country, so that they may grow up like our youngsters who were born here, free of fear with heads high."

This hope that all of us can live a life of dignity when respecting the dignity of others is part of the heritage of values Israel shares with the United States. On this, the first day of Hanukkah, may this hope be the candle that lights Israel's path into the new century, into a century of peace and security, with America always at your side.

Thank you and God bless.

END 7:06 P.M. (L)

**THE WHITE HOUSE
Office of the Press Secretary
(Gaza City, Gaza)**

For Immediate
Release

December 14, 1998

**REMARKS BY THE PRESIDENT
TO THE MEMBERS OF THE
PALESTINIAN NATIONAL COUNCIL
AND OTHER PALESTINIAN ORGANIZATIONS**

Shawwa Center
Gaza City, Gaza

5:30 P.M. (L)

THE PRESIDENT: Mr. Speaker, Mr. Zanon, Chairman Arafat, Mrs. Arafat, members of the Palestinian National Council, the Palestinian Central Council, the Palestinian Executive Committee, Palestinian Council Heads of Ministries, leaders of business and religion; to all members of the Palestinian community, and to my fellow Americans who come here from many walks of life -- Arab American, Jewish American -- this is a remarkable day. Today the eyes of the world are on you.

I am profoundly honored to be the first American President to address the Palestinian people in a city governed by Palestinians. (Applause.)

I have listened carefully to all that has been said. I have watched carefully the reactions of all of you to what has been said. I know that the Palestinian people stand at a crossroads; behind you a history of dispossession and dispersal, before you the opportunity to shape a new Palestinian future on your own land.

I know the way is often difficult and frustrating, but you have come to this point through a commitment to peace and negotiations. You reaffirmed that commitment today. I believe it is the only way to fulfill the aspirations of your people and I am profoundly grateful to have had the opportunity to work with Chairman Arafat for the cause of peace, to come here as a friend of peace and a friend of your future, and to witness you raising your hands, standing up tall - standing up not only against what you believe is wrong, but for what you believe is right in the future. (Applause.)

I was sitting here thinking that this moment would have been inconceivable a decade ago -- no Palestinian Authority, no elections in Gaza and the West Bank, no relations between the United States and Palestinians-- (applause) -- no Israeli troop redeployments from the West Bank and Gaza, no Palestinians in charge in Gaza, Ramallah, Bethlehem, Hebron, Tulkarem, Jenin, Nablus, Jericho and so many other places. There was no Gaza International Airport. (Applause.)

Today, I had the privilege of cutting the ribbon on the International Airport. (Applause.) Hillary and I, along with Chairman and Mrs. Arafat, celebrated a place that will become a magnet for planes from throughout the Middle East and beyond, bringing you a future in which Palestinians can travel directly to the far corners of the world; a future in which it is easier and cheaper to bring materials, technology and expertise in and out of Gaza; a future in which tourists and traders can flock here, to this beautiful place on the Mediterranean; a future, in short, in which the Palestinian people are connected to the world.

I am told that just a few months ago, at a time of profound pessimism in the peace process, your largest exporter of fruit and flowers was prepared to plow under a field of roses, convinced the airport would never open. But Israelis and Palestinians came to agreement at Wye River, the airport has opened, and now I am told that company plans to export roses and carnations to Europe and

throughout the Gulf, a true flowering of Palestinian promise.
(Applause.)

I come here today to talk about that promise, to ask you to rededicate yourselves to it, to ask you to think for a moment about how we can get beyond the present state of things where every step forward is like, as we say in America, pulling teeth. Where there is still, in spite of the agreement at Wye, achieved because we don't need much sleep -- and we worked so hard, and Mr. Netanyahu worked with us, and we made this agreement. But I want to talk to you about how we can get beyond this moment, where there is still so much mistrust and misunderstanding and quite a few missteps.

You did a good thing today in raising your hands. You know why? It has nothing to do with the government in Israel. You will touch the people of Israel. (Applause.)

I want the people of Israel to know that for many Palestinians, five years after Oslo, the benefits of this process remain remote; that for too many Palestinians lives are hard, jobs are scarce, prospects are uncertain and personal grief is great.

I know that tremendous pain remains as a result of losses suffered from violence, the separation of families, the restrictions on the movement of people and goods. I understand your concerns about settlement activity, land confiscation and home demolitions. I understand your concerns, and theirs, about unilateral statements that could prejudge the outcome of final status negotiations. I understand, in short, that there's still a good deal of misunderstanding five years after the beginning of this remarkable process.

It takes time to change things and still more time for change to benefit everyone. It takes determination and courage to make peace and sometimes even more to persevere for peace. But slowly, but surely, the peace agreements are turning into concrete progress -- the transfer of territories, the Gaza industrial estate and the airport. These changes will make a difference in many Palestinian lives.

I thank you -- I thank you, Mr. Chairman, for your leadership for peace and your perseverance, for enduring all the criticism from all sides, for being willing to change course and for being strong enough to stay with what is right. You have done a remarkable thing for your people. (Applause.)

America is determined to do what we can to bring tangible benefits of peace. I am proud that the roads we traveled on to get here were paved, in part, with our assistance, as were hundreds of miles of roads that knit together towns and villages throughout the West Bank and Gaza.

Two weeks ago, in Washington, we joined with other nations to pledge hundreds of millions of dollars toward your development, including health care and clean water, education for your children, rule of law projects that nurture democracy. Today I am pleased to announce we will also fund the training of Palestinian health care providers, and airport administrators, increase our support to Palestinian refugees. And next year I will ask the Congress for another several hundred million dollars to support the development of the Palestinian people.
(Applause.)

But make no mistake about it, all this was made possible because of what you did -- because five years ago you made a choice for peace, and because through all the tough times since, when in your own mind you had a hundred good reasons to walk away, you didn't. (Applause.) Because you still harbor the wisdom that led to the Oslo Accords, that led to the signing in Washington in September of '93 -- you still can raise your hand and stand and lift your voice for peace.

Mr. Chairman, you said some profound words today in embracing the idea that Israelis and Palestinians can live in peace as neighbors. Again I say you have led the way, and we would not be here without you.

I say to all of you, I can come here and work, I can bring you to America and we can work, but in the end, this is up to you. You and the Israelis. For you have to live with the consequences of what you do. I can help because I believe it is my job to do so; I believe it is my duty to do so; because America has Palestinian Americans, Jewish Americans, other Arab Americans who desperately want us to be helpful. But in the end, you have to decide what the understanding will be, and you have to decide whether we can get beyond the present moment where there is still, for all the progress we have made, so much mistrust. And the people who are listening to us today in Israel, they have to make the same decisions.

Peace must mean many things -- legitimate rights for Palestinians -
- (applause) -- legitimate rights for Palestinians, real security for

Israel. But it must begin with something even more basic -- mutual recognition, seeing people who are different, with whom there have been profound differences, as people.

I've had two profoundly emotional experiences in the last less than 24 hours. I was with Chairman Arafat and four little children came to see me whose fathers are in Israeli prisons. Last night, I met some little children whose fathers had been killed in conflict with Palestinians, at the dinner that Prime Minister Netanyahu had for me. Those children brought tears to my eyes. We have to find a way for both sets of children to get their lives back and to go forward. (Applause.)

Palestinians must recognize the right of Israel and its people to live safe and secure lives today, tomorrow and forever. Israel must recognize the right of Palestinians to aspire to live free today, tomorrow and forever. (Applause.)

And I ask you to remember these experiences I had with these two groups of children. If I had met them in reverse order I would not have known which ones were Israeli and which Palestinian. If they had all been lined up in a row and I had seen their tears, I could not tell whose father was dead and whose father was in prison, or what the story of their lives were, making up the grief that they bore. We must acknowledge that neither side has a monopoly on pain or virtue. (Applause.)

At the end of America's Civil War, in my home state, a man was elected governor who had fought with President Lincoln's forces, even though most of the people in my home state fought with the secessionist forces. And he made his inaugural speech after four years of unbelievable bloodshed in America, in which he had been on the winning side, but in the minority in our home. And everyone wondered what kind of leader he would be. His first sentence was, "We have all done wrong." I say that because I think the beginning of mutual respect after so much pain is to recognize not only the positive characteristics of people on both sides, but the fact that there has been a lot -- a lot -- of hurt and harm.

The fulfillment of one side's aspirations must not come at the expense of the other. We must believe that everyone can win in the new Middle East. (Applause.) It does not hurt Israelis to hear Palestinians peacefully and proudly asserting their identity, as we saw today. That is not a bad thing. (Applause.) And it does not hurt Palestinians to acknowledge the profound desire of Israelis to live without fear. It is in this spirit that I ask you to consider where we go

from here.

I thank you for your rejection -- fully, finally and forever -- of the passages in the Palestinian Charter calling for the destruction of Israel. For they were the ideological underpinnings of a struggle renounced at Oslo. By revoking them once and for all, you have sent, I say again, a powerful message not to the government, but to the people of Israel. You will touch people on the street there. You will reach their hearts there. (Applause.)

I know how profoundly important this is to Israelis. I have been there four times as President. I have spent a lot of time with people other than the political leaders -- Israeli school children who heard about you only as someone who thought they should be driven into the sea. They did not know what their parents or grandparents did that you thought was so bad. They were just children, too. Is it surprising that all this has led to the hardening of hearts on both sides; that they refuse to acknowledge your existence as a people and that led to a terrible reaction by you?

By turning this page on the past you are taking the lead in writing a new story for the future. And you have issued a challenge to the government and the leaders of Israel to walk down that path with you. I thank you for doing that. The children of all the Middle East thank you.

But declaring a change of heart still won't be enough. Let's be realistic here. First of all, there are real differences. And secondly, a lot of water has flowed under the bridge, as we used to say at home. An American poet has written, "To long a sacrifice can make a stone of the heart." Palestinians and Israelis and their pasts both share a history of oppression and dispossession; both have felt their hearts turn to stone for living too long in fear and seeing loved ones die too young. You are two great people of strong talent and soaring ambition, sharing such a small piece of sacred land.

The time has come to sanctify your holy ground with genuine forgiveness and reconciliation. Every influential Palestinian, from teacher to journalist, from politician to community leader, must make this a mission to banish from the minds of children glorifying suicide bombers; to end the practice of speaking peace in one place and preaching hatred in another; to teach school children the value of peace and the waste of war; to break the cycle of violence. Our great American prophet, Martin Luther King, once said, "The old law of an eye for an eye leaves everybody blind."

I believe you have gained more in five years of peace than in 45 years of war. I believe that what we are doing today, working together for security, will lead to further gains and changes in the heart. I believe that our work against terrorism, as you stand strong, will be rewarded -- for that must become a fact of the past. It must never be a part of your future.

Let me say this as clearly as I can: no matter how sharp a grievance or how deep a hurt, there is no justification for killing innocents.

Mr. Chairman, you said at the White House that no Israel mother should have to worry if her son or daughter is late coming home. Your words touched many people. You said much the same thing today. We must invest those words with the weight of reality in the minds of every person in Israel and every Palestinian.

I feel this all the more strongly because the act of a few can falsify the image of the many. How many times have we seen it? How many times has it happened to us? We both know it is profoundly wrong to equate Palestinians in particular and Islam in general with terrorism, or to see a fundamental conflict between Islam and the West. For the vast majority of the more than one billion Muslims in the world, tolerance is an article of faith and terrorism a travesty of faith.

I know that in my own country, where Islam is one of the fastest growing religions, we share the same devotion to family and hard work and community. When it comes to relations between the United States and Palestinians, we have come far to overcome our misperceptions of each other. Americans have come to appreciate the strength of your identity and the dept of your aspirations. And we have learned to listen to your grievances as well. (Applause.)

I hope you have begun to see America as your friend. (Applause.) I have tried to speak plainly to you about the need to reach out to the people of Israel, to understand the pain of their children, to understand the history of their fear and mistrust, their yearning, gnawing desire for security, because that is the only way friends can speak and the only way we can move forward.

I took the same liberty yesterday in Israel. I talked there about the need to see one's own mistakes, not just those of others; to recognize the steps others have taken for peace, not just one's own; to break out of the politics of absolutes; to treat one's neighbors with respect and dignity. I talked about the profound

courage of both peoples and their leaders which must continue in order for a secure, just and lasting peace to occur; the courage of Israelis to continue turning over territory for peace and security; the courage of Palestinians to take action against all those who resort to and support violence and terrorism; the courage of Israelis to guarantee safe passage between the West Bank and Gaza and allow for greater trade and development; the courage of Palestinians to confiscate illegal weapons of war and terror; the courage of Israelis to curtail closures and curfews that remain a daily hardship; the courage of Palestinians to resolve all differences at the negotiating table; the courage of both peoples to abandon the rhetoric of hate that still poisons public discourse and limits the vision of your children; and the courage to move ahead to final status negotiations together, without either side taking unilateral steps or making unilateral statements that could prejudice the outcome -- whether governing refugee settlements, borders, Jerusalem, or any other issue encompassed by the Oslo Accord.

Now, it will take good faith, mutual respect and compromise to forge a final agreement. I think there will be more breakdowns, frankly; but I think there will be more breakthroughs, as well. There will be more challenges to peace from its enemies. And so I ask you today never to lose sight of how far you have come. With Chairman Arafat's leadership already you have accomplished what many said was impossible. The seemingly intractable problems of the past can clearly find practical solutions in the future. But it requires a consistent commitment and a genuine willingness to change heart.

As we approach this new century, think of this -- think of all the conflicts in the 20th century that many people thought were permanent that have been healed or are healing. Two great world wars between the French and the Germans; they're best friends. The Americans and the Russians, the whole Cold War; now we have a constructive partnership. The Irish Catholics and Protestants; the Chinese and the Japanese; the black and white South Africans; the Serbs, the Croats and the Muslims in Bosnia -- all have turned from conflict to cooperation.

Yes, there is still some distrust; yes, there's still some difficulty -- but they are walking down the right road together. And when they see each other's children, increasingly they only see children, together. When they see the children crying they realize the pain is real, whatever the child's story. In each case there was a vision of greater peace and prosperity and security.

In biblical times, Jews and Arabs lived side by side. They contributed to the flowering of Alexandria. During the Golden Age of Spain, Jews, Muslims and Christians came together in an era of remarkable tolerance and learning -- a third of the population laid down its tools on Friday, a third on Saturday, a third on Sunday. They were scholars and scientists, poets, musicians, merchants and statesmen, setting an example of peaceful coexistence that we can make a model for the future. There is no guarantee of success or failure today, but the challenge of this generation of Palestinians is to wage an historic and heroic struggle for peace.

Again I say this is an historic day. I thank you for coming. I thank you for raising your hands. I thank you for standing up. I thank you for your voices. I thank you for clapping time every time I said what you were really doing was reaching deep into the heart of the people of Israel. Chairman Arafat said he and Mrs. Arafat are taking Hillary and Chelsea and me, we're going to Bethlehem tomorrow. (Applause.) For a Christian family to light the Christmas tree in Bethlehem is a great honor.

It is an interesting thing to contemplate that in this small place, the home of Islam, Judaism and Christianity -- the embodiment of my faith was born a Jew and is still recognized by Muslims as a prophet. He said a lot of very interesting things. But in the end he was known as the Prince of Peace. And we celebrate at Christmastime the birth of the Prince of Peace. One reason He is known as the Prince of Peace is he knew something about what it takes to make peace. And one of the wisest things He ever said was, "We will be judged by the same standard by which we judge; but mercy triumphs over judgment."

In this Christmas season, in this Hanukkah season, on the edge of Ramadan, this is a time for mercy and vision and looking at all of our children together. You have reaffirmed the fact that you now intend to share this piece of land without war, with your neighbors, forever. They have heard you. They have heard you. (Applause.)

Now, you and they must now determine what kind of peace you will have. Will it be grudging and mean-spirited and confining, or will it be generous and open? Will you begin to judge each other in the way you would like to be judged? Will you begin to see each other's children in the way you see your own? Will they feel your pain and will you understand theirs?

Surely, to goodness, after five years of this peace process, and

decades of suffering, and after you have come here today and done what you have done, we can say, enough of this gnashing of teeth, let us join hands and proudly go forward together.

Thank you very much. (Applause.)

END 6:00 P.M. (L)