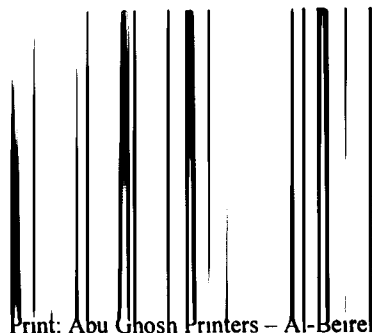


AN ISSUE
AND
AN AUDIENCE



An issue_{and}
An audience

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Introduction

This book entitled “An Issue and An Audience” is the summary of four seminars organized by Jerusalem Media and Communications Center (JMCC) throughout 2007 and the start of 2008 with support from the Swiss Agency for Development and Cooperation (SDC); we attempted in this book to present to the audience details of the dialogue and discussions held during those seminars.

The book consists of the details of four seminars held in Ramallah with an audience ranging between 70- and 100 participants along with main speakers who tackled all together in a sound healthy discussion the issues and themes of the seminars.

The seminars have been placed in the order of the most recent seminar. The first seminar focused on the issue of the Palestinians and the Jewishness of the state of Israel and its impact on the Palestinian future in general. The second seminar focused on the feasibility of Annapolis Conference held between the Palestinian and Israeli sides to discuss the peace process preceded by a seminar that tackled the relation between the two sectors of the homeland and its impact on achieving the national goals following the Gaza Strip events; for the first time, speakers from Fatah and Hamas attended and discussed means of resuming the dialogue and ending the internal crisis. The last seminar focused on the financial performance of the tenth government (Hamas

government).

We need to point out that the book contains the full text of the seminars which shows sometimes some of the slang language used by the speakers or the participants. In this, we tried to keep the exact words of the speakers and the audience along with minor editing of the text.

Amjad Samhan, coordinator of the Arabic version
Khader Khader, coordinator of the English version

“The Palestinian and the Jewishness of the state”

Jerusalem Media and Communication Center held a seminar in Ramallah on January 20, 2008 under the title “ The Palestinian and the Jewishness of the state”.

Key Speakers:

Dr. Sufian Abu Zaydeh, former Minister for Prisoners Affairs and Researcher on Israel and Zionism.

Mr. Issam Makhoul, former member of the Israeli Knesset and researcher on Israeli Affairs land and Politburo member of the Israeli Communist Party

Mr. Sabri Jiries who has lots of studies on Arabs inside the State of Israel and the history of Zionism.

Moderator – Aref Hijjawi-journalist

Good afternoon, we welcome you in this Seminar held organized by Jerusalem Media and Communications Center (JMCC). The topic of this Seminar is the idea that is being posed these days “The Jewishness of the State”. The speakers that we have with us today are Dr. Sufian Abu Zaydeh, former Minister for Prisoners Affairs and Researcher on Israel and Zionism, Mr. Issam Makhoul, former member of the Israeli Knesset and researcher on Israeli Affairs land and Politburo member of the Israeli Communist Party, and Mr. Sabri Jiries who has lots of studies on Arabs inside the State of Israel and the history of Zionism, and I am Aref Hijjawi. We welcome all of you.

Now let's start with our topic and we hope that we would have short ideas from our speakers, the idea of the Jewishness of the state. The Israelis paid attention finally to this idea as if it is something new. I address this to Dr. Sufian Abu Zaydeh: Why not, Palestine talks in its constitution that the religion of the state

is Islam, why do you oppose the Jewishness of the state of Israel? What can the Palestinians say in front of such argument?

Sufian Abu Zaydeh: The issue of the Jewishness of the state has been posed in Israel since the spread or the emergence of Zionism and is related to the Jewish identity of the state, and as part of the conflict between the secular people and the religious people. I think we have overcome all of this and this does not really concern us, but at this time they posed the issue of Jewishness of the state from a different angle not related to religious or national definition of the term itself. They posed it for a simple and exposed reason which is to evade the issue of the refugees. Israel through this position does not want to clash with the Palestinian negotiator and the Palestinian position regarding the issue of the refugees by saying no and no to the return of the refugees, so they invented this story "the recognition of the Jewishness of the state" of Israel just to guarantee that no Palestinian refugee can return to Israel. This is how the Palestinian Authority understands it, and this is how it is being understood by the Palestinian negotiator and many of the authors and analysts in Israel also understand it in this way.

Mr. Sabri Jiries may have predicted that Israel will pay attention to this idea. One of his studies in 1977, he wrote that the negotiations might require that we should be realistic and recognize the state of Israel as a Jewish state. We have to take this fact into consideration in part of solving the conflict. Are you with this kind of settlement?

Sabri Jiries: The Jewishness of the state is a very old idea that has accompanied Zionism since its emergence, so there is nothing new in the fact that the Zionist state is a Jewish state, this was presented by all the fathers and proponents of Zionism and Israel insists on this in the past and now; Let me explain with some examples: In Israel you can get the Israeli citizenship if you are a Jew only, no one else from any other identity or religion can get this citizenship. The only exception is only the Palestinians

Arabs who have the luck to stay in 1948 territories and at that time. There are also some exceptions like those who collaborated with Israel were granted also the Israeli citizenship also.

My question: Realistically speaking we might be pushed to recognize the Jewishness the state of Israel do you still support this position?

No I do not. We cannot recognize this no. The issue is not like this, I believe that this issue should not be a discussion in the Palestinian literature because I fear that this might come like another topic when Palestinians started to talk about it and Arabs started to talk about it when they talked about reserving the security. What do we mean by the security of Israel? and what does Israel want from this? The same applies to the Jewishness of the state.

In the Zionist definition, it means more than what we have said here. It means that it represents the Jews all over the world and that it should secure their interests even if it has to interfere in the affairs of other countries and in the past years. The Jewishness of the state gives Israel the right to interfere in the affairs of other countries, it gives Israel the right to interfere in the affairs of other countries and other peoples and behind this they also deny the Palestinian right like my colleague Dr. Sufian mentioned. Still I talk about the Israeli claims because I want to have a clear position on this. Now Israelis say that if we open and give room for right of return and do not talk about the Jewishness of the state, so bringing in several millions of Palestinians, this will change the nature of the state of Israel.

Why do you want an independent Palestinian state in the West Bank and Gaza Strip with the Palestinian identity and you don't want Israel to have its national Jewish identity?

Issam Makhoul: First I believe that Israel is lying when it claims that the real problem it seeks from the Jewishness of the state is the demographic issue. The current demographic balance there are more than 250 thousand Palestinian refugees

inside Israel. They are living near their demolished villages but Israel deals with them in the same way that they deal with the Palestinian refugees in the Diaspora. They stop them from using their lands and all other they deny them all other rights although they can see their lands still they cannot use their lands. So, this is why these do not represent a danger on the demographic balance in Israel but Israel has expressed by Dan Mergalit, the journalist, in a discussion between myself and him in one of the meetings; he said that the issue, that Israel will not accept to bear the responsibility for the Nakba of the Palestinian people; this is one point, and the Israeli institution will not accept to touch the pure human values of Zionism, or to bear in its conscience such a position or to recognize the rights of refugees or ethical responsibility regarding the refugees; this is one aspect of the issue. I believe that the issue or the problem is even more than this. Since November 1948, Zionist leaders in Israel and the Israeli government leaders more than one occasion and we can caught this that Israel will not accept the return of the refugees and that a situation arose and at some point they were ready to accept the partition plan, but since Palestinians did not accept this, so now it is dissolving itself from any commitment regarding the refugees. So I believe this is the secondary aspect of the issue under discussion.

The question now, what does Israel want from posing the issue of the Jewishness of the state? Israel has two basic contradictions. It's related to the definitions of the Jewishness and the democratic aspect of the state, how can a state stresses on its Jewishness and also stresses on its democratic aspect? Which means that they want to force it by law. The Jewishness of the state it will lose its democratic nature, this is one part. The second contradiction is between the geography school and the demographic school in Israel, which is the demographic school closed to the labor party which tried to justify the needs for a political solution with the Palestinian people through scaring the Israelis of the

demographic bomb. So what I want to say here is that Israel wants from posing this issue now to export to project its contradictions to the Palestinian people, to have the Palestinian people feel the blame and the guilt for this and not to solve the problem. Now what is more and most dangerous is that Israel reached a dangerous point in which it is trying to export international lies, such as the Jewishness of the state, to the whole world and that there are forces in the world like the Bush administration now and Romano Prodi also who even spoke before Bush about this in September 2006. Sarkozy also adopted the Israeli position. He says that the issue that the world should not only maintain the security of Israel but also should preserve the Jewishness of the state of Israel and that even the Palestinians should preserve this Jewishness of the state and I think this is the most dangerous aspect of this.

Dr. Sufian the Palestinian position does not seem very firm on standing against this idea, since Aqaba summit four years ago, no Palestinian official stood against the Jewishness of the state, so President Bush came with it these days. Do you think the Palestinians will be able to stand firm against this idea?

According to experience no. If you want to adopt the past experience "No". Palestinians in the last 3 years are retreating, so if you want to ask me if I'm sure and confident that after 5 or 6 years that this demand which we look at it as imaginative now, no I cannot assure you, I cannot guarantee, but at least on all occasions when the issue was posed according to my knowledge. Every occasion that the Israeli side posed this issue whether in the meetings before the preliminary meetings between Abu Mazen and Olmert, or even between meetings Abu Al-Ala' and Livni and Olmert and Abu Mazen, every time they posed this issue, there was always a Palestinian clear and firm position saying: we will not accept this. Of course that this is unreasonable, many Israelis also denounce this position even. Palestinians say we recognize the state of Israel whether by force or due to political process. It's

enough that we are accepting this, "the state of Israel", so don't demand from us new definitions that we cannot accept. I agree with Sabri Jiries that this is an old issue and still has not been finished today, or has not been exhausted. The relation between the state and religion in Israel: this is part of the literature but now they are posing it from a demographic, geographic, and a political point of view, also from the view point of refugees, and I say from my experience with the Israelis: it is true that it might seem strange and really unacceptable by the Palestinians and the Arabs and the Muslim nation, but Israel through this position is playing on the time factor and dimension, and the accumulation of such positions. Israel seeks to be brief and even those who are optimistic on solutions with the Palestinians seek to have Israeli full control over the 73% or 75% of historical Palestinian without Arabs; that's what they seek.

Now they claim to what was mentioned by Clinton in 2000 to late president Abu Ammar and Barak at that time at Camp David that what is for the Palestinians will go for the Palestinians and what will go for the Jews. This is being posed in the context of land and population exchange because Israel don't want really lands in Um Al-fahem, or people in Um Al-Fahem that's their problem, so they would say OK we will give you Um Al-fahem land and population even before the establishment of the state. So when Israel talks about the Jewishness of the state, this has dangerous ramifications on the negotiations process and on the solution and it also touches the Palestinians in the West Bank and Gaza Strip, and also in the state of Israel.

The partition plan it was mentioned and accepted at that time when they said to establish a Jewish and a Palestinian state on the partition plan. Now why this issue is being raised now and not before? Is it because we are moving closer to a solution or why they insist on it now? What made Israel push this? Why didn't they mention this in Madrid or even before? What's the political

meaning? Of course why now?

It is well known that the borders of Israel before 1967 were military borders and not political borders, truce line, So my question is as follows: why doesn't the PA in its negotiations with Israel start with the 1947 border lines because in the negotiations there will be compromises; so if they don't make compromises they will describe you as a hard liner and that you don't want peace. Why didn't the Palestinians start a position with the 1947 in order to get 1967 borders?

The 2nd question regarding the Jewishness of the state. It is well known that Israel wanted the larger part of the geography of Palestine and the least demographic part of Palestine. So can PA have the right to gamble the fate of 1.5 million Palestinians there? Because in the future if Jewishness clash with democracy, we know that the priority will be for the Jewishness and not for democracy.

Sana' Lahab from Nazareth: What you posed is an attempt to have a political cover up from the Arabs to this politics and if we reject the Jewishness of the state it will empty Annapolis conference from any political context and content and this will it freeze the negotiations? Just like we witness in the past? We have 2 questions here about the political atmosphere now and climate, why now the Jewishness of the state?

Comrade Abdul Rahim Mallouh: it is the both, Israel feels that the time is right now to demand from the Palestinians more to exploit them more, and the second is the dimension that you mention. Let me quote Weisglass who was the senior advisor to Sharon, and it gives really an answer why this issue was posed. The nature of Israel as a Jewish state is an internal Israeli affair, Israeli law defines the relation between Judaism national identity and the state of Israel, and thus it defines the nature of the Jewishness of the state. Also recognizing Israel will accept Israel according to its own definition and in any case. Those who recognize Israel as a Jewish state; this is how you only recognize it. The PA recognizes the state of Israel as a Jewish state because

there is no any other state; there is no need for recognition. In general to recognize the state of Israel as a Jewish state emerged in a different context. For many years Israel demanded it from the United States to give a clear position that Israel has the right to reject the return of the refugees to Israel. But traditionally the United States refused to say this clearly and by time it accepted and hinted on it's support to the Israeli position to stating that Israel has the right to exist as a Jewish state, if Palestinian refugees are allowed into the state of Israel, the demographic balance will be disrupted and the Jewish will become minority and it will lose its feature and nature, and this is the essence of this. Weisglass who led the negotiations during Sharon's times. I believe that this is the context that they used.

Can't what we have not achieved in 2000, can we achieve it now? In the past 7 years, when we had walls and more than 700 checkpoints, and internal splits, now it is even worse can we afford to maybe take more than what we refused in 2000, so Israel feels it is stronger now it has more cards, so it is natural to see Israel pose more demands.

Mr. Isam Makhoul: Do you support this or do you maybe it is a trick by the Israel to empty the negotiations from the content. I want to tackle the issue from 2 angles: 1st I want to oppose what Dr. Sufian said that in the past 50 years when the Palestinians are retreating, I think that this statement is not really fair. I believe that the Palestinian people who were subject to the conspiracy by Israel, they wanted to keep the Palestinian issue as a refugee issue and not to become a national cause for the Palestinian people; they didn't want it to develop into what we see now. The Israeli scheme failed globally. It is an Israeli crisis. We have to put things in context and not talk about retreat. There are difficulties but the starting point of the Palestinian people since the establishment of the PLO until now disrupted all schemes all formulas of Israel and this should be the launching point for our dealing with the cause. If you read what Romano Prodi said

one year ago: what he wanted to say and he said it explicitly, and it was said by the Israeli foreign minister, that when the battle becomes on the world giving guarantees to Israel on its Jewish nature, so the real translation of this on real ground is to re-settle the Palestinian refugees in the host countries and end up with or finish with this refugee issue. I think that this is the starting point. The 2nd point deal with the context of changing the concepts, the issue at hand now at the international level is not the issue of the Palestinian people but the issue of the state of Israel. So Israel tries to present the issue as if the real and central cause is the self determination for the Jews after sixty years of the establishment of the state of Israel. You talk about self-determination for two peoples and now Israel wants to say what we need is to expand the context of self-determination for the Jews and not for the Palestinians. I want to be brief; the second issue is an attempt in Israel now because the International conditions are conducive and appropriate. We are talking about the International situation and conditions where you don't have the concepts of rights and the self-determination. Solutions of the world problems according to Bush Administration is not through building homelands but through disintegrating homelands and building ethnic and sectarian groups so the world now is ready to listen to building a Jewish State but they like to build five countries in Yugoslavia, and in Iraq they want to build three regions based on ethnicity so.. There is this readiness in the world to build the ethnic state or ethnicities, so I think that Israel is exploiting the International condition and America is providing cover up. Before we go back to the people, the audience, Mr. Sabri; we ignored the Arabs inside Israel for many years how will they be affected if the Jewishness of the State is recognized.

First we have to be clear that even among Jews there is no consensus on the Jewishness of the State, there are different viewpoints and the irony of this situation is that they criticize each other, there is the religious definition, there is the secular

definition of the Jewishness of the State, so there are several viewpoints; its like the problems in the Islamic World between the secular and the religious; its an old one and it will continue. I tend to say to support what its not mentioned, it is a political excuse, the Arabs inside Israel will not benefit and they will not really be harmed because this has been the situation since the establishment of the State of Israel. it's a Jewish State it insists on its Jewishness, all rights are given to the Jews everything is based on the Jewishness of the State Now, the Arabs are citizens by name only they are trying to achieve some rights; they are forbidden to enter some fields; now what I say is not written in the laws, but it is being applied, applying this idea will make them second degree citizens, also it is not applicable, they cannot really apply it. The Israeli state could not really set up a constitution, we have to remember this, and it's not because it does not have borders, Israel solved it through issuing a decree by the governments saying that this region is part of the state of Israel and that's it. Now the real disagreement is about the nature of the state of Israel. Large parts of the Israelis they say that they wanted according to the Jewish ideology and decree. The current situation in Israel has existed for the last 6 years and it will continue in the future. And several core issues will continue and they are talking about what remain an excuse or a cover up or umbrella for them to get more political gains. I believe that if we follow up the Israeli press everyday, I haven't seen any comment on the issue of the Jewishness of the state. They don't really care about it. Very few talked about it, and Israel continues with its path. And here we are busy discussing this issue, but they don't really care about this. So do you want us to change the topic of this seminar?

No, in Ha'aretz we read there was some interest by the Journalists in Ha'aretz. There is no doubt that there is a dilemma a human dilemma and maybe a legal dilemma related to the international law when Israel claims the Jewishness of the State. I believe that

the Palestinians inside 1948 in Israel, are the appropriate prelude to confront such a call because I believe that contrary to what Dr. Sabri said that they feel threatened by this claim they are people the PLO or the PNA; I don't believe that it means to agree or to disagree on this issue. Mr. Issam said that the Palestinians must not put themselves in a position as if they will strip off Israel from a claim right.

The PLO must not be demanded to agree or to disagree; maybe it can support the demands of Palestinian inside 1948 and of course this does not work with democracy and human rights, the real question is that Mr. Sufian or any of the Speakers mention is why does Israel claim the Jewishness of the State and why does it have to affect the right of return. Israel used to object the right of return of Palestinian refugees from an Israeli State viewpoint because they are a demographic block regardless of their national or religious identity so they don't want to accept refugees, so what does it really add if Israel announced its Jewishness? The decision that established the State of Israel by the UN is to create a Jewish State but is there a difference between a Jewish State and the Jewishness of the State or to transform the disagreement or conflict in Israel on the religious conflict, who is a Jew? And this conflict will continue, but are they trying to transfer this problem "who is a Jew" to an external problem between Palestinians and Israelis, so it would give the Israelis leverage on defining the presence of Palestinians inside 1948 and it will define their return and the wall dimension and establishing the Jewishness of the State. The basic question I think is that the issue deals with more than the Jewishness of the State and it is related to the strategic policy of the US in the region. The issue does not really deal with the battle of Israel. When the issue reached the stage of 50% between the Western and Eastern Jews; they really went crazy and they were ready to import and allow me to say this they were ready to import Russians not even Jews in order to change the demographic balance to keep the Western part which is the

role of Israel in the region and many say what is the real reason behind the establishment of the State of Israel.

Khalil Nakhleh: I believe the topic is clearer than was posed and more dangerous because the timing of this position and this demand from Israel to be recognized as a Jewish State is to focus on a Jewish National identity compared with what they would talk about the Palestinian National State for the Palestinians in the West Bank and Gaza Strip. This means that the Jewishness of the State will replace the Israeli aspect of the state. Israel will not remain as Israel which means the state of all citizens regardless of their religion, but it will become the state for the Jews, and in particular to the Jewish nation. It will become a state for the Jewish nation in Israel and all over the world. And this means it has been always like this "talking about the right of return", I disagree with Sabri, the Palestinian citizens in Israel.

Based on what was mentioned by Dr. Khalil I believe that there is a new challenge facing Palestinian official and the Palestinian people; there are several questions that need to be answered, we must not run away from this challenge; we must confront it in the following way when the Israelis tells you: Now is this climate regardless of several fronts that we face, the United States recognizes this in public, the first visit of Bush to Israel and Europe confirms this. There is an internal conflict in Israel between the religious Jerusalem and the secular Tel Aviv; "The question posed to the Palestinians now: If you refuse the Jewishness of the state what is the alternative? Now the Palestinians answer to this: is that what we want: a state for the citizens which means to dissolve the Palestinian entity after 60 years of Nakba and make the Palestinian citizen become like the Israeli in terms of the military service. The second option I want the Arab independent feature inside Israel the as a minority and the Israelis would say:

fine there is a Palestinian state to be established, go and join

them. Now the danger of the challenge is that we have questions that we have to answer and now the answers in this emotional response and reaction is building a Palestinian Arab viewpoint, on the Jewishness of the state, we have a political and intellectual poverty and absence in political line to confront this, if we talked from a Palestinian national identity we say the two-state solution has failed in the Palestinian context through the judaization of Jerusalem the settlement, and the loss of the Jordan valley under this climate we are having an apartheid system, in bi-national state. So can the Palestinian intellectual and politician pose the bi-national state compared with the Jewishness of the state, and if they don't afford this weapon, the challenge remains to my brothers in Acco and Nazareth. If we accept a Jewish state for all its citizens according to Azmi Bishara to dissolve Arab identity which means you become equal to the Jew, and you have to follow their rules and you have to join the military service. Now the alternative is to say I have an Arab identity for 60 years; and I refuse to join the future Palestinian state because there is no Palestinian state; but there is a bi-national state what I pose here, so that we do not fall in the trap of building a Palestinian general opinion about the Jewishness of the state. We have to raise the slogan a binational state on all historical Palestine.

Question: Mr. Sufian Abu Zaydeh one of the Fattah members said in one of the conferences that the idea of Annapolis is a Palestinian idea. Please clarify this: was it a Palestinian idea or proposal? Walid Assaf was sitting there and the Fattah guy mentioned that it is a Palestinian idea "the Annapolis". Regardless of the person who said it: do you have an answer?

Sufian: Annapolis, I was not convinced in Annapolis I will confront Mr. Abd alhamid. The second question: Israel wants to be a Jewish state, I know, what are we negotiating over? The wall swallowed up all of Palestine, settlement still exists, the economic pressure and military siege and crimes. What are you

negotiating for? I think the solution is the PA dissolves itself and go back as people under occupation, so whatever we do they will consider us people under occupation.

Do you agree with Mr. Sabri Jiries about the situation of the Arabs inside the state of Israel is really a mess so they wouldn't lose more even?

I didn't say Annapolis is a Palestinian idea. I participated more than once in the Israeli media and I said that we are going to Annapolis forced; and this is a wedding or a reception for Bush and we could not say no, and it came with nothing.

Second I agree with Dr. Mahdi Abd Alhadi more than I agree with Mr. Sabri because the issue is not a secondary issue or a simple issue. I referred and I said that this in the context of formulating a Palestinian conscience and public opinion and I fear that this will become one of the premises or one of the concepts. And 50 years ago when they used to tell me mention the term Israel; I could not say it. Now look at us, we enjoyed using the term Israeli. So I fear that we are moving towards this Jewish aspect. This is extremely important and it needs more discussion and more awareness in confronting it. Israel is not a chaotic institution, no they don't need any recognition from the world on the Jewishness of the state more than the Palestinians; they need it from the Palestinians to recognize "the Jewishness of the state".

The Israelis pose this issue and link it with the issue of the refugees. When Livni sits with Abu Alaa; she tells him you have to recognize, and we want a position from you on recognizing the Jewishness of the state, and she tells him because we see if you talk about the return of the refugee; we will tell you why then, so Israel is a Jewish State. And you have refugees and we have now a Palestinian state in the building now so bring your refugees to

your State. So we have like 1.5 million Palestinians we don't

want more that's what Livni would say to Abu Alaa, I know. They present this position in this context. Yes.

The second point on the proposition by Dr. Mahdi Abdel-Hadi; I believe that Israel and I claim that I know a little in the Israeli mentality. Israel fears two things in its conflict with the Palestinians, and I believe that it will not be able to manage itself in this. The Palestinian state does not exist anymore, the West Bank is a canton then Gaza is detached away from the homeland; they took it away, there are 700 checkpoints, there are no components for the Palestinian state, so we give up this demand; we want a bi-national state. Many Israelis who contact me by phone and they support the establishment of a Palestinian state because they fear a bi-national state, so they start to accept the idea of a Palestinian state because the alternative will be worse. So if you don't want to give me a state and you create cantons, and you push me in an apartheid system like South Africa, so Israel fears that if this becomes a political position and demand, it needs Palestinian courage. If we present this to the Israelis, they will not give you an answer.

Second Israel fears most that the Palestinians would focus on in the struggle of their peaceful and violent resistance. Also they will not have an answer. I don't want at Qalandia Crossing to see one of the youths holding a rifle and fire bullets that do not even reach the soldiers but Israel will make all the people responsible: they will arrest the youth and close the crossing, no, I want the Israelis to see how they react in front of one hundred thousand Palestinians marching on a Friday wearing white and trying to push at Qalandia to go and pray at Al-Aksa Mosque. I want to see how the Israelis would react in such situation.

We have a proposal; we have an idea now a bi-national state in all Palestine Mr. Issam Makhoul you worked with the Jews

and with the Palestinians inside Israel politically, for a long time, realistically speaking can we expect such an idea?

Makhoul: First let me say that a bi-national state, it exists now, there is an existing formula for a bi-national state, we find people who are pushing and denying the rights of another people, so in the foreseeable future it will not be better than what we have.

the current balance maybe they will give you some certain rights here, or some gas here or some fuel there, but this is the nature of bi-national state that we have here and it will be a loss to the Palestinian people; really Palestinians would not give up their national project which they struggled for historically and the crises they suffered because they are about to reach their objective; not because there is no way to reach their objective. I believe that a Palestinian state next to the state of Israel might become any kind of cooperation between the two states but we talk now about the bi-national state which means an apartheid system that we promote. This is the reality now but we have to change this reality, and I believe in a Palestinian state independent next to the state of Israel on the 1967 borders; if we cannot achieve it now, can we achieve self-determination to the people within a bi-national state under the current balance of powers between the two peoples? Can we achieve it? In 1947 given those who accepted the partition plan. They used to talk about a democratic bi-national state at that time. At that time, this meant to achieve the self determination for the Palestinians. Now giving up a Palestinian state next to the state of Israel with Al-Quds as its capital and the return of the refugees giving up this means giving up the self determination rights as if you have it in your hand guaranteed.

Mahdi Abdul Hadi: It is not a new idea. It's an idea to challenge the current bitter reality since the start of Zionism, the idea was posed in the 20s, in the 30s, the exception was the partition plan

when the communists accepted it, right. And the Arabs interfered at that time. Now the Palestinian national movement as its basic goal is to establish a Palestinian state and to achieve the Palestinian ambition in history to revive the talk about the quality democracy, but today after 60 years of the Nakba, what is the Palestinian reality? Either transfer or they want you to be absorbed in the Jewish state. And the third there is an Islamic idea. My real battle is not inside the Palestinian home, but in front of this new Israeli proposition. When the Israeli tells the whole world that I want a Jewish State for the Jews, I have to answer him I can't afford to say I have no answer, or I refuse to answer. My answer should be like this: if I don't achieve a Palestinian State in the 1967 borders; if this is not achieved, the Jordan valley is lost, Jerusalem fell, the settlements divided us into cantons. Nablus, Hebron, Ramallah, and some villages here and there. Palestinian leadership is weak it seeks to survive only. The Palestinian national struggle towards independence, it's moving towards survival only and for the salary only. I have to stop this and not hesitate. Give me a bi-national state.

Sabri Jiries: I believe that Israel does not ask the Palestinians to recognize the Jewishness of the State, they want the Palestinians to recognize the Zionist nature, and of course this excludes the Arabs inside Israel, of course such is the issue of the refugees. The second issue, is the difference between a Jewish State or the partition plan, and what we have now about the Jewish state, is that Israel since the partition plan was never posed as a Jewish pure state, it was posed as a state with Jewish majority, and an Arab minority, and maybe the minority at that time they were talking about 45%. Azmi Bishara is my friend but I refused what Azmi Bishara said, I cannot accept the state of all its citizen, in the meaning that Azmi Bishara mentioned, because a country in such a definition, will lead us to the same trap which is to make us all be absorbed in the state, so we pose before that the state for all citizens, but we said that the battle of the Arab masses

the basic battle is on equality, national rights and civil rights, not in the Palestinian state but inside the state of Israel because we have been there for so long they came to us of course we want our national rights, as the minority rights and not to leave it threatened here and there. I want to talk about a point mentioned by Mr. Isam Makhoul that the Palestinians rejected their partition plan in 1947 and Israel dissolved itself from any commitment related to this plan, I think Israel cannot dissolve itself from this responsibility, but Israel took one part of this plan which is to establish a Jewish state, and they ignore the 2nd part of it. Of course there are reasons for this because we talked about a long history, "the Palestinian Revolution", the Palestinians rejected it because they did not recognize the state of Israel at that time, and they said that Palestine is for the Palestinians, then they were despaired and then the revolution came to liberate the state of Palestine from the sea to the river but the balance of power changed, so after striking the revolution we started with Oslo accord. Israel did not honor Oslo accords, and now refuses to establish the Palestinian state, so why would they blame us for the contradiction on the Jewishness of the State; we will not assume any responsibility, Israel will have to bear the responsibility, so let the Israelis solve their own problems in this, who did not honor the agreements, who weakened the Palestinian Authority, Israel has to answer all these questions and we are not responsible for Israel and its State, thank you.

Ghassan from Nazareth: we are not here of course to listen to interpretations but I want to ask people close to the Palestinian negotiator, and Mr. Sabri: What is the Palestinian negotiator position and what are the prospects of coming up with the solution? because now there are difficulties facing the Palestinian negotiator basically Gaza Strip and Ramallah the split between them, we as Arab citizens Palestinian citizens inside Israel we are separated isolated forbidden also, and third there is a new idea

which might become a burden to the Palestinian Authority from the Arab countries posed by Uzi Arad from the right wing when they talk about geographical and population exchange not only between Israel and the Palestinian people but between Syria and Lebanon Jordan and Egypt this is a new idea I don't know how widespread it is. It is a new idea it might find good response and reaction by the Arab countries who might want to get rid of the ramifications of the Palestinian cause, and the late Hariri who signed the issue of the resettlement what is the position of the Palestinian negotiator related to this.

Tayseer: To recognize the state of Israel was linked to the return of the refugees to recognize the state of Israel did not talk about the issue of minority because the minority has to maintain its identity and civil rights. This of course was the struggle of the Palestinians inside 1948. The second point that Israel now is facing a crisis, and when Israel is in crisis, we have to assist Israel so we will be losing in all cases we cling to a Palestinian State according to international legitimacy and resolution 242 and 338, now the pressure should be put on Israel and Israel must withdraw from our territories whether we want to have normal relations with Israel or not, like what Mr. Mahdi did mention, because the racist part like in South Africa, the white minority was racist, they have the weapon, the economy, the education everything, it will become an apartheid state, by the way Israel is refusing a Palestinian state it wants a country with limited borders after the annexation of all the lands behind the wall. Israel does not want to govern the Palestinians; it has its own secret clients to call on them to govern at any time, and so posing the issue of bi-national state is to run away from reality and to strike the Palestinian national project.

Abdullah Abdullah: The issue posed in this discussion has moved away to other issues. When they talk about the Jewishness

of the State, we started to analyze this idea, and this idea be cancelled, now the Jewishness of the state was rejected basically, it's not accurate that Europe accepted it no, Bush accepted O.K. but Europe did not accept it. We must know the context of this demand, there is an international consensus that the Israeli occupation must end. Regardless, we are talking a thought, now the Israeli occupation must end, the Palestinian state has to be established, this consensus and then the other consensus that was achieved recently at all issues of the final status, the right of return, Jerusalem borders, and all other issues and the prisoners, these issues are posed for negotiations, there is no veto on any of these issues. Israel felt that the international position started to change, even at the theoretical level, so that's why they started to talk about the Jewishness of the state; we say that this is not an issue posed on the negotiations table between us and the Israelis. The bi-national state when it was presented by the Palestinian resistance in 1968 they did not give it up because it was wrong no, but in order to have a bi-national state we have to talk about a democratic state without any discrimination on any basis, so there should be democracy, there is bi-national state in Belgium, between the French and the Flemish, so we need to accept both societies, and other than that it is not possible, so we have to take into consideration the possible options which is the right for self-determination, the national project and what was mentioned in the partition plan in 1947 about a Jewish state, because at that time it was not really known what will happen. Israel was named after it was established in 1948, not in 1947. I hope we would not go into political intellectual dialogues that would take us away from the real issue, or give Israel a way to evade the real issues at hand, so the Israelis want to distract the Palestinians with this idea.

My last point, we will be unfair to say that the Palestinian national leadership and strugglers and people's burden is to

survive only. No we want to preserve the Palestinian national

cause people struggle inside this cause and project.

One can talk about the Israeli view point, the Zionist nature about the geography and demography, and they want to the largest part of the geography and with the Jews inside it, and this conflict started for many years, so they want more geography and more Jews in the state. But when they present this idea now, it reflects a real crisis in Israel, and this crisis especially in the political conflict. If you want to talk about the different forms of conflict between us and the occupation, there is the political and the existential conflict, and the economic conflict, in addition to the military and popular conflict. Now the political conflict is taking a higher level because of a political process moving ahead. Israel is trying to evade this process because Palestinians started to have or possess more tools in terms of international support for them. This pushed the Israelis to present this ideological racist idea of the Jewish state because they are also escalating the military conditions in Gaza strip, and they know that we are the weaker side in this conflict; so this would lead us to a situation where Israel is facing a real crisis and exporting its crisis, because it will end up as a racial state and now it is defeated in certain battles now, and at the time when they used to describe it as invincible army. So what is the meaning of heading the political negotiations while and we should refuse to be dragged into other directions that would distract us from real aspired goals.

We welcome our brothers and sisters from 1948 territories, we are glad that they are with us, and this would lead this dialogue would be meet to a harsh sentence maybe but allow me to say it that the battle and Palestine is big and the players are small, and this is painful. I recall this painful sentence, because I know that this project does not need diplomacy in terms in as much as it means headlines and titles that can serve the national project and also this leads me to concern and fear from focusing on the title

of this seminar, which focused on the Jewishness of the state, I oppose posing this issue because I know a little bit about the Israeli politics, and I read the Israeli newspapers and I read about the Israeli intellectuals, because Israel always likes us to stick to certain diplomatic terms and conflict of ideas, and after we talk about these ideas. We start with real measures on the ground, and we start to form forces and opinion inside the Palestinian streets, and we don't wait or even consider what happens inside the Israeli state. In front of all of this, of course, I propose to see the Palestinian intellectuals inside 1948, or 1967 to move towards reaching the conditions of steadfastness and survival of the Palestinian human being.

I am from Nazareth, I ask Mr. Sabri Jiries as a Palestinian I live in the state of Israel till now and I defend my land, I planted it with olive trees, I fight, I struggle military service, I refuse it, I oppose it. When we talk about the Jewish nature that the residents of that country will be only Jews. I will not close my mind, no. Recognizing the Jewish state, either I become a Jew or leave land, no, this will never happen. So what is the basis of your idea, when you said that the Arabs inside Israel were not affected by this new idea?

Mr. Sabri: If you allow me to talk in general now, related to the general context, Mr. Abdallah said that they are distracting us from our real entity; do you think Israel is facing a crisis now or not? Or they pose the issue for political reasons? This is the question, really, so if Israel is in crisis that's good. Let me say this, I believe, that there is some kind of negative self criticism here, and more than one of the speaker here, said that the Israelis try to distract us with more than one point and this is true.

The Palestinian people possess potentials to confront the Zionism project, and let us look very briefly from a historical

point of view at the Zionist thought before the establishment of

the state in the sixties, seventies, there was no Palestinian people, they were talking about Arabs and state of Israel, because of the conflict and struggle of the Palestinian people, the national identity was consolidated, Israelis talk about Palestinians as Palestinians they never mentioned the term Palestinian, they used to talk about Arabs. I believe that Israel has problems more than us; I don't think that there will be any transfer.

The Israelis do not want other refugees, they cannot absorb other refugees; its enough that they have refugees in 1948 territories, so they will not accept any new person, and don't discuss me with this, I believe in this, I will give you a chance to respond. They will not expel anyone, and there will not be any transfer, and they are doing their utmost to absorb the Arabs there in one way or other. If the Arabs leave, they are welcomed.

Mr. Sabri: the threats are mere theoretical, for the last 60 years, we said these are only theoretical threats, now when we have a referendum or opinion points on the Israeli press, and we have human rights organization in Nazareth when 66% of the Jews whereas, how do you accept these with the Palestinians or Arabs inside Israel? 66% refer that we would not be in the state. True but they cannot really execute transfer. They cannot do this. Lieberman says I will resign from this government because I don't want negotiations about a Palestinian state, and now he says it very clear, that Palestinians inside 1948 either they carry the Palestinian identity card or talk about Palestinian identity, they can go to the Palestinian state, if not they can become Jews like us.

Now the decision is that we exist: our war is with the Israeli authority, we want to teach our kids Arabic, and keep our identity, and we exist. There is a serious threat, you say the threat is a mere threat, but in the last 60 years they achieved what they said.

Jiries: I don't have to take in what every crazy person or lunatic says in Israel, they are all lunatics, they will not be able to execute this, and can you sign a paper to give me guarantees that they will not do it. There is a long history of struggle and conflict between Israel and the Palestinian people. Now it reached on equal basis I think a little bit, each side tries to take away from the other, if they have a Jewish state, and declare the Jewish state that it gives Israel to legislate laws that citizenship and identity card would given to the Jew, that new laws are ratified, yes.

In 1948, we were one hundred seventy thousand people inside Israel oppressed, now we are 1.5 million and in spite what they did, we are in better shape than what we used to be and we will continue to progress until we become better. What I want to say is something else, Israel is tired from the refugees issue, Israel will not initiate to create another refugee, and that's why the Arabs in Israel, will remain in Israel because they fear to create a new refugee issue. I cannot understand all of the statement, by Israeli officials.

They threaten, what have they done in October? The October events, you created problems for the state, so Israel is fighting with all the Palestinian people and they cannot do it, because there is not a regional balance. Why you talk about the negotiations? They try to control the Palestinian people, but they cannot deny their existence.

Mr. Isam: First, I believe that the Arab minority in Israel is threatened, and I believe that there is a dangerous development in the political structure, twenty years ago they used to disown Kahana and say, this is Kahana and we are different. Now, people with the same programs of eviction transfer they reach a deputy prime minister in Israel and the discussion about Lieberman as if that he is dangerous on the political process. The basic point here is deterioration towards fascism, there is danger on the limited

democracy that we have here in Israel. There is a daily battle to take away this margin of democracy, and to put us out of this conflict, when they talk now in 2008 about a Jewish state, it is not only related to the Palestinian people outside Israel but inside Israel, a Jewish state. Now under the current situation the draft laws that are presented to the Knesset they want to exclude Arab masses exclude them from legitimacy, and they want them to become in without any influence. I agree that Israel have schemes to implement transfer, population exchange, but they cannot do it because we exist.

The second point, there are real schemes and projects, for population exchange. Not only Lieberman talks about it, but also Afraim Snei. So the idea when they talk about demographic danger it's not only defended by Netanyahu, it was mentioned also by the labor party, so we talk about real deterioration in Israeli politics in the confrontation; until now it has been implied. But now they are talking about it explicitly. We have to take it seriously, with all the passion that we have covered.

Sufian Abu Zaydeh: I don't know why I am being misunderstood all the time, I didn't mention this, or say that I am pessimistic. I am pessimist O.K. I have no hope or belief that a solution with the Israelis within the next years if the balance of powers remain as it is, the rules of the game remain unchanged. I believe that the negotiations that are being held now, might continue for years without reaching anything. I have no position now, and I have no position inside Fateh, and I don't know why they pushed me to the forefront lines. I am not against this, but I don't have a position. Before Annapolis, the Palestinian speakers said that this is a historical chance, I used to think that there are things cooking somewhere, that I didn't know and I used to give some hope for something to happen, but I was convinced according to the course of events according to the Israeli statements, and reading the Palestinian conditions, I was convinced that these

negotiations will not lead anywhere, and as I expected, Annapolis did nothing, and we have now eleven meetings between Olmert and Abu Mazen, and Abul Alaa, and Livni and nothing came about, this is not a surprise to me, and let me tell you more, we will continue, like this for years and not expect any surprises, not because the Palestinians negotiator is weak, and here I am defending to be fair, I am talking about defending a Palestinian case. It is not because we are weak or that they go to sell their cause as some try to imagine. But because the conditions that we are engaged in, the negotiations are difficult, because Israel is far from reaching the minimum that we want. Why the Camp David negotiations failed in 2000? Although Clinton pushed a lot and exerted pressure on Arafat. Arafat could reach a deal, could deliver at that time, the negotiations failed because we did not meet with the Israelis at a point where we could agree, there was a big gap. If there is an agreement to happen now the Palestinian side has to make concessions. I don't see any room for the Palestinians to make concessions. We exhausted the Palestinian negotiator from any concessions there is resistance of course, I don't want to argue with you, I don't want to react to what you think. You are selling me national struggle, those who are now resisting need fifty years to reach what we have forgotten in terms of struggle. The Palestinian people and leadership will not reach an agreement with the Israelis, because I realize that they will not sell or make compromises on what is being agreed upon, the Palestinian consensus, the Palestinian state, independent in the West Bank and Gaza Strip, and East Jerusalem as its Capital, and a just solution to the refugees according to the Arab initiative. I cannot see any one Palestinian who can make any concession less than this.

Question: I say that what Israel announced is not a fate that the Palestinians have to accept, I believe that we will overcome, we will prevail and the Palestinian state will be established, but

what scares me is the weakness of the Palestinian leadership, and their attempt to work with Israel and America in this way, this is what concerns me. Refusing to give up the UN resolutions, this is really dangerous and it could lead to transfer. Not only achieving the Jewish state but also to transfer the issue of accepting the Israeli settlements and including them in Israel under the slogan of exchange. I think this will bring closer to the establishment of the greater Israel, so you are talking about the bi-national state.

I thank you that you gave me the chance after an argument, of course, Israel considers itself not a part of the third world countries in order to protect itself now; it imports foreign laborers and forces, so the question that poses itself: at what expense? Now they are starting to Judaize the Galilee area and Jerusalem. Where is the Palestinian position in this?

At the end of the seminar we thank our speakers Dr. Sufian Abu Zaydeh, Issam Makhoul and Mr. Sabri. I thank you very much, please forgive us if we did not give all the people the chance to talk.

Annapolis Meeting Political optimism or reinforcing the split in the homeland?

**Jerusalem Media and
Communication Center** held a
seminar in Ramallah on November
17, 2007 under the title "Annapolis
Meeting... Political optimism or
reinforcing the split in the homeland?"

Key Speakers:

PLC Member Saeb Erekat, from
Fateh Bloc

PLC Member Ayman Daraghmeh
from Change and Reform Bloc

PLC Member Khaleda Jarrar, from
Abu Ali Mustafa Bloc

PLC Member Bassam al Salhi, from
al Badeel Bloc

Moderator – Nasser Abdul Jawad,
Journalist

Nasser - We have several axes of this political seminar and every speaker here will be given three minutes only and then we will open the room for discussion based on the first axes and then we go to the second axes and so forth.

Of course we have Annapolis meeting and we have several opinions starting with President Abbas who described it as a historical opportunity that we should not waste and it is important for this meeting to succeed and that if Annapolis does not succeed, only God knows what will happen to the region. Then we have the other Palestinian leaders like Mr. Khaled Masha'al or other Palestinian factions like the PFLP who said the meeting is an attempt for the Palestinian to renew their determination on the

constant rights.

Of course based on this we start our meeting, we want to see if this meeting is political optimism or success or failure and I would like to start with main negotiator Dr. Saeb Erekat on the success or failure of Annapolis meeting?

Dr. Saeb Erekat – Really, I cannot start talking about either failure or success, I cannot really measure things by failure or optimism or pessimism. We don't own a crystal ball to talk about the future. According to my information we have not received an official invitation, no date has been set officially for the Annapolis meeting, the super power said it will hold a conference; this is its right. Besides, the conference as an idea has been a Palestinian Arab permanent demand. We don't oppose this, but if the question is what the Palestinian side is trying to seek in Annapolis and of course the Arab side also, I think we can divide things into three phases:

Pre-Annapolis which is a phase; we do not seek good will gestures or confidence building measures or sympathy from the Israeli government, there is a Roadmap that was handed to both sides in April 2003, in the first phase there are commitment on the both sides, the Israeli side and the Israeli government should freeze settlement activities, including natural growth, and remove all settlement outposts erected since 2001, and they should open all the Palestinian institutions in Jerusalem and restore things to the status that prevailed in 2000 and stop incursions and release the detainees, these are commitments. We as Palestinians have commitments to organize elections, and appoint interior minister and unify the security apparatuses into three apparatuses, and have one authority, one legitimate authority, one legitimate weapon. Now, in Annapolis we tell them who head of the Quartet Committee that if the matter is dealing with commitments, the problem here is that there are no mechanisms for dealing with implementation. If I, as a Palestinian, do not implement

my commitments, of course Israel has its teeth they can close Jericho and Nablus. They can use their power to stop things and make their point, now if the Israeli side does not implement its commitments, should we continue writing letters to the Quartet Committee and the world, no.

The Palestinian position is clear; we asked for the trilateral Palestinian-Israeli-American Committee to judge who implement and who does not. I want to say something here: in the previous government of Israel, when they talked about settlement activities I believe they have the right to go to Washington and pose their own criteria and talk about natural growth, settlements blocs, Jerusalem but the exact phrase in the Roadmap is that they must freeze all settlements activities, including natural growth, so if the United States wants a meaningful peace process, it should include all settlement activities and anything dealing with one settlement housing unit whether its in the major blocs or Jerusalem. Yesterday we handed as Palestinian side an explanatory memo to the American side explaining to them what the government of Barak and Olmert did, this is the pre-Annapolis phase.

Annapolis phase deals with launching final status negotiations. As Palestinians we want to resume the final status negotiations. The final status negotiations started long time ago and progressed, now the issue does not deal with holding negotiations but taking decisions. Now there is the Arab Initiative, the roadmap, the international legitimacy resolutions, the signed agreements, the common denominator of all these is the aim to end the Israeli occupation that started in 1967. So matters deal when we talk about type of time ceiling. We say it should not exceed eight months to end the treaty, when Israel says negotiations during the term of President Bush there is a difference between using a timetable until ending the treaty because when Israel says this they mean they want to exert pressure during the term of Bush only, now after resuming the negotiations we want to learn from our past mistakes. We need a national follow up, we demand to

hold two conferences every three month to review and assess what we reach in the peace process and implement the commitments of the peace negotiations which started between the two sides.

We try to draft a joint document with the Israeli side, we are not talking about a final peace agreement, no, we are talking about a joint document with clear principles, there is a major gap and it is not over terms but over concepts. When the Israeli side comes and says they want a Jewish state: on May 15th 1948 this paper was given to President Harry Truman it's a document, it says that this government has been formed a Jewish state as been proclaimed on Palestine and recognition has been requested by the provisional government thereof. The United States recognizes it the government as a de facto authority of the new Jewish state, Harry Truman what did he do, he crossed out the term Jewish state and wrote a state of Israel. this is a document, you can keep this document, it is not an issue, it is not about refugee here, no, they want us to recognize their historical right that they own and that we are refugees on this land. I don't mind, there is the Islamic Republic of Iran. They can go to their Knesset and their Basic Law and discuss in the Israeli society whether they want to call it a Jewish state of Israel or state of Jews in Israel, the roadmap talks about recognizing the state of Israel. This is what I am asked to recognize, this is also related to the commitments related to the settlements, when we say we accept the roadmap according to resolution 1515 but Israel said it accepted the roadmap along with the 14 reservations of Israel at that time, we don't need games, we don't want tricks, we need an important role of the Quartet Committee, and the ball is in the Quartet Committee court. The Quartet Committee should set up mechanisms and benchmarks and commitments of both sides and every side should know what to do, or we will go into empty circles. The issue is not one final word, its not whether we go or succeed or not. I did not receive and invitation, the United States call for it and we did not receive anything. It's not my problem.

We did not receive an invitation, we did not receive an agenda, we did not receive a list of the people who will participate, so our position as Palestinians is a matter based on content and not any formality.

Thank you.

Nasser - Now we will move to PLC member Ayman Daraghmeh I want you to explain whether if it is failure or successful and why? And you could build up on what Dr. Saeb said.

PLC Member Ayman Daraghmeh – In the name of God, the merciful and passionate,

I hope that the road will be a chance of optimism, but this conference, as it seems to me and many observers and analysts, carries seeds of failure more than seeds of success. This conference is an American need and interest. Of course there are other interests for Israel to attend the conference. The American side needs to hold the conference even if it doesn't talk about content. We have some political comments from the German Foreign Ministry saying as long as the meeting is held with certain smiles photos it is enough. We as a weak party in this circle in this chain as I see from the speech of Dr. Saeb Erekat is that we don't have any optimism even President Abu Mazen could not elevate this ceiling of optimism.

Now what is the American need to hold such a conference: we go historically to the days of the declaration of the state of Israel and the colonialist American and Israeli policies; they talked all the time about peace and peace conferences to the point that we really cannot distinguish between one conference and the other, and on the issue of the refugees, for example, and Jerusalem and the wall we cannot see anything and unfortunately there is no international will or power to force Israel to implement any of the items of the conferences, but these remain ink on paper and Israel continues to implement its colonialist policies and

invade the Palestinian territories and occupies the lands, they went to Lebanon and Golan Heights and to Sinai and we here as Palestinians and Arabs in every conference in every international conference and all the resolutions coming from conferences achieved no results. We go to the nineties, for example, between the nineties and now, the US policy has been a little bit different through using a new style of mobilization and to talk about direct negotiations and not through the United Nations as international sponsor for this conferences and then we started with Madrid and then Oslo and then Taba and the Roadmap and etc.. but on the real ground the only result was the establishment of the Palestinian Authority. Even the weakest agreement which was the Roadmap, Israel has reservations on it, 14 reservations.

We the Palestinians are weak now because of the current split and we don't have any international umbrella or Arab umbrella to support the Palestinian cause and demands and negotiators that how we are going to that conference exposed even the Arabs did not agree on the program of peace initiative, Israel rejected it. Sharon said it is not worth the ink which was used to write it with. So I will be brief and say that I personally and many of the Palestinian people, analysts and observers don't see any means or reasons or even indicators on the success of such a conference. If we don't want to talk about it, let's talk about indicators, there is not one single indicator on its success, no, Israel still continues with its policy of building the wall, the settlement and arresting Palestinian citizens, arresting PLC members, arresting the second man in the Palestinian Authority Dr. Aziz Dweik speaker of the PLC, and still we meet with them and negotiate with them as if we have no problems with them. If we need achievements, we need to set conditions. We don't just go to set contents and I trust that all who want to go they want to make accomplishments and achieve peace and achieve the Palestinian state with Al Quds as its capital and the return of the refugees but because of the international and American hegemony and polar system we don't

see the opportunity right now to achieve this. We are dragged to the conference without conditions, I hope that the Palestinians and the negotiating team will set conditions to go to the conference. To have a document calling for halt of the Israeli measures. How can a Palestinian citizen believe that such a conference would reach concrete results while Israel continues with its assassinations, siege, arrest, building the wall and settlements.

Nasser – Thank you PLC member Ayman Daraghmeh. Now PLC member Bassam El Salhi, what are the chances of success and failure, they say conference is a US and Israel need why go without conditions, this is a question by Mr. Daraghmeh, if you can tackle this angle?

PLC Member Bassam El Salhi – First I believe the Palestinian internal crises is at the end of the day a crisis that should be solved internally, we cannot talk to the world and tell them to wait until we solve our internal crises. We should feel the reality and have a Palestinian initiative to solve this crisis. It is not the problem of other parties, this is a principle. But the main issue in Annapolis is summarized in two basic questions:

First, will this conference carry political change in the bilateral negotiations method that we experienced in the past which did not achieve any results or progress in the peace process mean? Can we expect any political gains from the international parties, including the United States, and is there a real capacity to interfere in order to take these negotiations away from the empty circle that went for years and did not succeed in the past 14 years, this is a basic question?

Second, is it really the US policy, in particular regarding the Palestinian issue including the Roadmap and temporary border state, is this US policy towards the Palestinian issue, is it an element capable to overcome the frustration of the past and take the Palestinian cause to real achievement and dealing with ending

the occupation and establishment of a Palestinian state.

We believe the answer of these two questions is negative, meaning that bilateral negotiations that might be launched by this conference and we don't need a conference to launch any bilateral negotiations or resumed the negotiations. Let me take our statements sometimes you talk about launching, sometimes you talk about resuming whether it is resuming or launching. Well, this conference, if it allows the launching of negotiations like in the past, we will go back to the same frustration and failure if there is no intervention:

First, the issue we need to end the occupation and this is the basic issue. The Roadmap does not talk about ending the occupation; it might end the occupation; the Roadmap talks about conditions dealing with independence and the final status issues, political authority and security. The Roadmap is not the prelude; it's not the best way, maybe the best way is the peace initiative which starts with ending the occupation which can lead to peace and security and not the opposite.

This is why I believe the Palestinian side counts a lot on this conference and they said there is a change in the US policy towards the Palestinian question. So far, there is no real motivation in the US foreign policy. we have witnessed in the last two months even the optimism that at some point was high and then went down we see it fluctuating everyday and we want to see to what extent there is optimism.

To end I would say that the Palestinian leadership has to reconsider the feasibility of going to Annapolis if the feeling of no progress continuous. The Palestinian negotiating mistake is that they talk about settlements as one issue among other issues mentioned in the Roadmap. No, the settlements issue is not like this, the settlements issue is the mother of all issues, and even of we negotiate for five years, if there is no real guarantee to stop settlements, to stop the new fight on the ground that Israel creates

especially that Israel and the United States started to talk about

land exchange as part of dealing with the settlements blocs, so the settlement is more dangerous than the past.

Nasser – Now we move to PLC member Khaleda Jarrar about the meeting and the assessment of failure and success of Annapolis.

PLC member Khaleda Jarrar :-

With regards to your direct question success or failure. Of course things are relative, the conference next fall will be a success to the US administration and Israel. The Americans need at this phase international mobilization to support the US interest in the region. This is their interest and if this conference is held with Arab participation, this participation will give some kind of umbrella or coverage for the US policy in the region to reinforce the American interest in the region and continue with the new Middle East scheme. Also it will be a success to the Israeli occupation because what they want at the end of the day Arab normalization with Israel and with the participation of Saudi Arabia in the same meeting of the conference of course for Israel it might be an accomplishment. With regards to the Palestinians, it will be a failure. We talk about a drastic failure under the current conditions, it's not an international meeting to implement international legitimacy resolutions pertaining to the Palestinian cause. This meeting will be held in light of the Palestinian weakness, the current weakness and the Israeli occupation policy right now based on oppression and posing the status quo; this is our fear. It's an opportunity for more concessions with the framework of a ceiling that will be set up by the conference, that's why we call on the Palestinians not to participate in the conference. What's really dangerous about this of course needs a discussion maybe not a discussion here but do we need to cling to the Roadmap as a basic way to the solution, because the Roadmap for people who read it in politics:

the Roadmap is security based and it deals with security for all matters even when it talks at the end of independence state and maybe Dr. Saeb Erekat might say it's optional, no, it talks about all phases about state temporary borders and this is dangerous this is the final political ceiling in the Roadmap: a state with temporary borders, and what they say now about the Jewish state is not new. When they talk about Jewish nature state of course the Israelis with all their parties cling to the Zionist idea based on this colonialist Zionist settlement it doesn't only strike the right of return but it talks about settlements and this is why it is dangerous. The meeting will be a failure for the Palestinians.

Nasser - Thank you PLC member Khaleda Jarrar, now I will take three or four questions and then have our speakers' answers then we will go to the second title "the internal split"?

Participant - What are the negotiations issues, now, what are you negotiating about right now?

Participant - I say that not only the problem that the roadmap based on security but we are really wondering how we are dealing with this even when it relates to security of Israel. The US Administration (Powell and Rice) said then they will take into consideration the Israeli reservations on the roadmap during implementation, so we have to get rid of the roadmap because it does not really exist. it's not because we want to waste a chance. No, it doesn't exist. Now President Abu Mazen said we will not go to the conference at any cost so what is the time ceiling. if it is not there, the Palestinian side would not go to Annapolis, what is the red line that we will abide by because I feel that the Palestinian ceiling is moving down. It is going down since we started talking about declaration of principles, then joint document and now they are putting us into this circulation and discussion of Jewish

State or not, so we have to consider the status of negotiations

seriously. This is an urgent matter.

Participant - I don't find a reason or relation of necessity between political optimism or perpetuating the split. We don't need to talk about this maybe we will remain split there is no correlation. I have two questions one for Dr. Saeb and one for Mr. Ayman, the question for Mr. Ayman Daraghmeh, if the process is for US-Israeli interests and I may agree with you that they may use us for their own goals and intentions but it is a small tactic why make this big fuss about it, I am not convince; it is bigger than this. We will issue a statement and say Annapolis is not really a big issue only they want to use us, so all of the issue is not worth it and then you say they want to eliminate the Palestinian cause either they want to use us or they want to eliminate the Palestinian cause, this is my opinion and we want to know where we are going? This is not clear, I would like really to listen to you, and so if they want to eliminate the Palestinian cause it is not only they want to use us. The Question to Dr. Saeb, we said we want a paragraph about the final status where we reached in this, it seems that we make concessions and our only hope now the time schedule which means at the end of 2008 things will be solved or at least this what I understand so we are making concessions and they have not made any concession.

Dr. Zakaria al Qaq – suppose after Annapolis and Annapolis failed what are the options of the Palestinian Authority? We will adopt the project of the Palestinian factions to overcome this crisis and continue or the resignation of Abu Mazen and if he resigns, is this enough? Or will he ask for dissolving the Palestinian Authority or will we accept the Israeli project and make the process lively and active without having a stalemate because a stalemate would lead to chaos and revolution so we will keep the Palestinians occupied with the process, or start evaluating what went wrong and maybe we need to amend the process, what is

after Annapolis what are the teeth that the Palestinian Authority. You said Israel has teeth now what are the teeth of the Palestinian Authority in case of the failure of the Palestinian Authority?

Nasser – Dr. Saeb because there are several and big questions to Dr. Saeb because he is a negotiator I believe it's appropriate to give him the floor to start, you have two minutes only.

Dr. Saeb Erekat – First to be brief I don't know in history how an agreement is reached if there is no need I always say that the need of negotiations is the mother of negotiations. Countries are slaves to their interests. All countries measure their relations based on their interest. The United States' moves are not because President Bush woke up and his conscious woke up and he wants to solve the case. No, it doesn't work like this, there is a need, interests, now today as a Palestinians maybe you want to start judging, prejudging to say failure, success, optimism or pessimism but as a Palestinian we don't have to time to waste on the format, we need to talk about the content: Jerusalem, borders, water, refugees these are the final status issues. Now whether to go or not, I don't know if there is decision to go or not, I know that the Arab League follow up committee would decide based on the progress whether to go or not. The second point, my information is that the borders of America is not Canada and Mexico, no there is part of Pakistan and Arab Gulf, Saudi Arabia, Egypt and Jordan, and they have tens of their people died and injured so they don't need anyone to protect their interests, the functional role of nations proxy is ended. I don't know America is occupying Iraq and Afghanistan I don't think they really need the Palestinian side to cover their interests somewhere here or there, no.

The region will witness changes. As a Palestinian my function is to see where is my interest as a Palestinian people under occupation, I want to assess the damage and the gains, I cannot

talk about literature and say whether to go or not, or score some points. I don't want to talk things you like to hear, no, we have a Palestinian cause we have to be there, because Palestine and Jerusalem are more important. The cause of Palestine is above everything. Now Mr. Hani, you are right when I said I talked about the roadmap as embodied in resolution 1515 there is UN Security Council 1515, it sets up the roadmap as it is so we are not praying for the roadmap as it is but we said it defined commitment on the both sides, ending occupation in 1967 and that peace should be in all tracks including the Lebanese and Syrian tracks, and we officially as Palestinian side we support comprehensive peace, and support Israeli withdrawal from all Arab and Palestinian territories. there is a need for comprehensive peace, but to say "as accepted by the parties" this is a trick and that's why we have differences over the concepts with them and I don't want also to have my policy based on exporting fear, no we are talking about measurement of interests, I said we have pre Annapolis to end the settlements activities including natural growth and opening the Palestinian institutions in East Jerusalem, the Arab chamber of commerce in East Jerusalem was established in 1936 before 12 years of the establishment of Israel, its not logical to keep them closed. So removing the settlements outposts before 2000, going back to the conditions that prevailed in 2000 and the crossings, I don't want from Israel confidence-building measures, no, I want from Israel to commit to its commitments. Who will force Israel to abide by those commitments? the Quartet Committee have a committee to judge and assess, if the Quartet Committee does not do this, if America cannot stop settlements, they expect us to go to a conference and make accomplishment, so the minimum ceiling to the Annapolis meeting which I did not receive an invitation yet, I did not receive an agenda, I did not receive anything from them and to start to say go or not to go its not logical, let us wait until we get the invitation and see what is included in the invitation, and see what has been achieved with the Israeli side

because the document should include all of these issues of the roadmap and the principles of the six issues of the final status and what will come after Annapolis and the time schedule.

Nasser - Please answer Dr. Zakaria about the PA teeth if the conference failed, what are the options of President Abu Mazen if he resign or not.

Dr. Saeb Erekat – Dr. Zakaria you are colleague and I tell you if you want to tell me what is the details of the negotiations, I have big burden on this, we don't have an army, we have a split in Gaza Strip and its affecting us. Despite all of this I want to say Israeli measures will not establish a right or a commitment.

Three options, the options are:

First Option – establish of two states Palestinian state independent and East Jerusalem as its capital on 1967 borders

Second Option - from river Jordan – where I live Jericho – to the Mediterranean 63 kilometers distance and this will not change, and I personally I think we in the 21st century and the 22nd century we will witness the end of nationality and modern states because now we have merging banks, if they want a state from the river to the sea we have no problem.

Third Option – they are enforcing on the lands roads that I can't use as a Palestinian, and the worst scenarios of South Africa have never used such laws, are there any other options that Israel can't use? Now for us we can say if the criteria are defense criteria, tanks, war planes, nuclear weapons, no, but if they talk about security and stability and peace, the moment that Israel feels there is a need they are welcome, if they want to continue with reducing the ceiling of expectations and the progress and the regional pressures. We will not make concessions. I woke up one day in 1967 I saw the Israeli flag, so we seek peace, and the next day for the Palestinians is to enable them to live in dignity, independence, freedom in 1967 borders and with East Jerusalem

as its capital and solving the other final status issues, other than this we don't have any other solutions.

Nasser – PLC member Bassam Salhi, one of the questions posed first we talked we want the Palestinian national authority then we wanted the initiatives and then we talked about the time schedules and then they reached to joint document which does not mean anything really.

PLC Member Bassam Salhi – This is an important question and it should be posed with honesty. Does the Palestinian Leadership even realize that this conference will not meet the expectations? Do they possess a decision to participate or not, I believe this is the question: the Palestinian leadership fears even to pose or think about because of the balance of powers. On the US role, by the way, we should distinguish between two things, that the United States is a hegemonic power and no one can really deny this and we should not under estimate it, but the second thing, is that the US policy with regards to the Palestinian cause is not the policy that we need as Palestinians, meaning that we differ not only with Israel but also with the US policy in solving the Palestinian cause and one of the considerations of this policy is that when we find that the conditions is not right to go to a conference, that might consolidate the continuation of this policy and trick us in bilateral negotiations and that the US will keep monopolizing the process. I think this is a mistake and the Palestinian leadership has to consider its positions, its not whether Annapolis or not, no, if the US policy is accepting the Israelis conditions and the Palestinian leadership is accepting the US policy in this time more than ever, this raises a big question mark. One of the important things now the Arab Initiative we know that the Arabs might feel courage with us but for sure without us you will not find any Arab even thinking about going to Annapolis, do we have the courage as Arabs and Palestinians

as long as this conference will not change what we want then we should reconsider the feasibility of going into a conference in this way. If the decision is taken in this way, I believe that this will lead to a change even in the Arab world positions including the interests. Now the Palestinian Leadership and the current split that we have, would the Palestinian leadership think more about its interests to be linked to the continuation of the US policy in the region this is why I say for Hamas we need immediately and quickly if they have national sense to retreat from the coup and the Palestinian leadership should not put the priority of internal split over the Palestinian interests.

Nasser - Now we want to ask PLC member Mr. Daraghmeh Annapolis meeting is a conspiracy or a trick.

PLC member Ayman Daraghmeh – Away from the political terms and political viewpoints, if we can take more than one aspect and dimension: I see two things, regarding the American interests, there are many failures of its foreign policy in particular, the government of Bush, to achieve things in the foreign policy, the other thing, because the Palestinian cause is the center issue of the whole world and Muslims so they want to handle many files in Sudan and Iraq and make the Arab world feel occupied and that there is a horizon regarding the solution of the Palestinian cause. This is not really helping us. If this is not a true analysis maybe they want to address the opportunity to extort the Palestinian side that the solution is the Israeli project, talking about Jewish State, and land exchange and Jerusalem as capital of Israel.

PLC Member Khaleda Jarrar – Of course there are no direct questions to me but when you talk about the US Policy whether they need the Palestinians, no they need us, we know that the Palestinian cause is a core issue in the region, and the US project in the region is not moving smoothly. No there are real difficulties

in Iraq, in Lebanon, in Afghanistan, meaning the US interests in the region, there is an attempt to reconsider how to consolidate these interests and also the constructive chaos of the US is the same, what's happening in Lebanon, in Iraq, even in Palestine. all these events are not isolated from the whole situation. We are talking here about strategy, at some point when they talked about democracy as a principle to enter our society and they started to claim that democracy will really help the American interests in the region in its democratic process, but now they replaced it with direct military occupation when democracy failed. This is why we as Palestinians have to know what we really need. We are not in the offensive no, we are in a phase we need to remain steadfast, it is a really difficult phase, the balance of powers in the world does not serve the Palestinian people, it's a difficult phase. The occupation continues to force and impose facts on the ground. And we have the internal split, this really dangerous and it is weakening the Palestinian position.

Nasser – Now we will enter to this second title which is the geo-political split in Palestine which is the most dangerous phase in the history of Palestine.

PLC Member Khaleda Jarrar – With regards to the Palestinian split, we know that if they go to the conference or the meeting, the Palestinian side will go very weak, because we are split apart. I remember how Israel dealt with the issue in the past when there were attempts. Hamas was an obstacle and they say at that time Hamas was the obstacle. with President Abbas, now they say he is weak, now the President is weak, there is a split situation and split geography with the strip. Of course, the danger here is this conference which might consolidate the split. For us as Palestinians, what do we need to do? As Palestinians we need to tackle immediately the state of split that we have and we need initiatives very fast and very quick initiatives, we presented an

initiative a comprehensive. Hamas has to retreat from the military coup and also the Palestinian leadership has to retreat from all the political measures and decrees and decisions that consolidated the split and we need to form an interim government, national government, temporary one, and of course there is no way but have a comprehensive national dialogue and we have to abide ourselves and move away from steps that endanger dialogue. So, we have the National Reconciliation Document, Cairo Agreement because we are talking about reconstructing the PLO and have legitimate representation inside and in the Diaspora. All of this needs national unity. If this dialogue leads to go to early presidential and Legislative elections, maybe this is one of the democratic solutions instead of other military solution or option.

Nasser - PLC Member Basam Salhi as a journalist and a citizen going back to military option was used by Hamas in Gaza and I really cannot understand what is meant by going back to the phase before the military option by Hamas, the PFLP and DFLP presented to Hamas and Fateh an initiative going back to the phase, meaning lets us restore the apparatuses security to their headquarters?

PLC Member Basam Salhi – No, we did not present an initiative to Hamas and Fateh, we do not trust their policies (Fateh and Hamas) in the past years especially in the last year what really happened unfortunately, we need a true solution by going back to the people by going to new elections where the people would hold accountable with everyone Hamas, Fateh and all factions on their positions and to reformulate the Palestinian political system. This is what we need. We reject the principle of using force to solve political differences. Hamas' conduct is that they use military force in deciding a political difference. And

if there is anyone in Hamas who says that the act was justified.

it could have stayed for several days, but what happened was that they seized the authority by force without any legitimacy. If the situation continues like this, this will consolidate the state of military of power and this will not lead only not calling on Hamas to retreat, the Palestinian people will reject this, on the other hand Fateh movement and I believe the authority and allow me a minute here it is related to the first question my colleague here said. We need an authority to set the interests of the people as a top priority. The authority in the past years was transformed into authority of people with several interests and now we have new interests governing in Gaza Strip. So we really need to change radically the concept of having a real national authority and not authority of privileges and money of people here and there, so based on this the initiative is we need a new change by going back to the people. We need to solve the crisis and everyone would be held accountable, and this not an initiative we need to mediate between Fateh and Hams, no this our method and we want the forces to help us because we do not trust that Hamas and Fateh are able to take the Palestinian people out from the current crisis.

Nasser - PLC Member Ayman Daraghmeh in terms of the internal split you have a lot to say.

PLC Member Ayman Daraghmeh –Away from the split I will answer this, I don't see that the occupation needs justifications not to implement its commitments. In the past the resistance and martyrdom operations were the obstacle and justifications by Israel until we reached a truce by the factions but even after the truce we did not see any change on the Israeli side then Abu Ammar became the obstacle and was under siege and then we Abu Mazen came who signed Oslo at the time was Prime Minister but Israel never paid attention to all of this, Israel really doesn't need any justifications to do what it wants, they have

the power and of course the international support. Of course the split is not accepted by any Palestinian but there were certain conditions that were imposed on us. What happened was the result of certain failures. What happened in Gaza is not the result of what happened on June 14, no there were accumulations. Who was responsible for not implementing Cairo Agreement? Was it Hamas? The follow up committee has not met for more than one year. Who is responsible for the security chaos? The fights between Fateh and Hamas continued and everyone could see that the things will lead to what happened and now we have to close the chapter and be honest and true to ourselves and be responsible because what happened is because of the failure of the Palestinian policies and everyone has to bare his responsibilities, I don't see any method but to start dialogue it should be priority not the Israelis but Palestinian dialogue, we go to the Israeli side and we start praising and kissing them in the teams. This is not a Palestinian interest, I call the President and Hamas too to start and take a step forward for the sake of the Palestinian cause and we all should support the system and find some kind of mobility to start the dialogue.

PLC Member Saeb Erekat – I agree with Mr. Ayman on the definition of the occupation, and to be brief any occupation which oppresses the people under occupation and this is the highest form of terrorism, but what is the function of Palestinian National Liberation Movement; it is under occupation according to my information; Gaza Strip is occupied by all sides by air, ground and sea, and I also know that the West Bank and Gaza Strip and Jerusalem are under occupation, so what is my function if the occupation oppresses the Palestinian people, to destroy the Palestinian people? to terrorize the Palestinian people? what is my role as a national liberation movement, the issue that we said from the start that we have an internal crisis that must be dealt with courage and we said the solution lies in differentiating

between political pluralism and multiple authorities, we remained silent, we remained calm we said when we used to talk about resistance, resistance should be modest, resistance should not go to the commercial stores and strike people or shoot people in the streets or occupy security places of others. this is the result of many authorities. We are a nation 70 percent of our Caliphs were killed, when they entered to Ali Abu Taleb and start telling what do we need Caliphs for because we have the holy Quran he said there is a need for a prince because the nation will collapse if they have multiple authorities, what happened in Gaza and what is happening in Nablus today is many authorities. Name things with their names, you have to decide things, at the end of the day the PLO as an idea was built to gather the Palestinian factions to have one decision, to have one central point, to have one prince or one official body. The split, I cannot really understand why they cannot retreat from the coup, I cannot see why we should cancel decrees, I see we go back to the Palestinian Legislative Council and go back to the PLC, the PLC can decide on the government and all of this, when I think if they retreat from the coup and go back to the PLC and Hamas has a majority and we condemned the arrest of our colleagues and Dr. Aziz Dweik and our sister Mariam, but the issue.

Mr. Ayman when I speak I don't make you feel we are making you a favor or grant when we are demand the release of PLC member, there is occupation and believe me its not Hamas leadership in Gaza which responsible for the entry of water and food in Gaza Strip, no but there are people who are exerting efforts to facilitate the entry of these items.

I said Israel is not a charitable society, the occupation is a sword on our neck, when they talk about long term truce by Hamas, they say they don't to negotiate but they are ready for a long term truce and if they withdraw from Gaza we will assume control. The ceiling is being made that so the Israeli side is exploiting all of this. So retreating from the coup is a sacred duty and we should

go back to legitimacy, the decrees can be canceled by the PLC, government formed by the PLC, we have the majority, so there is a big question mark. When Abu Mazen said let them retreat from the coup and let us return to legitimacy. Not retreating raises a big question mark, especially whether we are tools in the hands of regional powers. We the Palestinian people are against the interference in the affairs of any Arab country, Lebanon or Syria. We want a comprehensive just peace but at the end of the day if we Palestinians don't help ourselves, no one will help us. Israel will not reoccupy Gaza because it will not be solved by bullets. The solution is through retreating from the coup and this if does not happen immediately there are many big question marks, the coup is when a group took the law into their own hands and seized authority by force, what happened is a coup and they should retreat and no one will help us if we don't help each other.

Public Debate

Relations between the Two Parts of the Homeland... The Impact on Achieving the National Goals

Ramallah - Tuesday, September 11, 2007

Good Afternoon, my name is Aref Hijawi, we welcome you in this seminar held by Jerusalem Media and Communication Center "JMCC" in which we host key speakers and the audience also includes people of Public Opinion. Now the key speakers include figures from political opinions and affiliations with differing standpoints and if we don't have differences, then we will not have a healthy discussion, from the right side we have:

1. PLC member Mr. Hatem Kafisheh, from Change and Reform Bloc.
2. Mr. Faisal Hourani, Palestinian Author
3. Mr. Abdul Rahim Mallouh, Vice Secretary General of the PFLP and member of the Executive Committee of the PLO.
2. Mr. Abdullah Abdullah, PLC member and Head of the PLC Political Committee from Fateh

We welcome you all in this room and your participation also is important, I prepared at home some questions I will start with them one by one.

Let's start with Mr. Hatem Kafisheh.

Q. – Will Hamas be the first to climb down the tree or mountain, Sheikh Kafisheh what you say about this?

Hatem Kafisheh – In the name of God, peace be upon the Prophet. Those who rushed to come down from the mountain

violated the orders of prophet; we will remain committed to the higher interests of the Palestinian People, if the higher interests of the Palestinian People is to climb down the mountain we will be the first to go down that mountain and if steadfastness until martyrdom at this mountain serves the interests we will stay there.

Aref Hijawai - What do you mean when you say “we”?

Hatem Kafisheh – when you asked me, we, we are the people of Islamic movement in Palestine in particular people from Hamas as a PLC member from Change and Reform Bloc are all in the same trench we will remain committed to the higher interest of the Palestinian people.

Q. - What happened in Gaza Strip and West Bank is really deep it's not some fight between two persons, this will leave its impact on the future, how do you diagnose what is happening and what happened in the past?

Faisal Hourani – What really happened and what is happening right now is part of the collapse that started in the past and it continues now. The current situation reminds me of a story in reading section in the elementary school; it talks about two monkeys who found piece of cheese then they thought of arbitration by a third monkey to divide it between them so this third monkey divided it unequally and then he ate a small piece from the bigger part and then a piece from the smaller part to make them equal until he ate both pieces. We have to remember two things: first, the enemy is Israel and the Israeli occupation. We know that Israel will not refrain from committing any crime or use any method to support the current situation, and we all have to ease the current disaster because we cannot really under the current situation get out of it but at least we have to work to reduce its impact.

Aref Hijawi – How can we do that?

Faisal Hourani – of course there are many things that we can do. First, the complaints against the conduct of each other are seen by more than one party, the latest wave of internal fighting is more than what is normally accepted. It has crossed the red lines but the roots of such acts and conduct existed before. now to avoid this, to overcome this is through each party working to become convinced that they cannot really cancel each other, and they cannot eliminate each other neither by violence nor by thought. There is secular the thought and these have social bases and there is the religious thought and they have also social bases, you cannot really cancel or eliminate a faction or a thought that comes from a certain faction, so the main parties should do whatever is necessary to avoid saying “no” to dialogue and then we can start talking about any solution, I don’t have time to go into details right now.

Q. - Do you support the PFLP on having dialogue?

Abdul Rahim Mallouh - I don’t think there is any solution to that Palestinian current reality or any situation similar to the Palestinian situation unless there is dialogue, now how it can start, the question to start the dialogue is another issue. This is the point that needs to be discussed and solved. I think what happened was a disaster specially that it is happening under occupation, either because there was a misunderstanding of the current reality or because the people rushed to reach certain results or to seek certain positions or locations at the expense of the general cause and at the expense of confronting the occupation. The Palestinian people have no solution but dialogue.

Aref Hijawi - Is the PFLP doing its part to start the dialogue?

Abdul Rahim Mallouh - I think the PFLP in light of its role and size exerted this effort but maybe I have more detailed opinion on

this. The Palestinian leftist forces did not do their part regarding the current situation and I say if these forces unite their political framework and program, their impact on the political formula would have been better and maybe they would have prevented us from reaching this situation. Of course the two parties are responsible for what happened, especially Hamas, when they used the military option, but I don't think the other forces have the abilities to do more than what they did.

Q. Mr. Abdullah from PLC Fateh three sides want dialogue here and Fateh does not want dialogue?

Mr. Abdullah Abdullah – Let me explain, it is not true that Fateh does not want dialogue, but at the same time I say the problem is not whether to have a dialogue or not. since May 2006 until Mecca agreement, it was through dialogue, dialogue only is not enough unless we have true and good intentions and convictions that one party cannot cancel the other party and that everyone should work together to confront the challenges, especially the conditions of the occupation and the challenges facing the Palestinian National Movements. So the problem is not the dialogue but what comes after the dialogue.

Aref Hijawi - So you want results before you start dialogue?

Mr. Abdullah Abdullah – No I did not mean this, I said dialogue started and happened, but the dialogue that happened to agree on the National Reconciliation Document and the dialogue in Mecca agreement it was serious dialogue, they reached results but that dialogue and those results didn't prevent the disaster that affected us in our land, in our unity, in our people, in our future. so the problem is not in the dialogue, we all say that we have to start dialogue but where would it reach, of course what happened can be solved by dialogue, but can killing and pulling down the

Palestinian flag be part of dialogue? I don't think so.

Aref Hijawi - Under the current situation in Palestine, in West Bank and Gaza Strip, it is logical to say that some people are benefiting, maybe Hamas benefits from this of course they won the elections the recent elections and they are having the chance to rule also, maybe Fateh also is benefiting because what happened after this, after the events in Gaza Strip, now Fateh has a chance to rule and continue controlling the financial resources of the Palestinian Authority, this is one idea, I think that the people here, in the audience have lots of ideas.

Dr. Mamdouh AKer – I don't agree with the phrasing of your question because it contradicts with what you said at the beginning because the result of what happened is disaster and we cannot really look to those beneficiaries now and you said the occupation is the beneficiary

Aref Hijawi – I did not say disaster or occupation. Maybe my colleagues said this.

Dr. Mamdouh AKer – I would like to ask this in a different way. It is not useful now to blame the parties here regardless, but the ramifications of what happened have negative impact on the future. Mr. Faisal started with parable example, and I have another one, there was a bear who saw a flea on the head of his friend bear, and he used a stone and threw it on the flea and killed his friend because it was on the head. Maybe there was good intention or good reason for Hamas to use the military option, but its ramifications and implications are disastrous, shouldn't you review what you did, and this is also a question to the other side because really the people who are jealous for their cause should review their positions, regardless of what happened in Gaza and this is a question to Mr. Abdullah from Fateh regardless of what happened and its negative impact, I think insisting on Hamas apology and retreating from the current situation don't you think it is worth to say let it be ok, let us give up some conditions, the

most important thing is dialogue, there is a need for dialogue, now what comes after the dialogue its clear, each party must recognize what the mistakes were, I believe that Hamas must start with first step or take the initiative.

Participant – Good afternoon, my question to my friend Hatem, is Hamas unified behind what happened in Gaza Strip? it was a big step, public opinion polls shows that Hamas is loosing in the polls, do you think Hamas is unified or do you have two Hamas positions, one Hamas position in the West Bank and another in Gaza Strip.

Khaled Al Amireh from Al Ahram Weekly – My question is similar to Dr. Mamdouh Al Aker in the case of internal war and civil war and splits, the question who is right and who is wrong is irrelevant here; it is a question to Mr. Hatem and Mr. Abdullah Abdullah.

Participant - We always say that our Palestinian people are ahead of their leadership and the Palestinian people changed and wanted reform but did not find anyone in the leadership to make the reform, do you think that this current situation will continue until the Palestinian people try to import a leadership to reform the current situation? And another question if you allow me, the past periods were slogans about reform and change from all parliamentarian blocs while now we can see corruption is used to explain corruption or try to fix mistakes through using corruption itself.

Omar Assaf – A short comment, it seems that the fear is that the child is orphan no one is caring about him.

Omar Assaf – Now my question is like this when we talk about details, still we are talking about general things, my question

is what are the concrete specific steps needed from Fateh and Hamas to start dialogue? This is the first question, the second question, suppose Fateh or Hamas want to start dialogue is the decision an independent Palestinian National decision or there are regional forces preventing such a dialogue?

Aref Hijawi - Hamas decision is it from Khaled Masha'l or from Hanieh or from Iran?

Hatem Kafisheh - More than 60% of the PLC members were elected by the Palestinian people with a very high ratio, the decision comes always from the Palestinian street and I agree with Mr. Abu El Rub who said that the Palestinians are really ahead of their leadership always. The decision is a Palestinian decision, even if sometimes we understand the international contradictions in the region, accusing certain parties of having certain affiliations or polarization and here I quote the decisions or positions when we were deported at the end of 1992 to south Lebanon when they made conditions on the support that was to be offered to us there and I say unfortunately food and drink is linked to the political position at that time and we refused this then and history recorded this and I can understand the accusations against Hamas movement here and there on refusing history, the decision is pure Palestinian decision everyone knows the history of the movement even before it started at the end of eighties even with its relation with the international Muslims brotherhood.

I agree with Dr. Al Aker about the ramifications of what happened on Gaza Strip and West Bank are really disastrous. I really don't want to talk about justification or agree or disagree with this the whole issue and the whole use of military option but we have to say this: we have to be united on the decision of our movement there are internal differences of course and this is normal and healthy and there are various viewpoints in our movement, now the occupation wants a weak entity in Gaza Strip

led by Hamas and they want an even weaker entity to be led by Fateh in the West Bank, but we say it very clearly: we want a strong entity for all the Palestinian people in Gaza Strip and the West Bank and we can do this, when I say this I am not using this as a slogan I say we can with all Palestinian forces including Fateh and Hamas we can meet at this big slogan, I think in the struggle experience we are partners in blood and partners in decision I think we can do this and unite in the future but of course there were ramifications and these were exploited not only by the Arab and foreign parties, Israel and the United States also exploited them. But also certain Palestinian parties also exploited this. I heard some politicians here say on TV maybe what happened can be useful, some of the leaders here said this that maybe what happened was useful as if Hamas was a nightmare on the Palestinian people and now they get rid of it in Gaza Strip, this I heard from certain politicians here and sometimes we hear this from the Israeli security cabinet when they say the same about Gaza Strip.

Mr. Faisal Hourani – I hold a pen and I am no member of a faction and I don't carry a rifle or anything; let us go deeper into the issue a little bit, there are two points in this crisis:

First: the current conflict over the authority is over an authority that does not exist really but the benefits coming from this conflict come from outside either to this side or the other side that's why we enter into the mechanism of conflicts to allure support from outside.

Second: which is very important I believe that we have a cause and every inch in the world affects our cause and has a saying in the cause, for example what happens in Korea will affect our Palestinian cause, so here really we cannot exclude ourselves from the world, from their values, from their laws, from the mechanism of the interactions. Now the roots of the problem is that we are facing people who reject the PLO. Now on the other

hand and during the conflict, and I believe that true the vicious conflict over the authority there is a position which cannot be really contradicted because it is based on religious ideology and it cannot be refuted this is why we reach a situation where we have a rejection, if we reject the PLO of course it means certain things but it has ramifications on our relations with the world. when we look at the Islamic movement and its positions; I don't know how can we get rid of this, how do you have dialogue if you don't really each common dominators. if the Islamic movement in Palestine refuses the whole era itself, they refuse Israel, refusing Israel is refusing the era, the international legitimacy and the international values and what is really surprising and really regretful is that they refuse the international legitimacy and still they demand from the international community they demand support, support to their program. How can we diffuse this issue, all people pass through these phases and at the end they end with certain concessions according to the conditions in each country, of course political dealing, social dealing is a matter that is on the ground related to laws of the ground. Now the continuous tension prevents dialogue on these issues, I believe they agree on something on Mecca, but it was vague. I support the dialogue and I don't think there is any other alternative but we should go to the core of the issue and not start accusing each other on who started the conflict or the fighting. The core of the issues means that we should on a joint political program according to the era and not continue to talk about religious legitimacy or international legitimacy.

Aref Hijawi - Maybe the various factions in the PLO don't agree on a political program to the point of recognizing Israel, What do you think Mr. Abdul Rahim Malouh?

Abdul Rahim Malouh - First I say that the PLO has a program, and this program has been accepted and approved for years,

right of return, determination of independent state and it was realized on accepting international legitimacy solutions based on international conferences and implementing these resolutions, so the PLO at least the factions took this position. Our brothers in Hamas recently in Prisoners Document agreed on state on the 1967 borders regarding the recognition of the state of Israel, but they accepted a Palestinian state within 1967 based on a long term truce and they know that they are accepting the state of Israel, of course everyone knows this. Also the legitimacy of UN resolutions I know that the brothers in Hamas and Mr. Kafisheh in Marj El Zuhour they came back according to UN resolution 799 and of course through the efforts of the PLO and that's how they were returned and of course it was implemented and they returned from Marj El Zuhour. So I understand those who accept international resolution a UN resolution for return of a group of four hundred people and it is important, and they also have to accept the resolution 194 for the return of the refugees. I would like also to point out to another point or two small points:

What is the criteria to judge a political action by a certain political faction or certain leadership, this is point, this action that Hamas did or the faction did, can we say that, can we judge that this improved the situation or the cause or helped the situation of the cause, we have to judge it through this, can we see that democracy has been reinforced or has it retreated, of course this is the criteria to judge this. And the criteria here is higher interests and the national interests of the Palestinian people this is the criteria, this is the basis to judge what happened.

What happened in terms of internal fighting in Gaza Strip: did it serve the Palestinian interests under occupation? Hamas used the military option in Gaza Strip, did it serve regardless of the justification, did it serve the Palestinian people, don't use certain justifications, of course you came to reform things, don't use certain justifications because this is an excuse only. This is the

first point.

The second point, I believe that when we come to a certain phase we always say lets forget the past, the Palestinian people are killed, the Palestinian cause is affected is harmed and the new groups come and say lets move to the future and lets forget the past. No, the wise leadership should learn lessons from the past so they will not commit these certain mistakes in the future.

Therefore I warn of such trend or methodology to forget the past and talk about the future, I hope that we will benefit from this, the mistakes of the past.

Aref Hijawi: Mr. Abdullah Abdullah, head of the PLC political committee, let's go back to the question, provoking question, How Fateh benefited from the current events, is Fateh is benefiting from this?

Abdullah Abdullah: This is not very accurate, Fateh is not ruling, I don't want to keep the climate saying that it's a conflict between Fateh and Hamas, now the events that happened last Friday in Gaza Strip prove this is not accurate, before answering this question let me point out three points really here:

First: the dialogue is not really rejected totally absolutely no, we have to understand that the dialogue is not a goal by itself, its not the solution for the problems, the dialogue has always been a method to reach agreements, to reach conciliation, the PLO has always used dialogue throughout its phases whenever political developments happened and the latest was the agreement by the Palestinians on the Declaration of Independence in 1988. If the dialogue is not our method then there is no need, there is no value for such a dialogue.

The second point: there is a very important question, what are the concrete steps that should make the observer feel that there is progress or intention to make the dialogue lead us to a way out of the current crises. I believe that the concrete steps, and the proof on this is to see whether there is seriousness on these steps

and we can find from the following: all civil institutions in the society, all Palestinian factions whether the factions under the PLO or outside the PLO they are all standing on one side and Hamas is standing on another side, this is a sign that we should not avoid or prevent to look at, this should give us a way to look to the compass, this is a way to see it as an attempt to exclude the other and use the recent statement of Bush "If you are not with me then you are against me", this does not work here of course.

The factions of the PLO did not adopt the position of Hamas and that's why they were attacked, criticized by Hamas, and of course they were insulted by the Executive Force.

The Third point: let's compare here between the trends, first statement of the PLO factions on Friday evening was the final alarm, this is what we want the unity of the Palestinian position to protect the national project, but also to protect the democratic trends, practices, measures to make sure to respect the others, accept the others, we have to respect these things and this was a positive indicator that there is an intention to give the others a chance to retreat, but on the other hand what we see

Aref Hijawi – Now You talk about the other side, the other side is Israel or Hamas here?

Abdullah Abdullah - No, let's not confuse things. Hamas is part of our social fabric, social network, in all national movements there were forces against revolution, here we are talking about Palestinian social fabric, we are talking about one side and another side, there is one side where all Palestinian factions inside the PLO and on the other side there is Hamas standing alone, this is a strong indicator that Hamas should review, recalculate its positions it should not continue to force people not to express themselves, this a method for Hamas to review and go back to study its positions. We say Hamas won by majority; some people

say 64 percent other say 70 percent, no we have to go back to the

figures, did Hamas votes reach those figures? Were they elected to strike the national program the way they are doing now, we need from Hamas leadership to review its positions and decide on the path it wants, if they find they can follow and retreat and work with the others, then this will help everyone but if they insist in Hamas that this is the sole way and this is a government given mandate from God then there is no discussion, I am sorry to say that here if this happens we will continue with the crisis for years to come.

Aref Hijawi – Mr. Hatem I will give you the floor soon, but let me pose question, there are of course some benefits but Palestine is loosing on this split, when you talk with the world of course, when the other adversary, the international meeting might happen in two months, and maybe there are gains and maybe we can avoid some losses from such a meeting but this depends on our unity and how we represent our country abroad? What do you think? (This question to the audience)

Abdul Jawad Saleh – It has been one hour and you are talking about the results, but what about the causes of what happened, the real cause is that Fateh Movement does not want to recognize the results of the elections, this is the fact that everyone is ignoring and after this Fateh took positions to incite against the change that happened, now I believe that there is no solution but through going back to the Basic Law to the Palestinian Constitution to keep the previous government the legitimate government.

Aref Hijawi – the bullet went off; you want to bring back the old government?

Abdul Jawad Saleh - Yes believe me, another civil war will happen; you will not solve problem unless you go back to the law, unless you go back to the constitution, this was violated,

the constitution was violated, some people could not accept the transfer of authority, the crimes that were committed happen in any civilized society and usually investigation convenes and people are brought to trial.

Now on the dialogue, in the PLO, we have a Legislative Council, PLC a Parliament, the Parliament is the national unity so going back to the PNC or talking about forcing Hamas or Fateh on a certain position, the PLC can decide on what path we should go, at the end of the four years this will effect Hamas in the elections and their ballot box it will loose or it will gain, this is the criteria, this is the democracy and this is the solution.

Ramzi Taweel – My question is directed to Mr. Hatem Kafeisheh, which is a series of questions, do you support the coup or not? Do you support legitimacy of the West Bank which is recognized by the world? Do you recognize the sanctity of the Palestinian flag?

Participant - My first question to Mr. Hatem, do you think the political Islam in Palestine is an important model for the political Islam in other Arab areas? Second question, to what extent can Hamas achieve any of the goals that it talks about in the past years in light of the coup it started?

Question to Mr. Abdullah, of course I understand the dialogue and its conditions, but I ask but don't you think there is a form less than what is being set in terms of conditions to make a breakthrough in the current deadlock, especially that we are talking about a disaster, about a split in the homeland, specially we are talking about harming the Palestinian cause in front of all of this; isn't there a way or something that can lead to one way or another to breakthrough?

Last question to Mr. Faisal, don't you think the democratic, social project in Palestine is being harmed as a result of this conflict in a dangerous way more than what people can see on the surface?

Munjid Abu Jesh – I believe there is no room to talk about the same tools in solving the current crises, whenever you talk we talk about the crises, Fateh and Hamas they don't want to hold dialogue they want to share, to divide the things they have, there is a need for a popular movement, lobbying movement who believe in the national project and this question is to Mr. Abdul Rahim Malouh now, can the Palestinian leftist forces such a popular movement to get rid of monopoly enforced by Hamas and Fateh?

Saed Zaharan – My question to Mr. Abdullah, the Israelis talked about a treasure of files and documents found in the security forces headquarters in Gaza Strip?

The second question – of course we are against the killing and the beating that happened in Gaza but can't the PLO factions condemn the act of the security services in Hebron University; can they dare to issue statement to condemn such actions, if you want to condemn you should condemn all part and all actions by all parties.

Naser Abdul Karim – Two very quick questions, Dr. Abdullah, I understand that after each crises and disaster that happened in Gaza Strip, specially that several disasters happened after Hamas won the elections and took over usually a reason to review, I am talking as a citizen and I am asking this to Mr. Abdul Rahim Malouh also do you really see change of the work of the presidency and Fateh and the PLO institutions; are they at the level of what happened, did you review what happened, as I citizen I did not see, what I see is superficial changes but in the core, the things are the same, the administrative, the political performance is the same it never changed.

Do you think forces of the left should have a distinguished role in this crises, did they bargain on their positions, don't please misunderstand my question when they supported Fateh and the

presidency was it a bargain for the sake of the Palestinian people to exert pressure on building the institutions and negotiations and to respect the legitimacy of the Palestinian people and options or was it one of the deals that took place.

Participant - Excuse me we know the factions positions; I want to ask Mr. Faisal Hourani, do you think there is a chance for reform on the part of the factions?

Ziad Dayyeh – I am really regretful to hear some certain incidents that happened in Gaza or the West Bank. We don't want to talk about them again because this will not solve the crisis.

Aref Hijawi – Mr. Abdullah can talk about ten incidents Mr. Hatem too it will continue; now the question is what comes next?

Ziad Dayyeh – I support Mr. Abdul Rahim Malouh that we should not forget the past but we should not also make what happened in the past be part of the solution, of course dialogue is the sole option, we can have a fact finding commission whether Palestinian or Arab to investigate then they can try people but what happen should not be an obstacle in the path. Mr. Abdullah said justifications there is no intentions, I think if positions regarding dialogue depends on intentions then we cannot know what happens because no one really knows what is in the hearts and the intentions of the people, so this is a problem.

Walid Assaf – PLC member – First question to Mr. Kafisheh I ask him: do you really, does Hamas really believe in work with others political factions, and if they really do with the other side, how are things moving in Gaza in area of partnership specially after what happened, specially after breaking into the offices of PLO Executive Committee and arresting some leaders, is there still a chance for this partnership project to be realized?

The second point is: which party is required to take the first step, the part who executed the coup, I think Hamas should take the first step towards at least to make a breakthrough that can lead to dialogue, but what is happening in Gaza specially the control

over all institutions and excluding all people and all institutions and specially the courts even the occupation did not control the judiciary system, Can Hamas eliminate all other forces, can we still talk about partnership between Hamas and the PLO.

The last comment, Hamas movement said that its problem was with certain wing inside Fateh but what we saw when they pulled down the Palestinian flag and they broke into the house of late president Arafat and all other acts.

Aref Hijawi - It's not a question here, it is a political statement

Walid Assaf – PLC member – What I am saying after all of these steps is it only a conflict between Hamas and a certain wing inside Fateh or a conflict between Hamas and all other factions, including Islamic Jihad also?

Mudar Kassis – Maybe we are facing a situation where there is no dialogue because the two parties in the dialogue are captives of their actions, Fateh presented itself as what led to its defeat and Hamas presented its action that lead to the separation of Gaza Strip from the West Bank regardless their intentions, and the two sides both are standing behind positions, I don't know what's the point of having a dialogue now, specially we are facing a unique situation, having the United States is facing its strongest crises since the sixties they are loosing in Iraq, Afghanistan, they failed in Lebanon, they are looking for a way out, they lost internally, economically they have problems.

The Israeli government also is the weakest government since the establishment of the state of Israel, and the Palestinian side is incapable of presenting a Palestinian program to face the enemy Israel and the United States because we are facing what happened. My question is as follows if we can engage the dialogue and if we succeed in reaching reform, is there a political program that

can come after, such a dialogue or the issues is to have a dialogue only to divide the posts?

Another question, do you think Hamas or Fateh can accept elections to decide on matters and take the decision to the street instead of having dialogue?

Dr. Mahdi Abdul Hadi – I believe that the timing of the seminar because 11 September the whole climate the regional and at the international level, but because the title of the seminar is the relation between the two sectors so this is our focus. The current split that we have as a status quo, this created two political systems on real ground and that we have to deal with them. I remember in 1994 I held seminar in Gaza Strip and we have all the symbols of political figures there were taking about economic separation, are we talking now about political separation, political Islam, I can say about Muslim brotherhood in Egypt with all its history, Hezbollah and its successes, Iran with its full weight no one posed itself as an example of political Islam and ruling was posed in Gaza Strip so there is a clear position we have a political Islam that wants to rule in Gaza Strip.

Now the second dimension do we have two different political systems or do we need to look at a comprehensive system, to have a unity in the homeland is impossible, is it possible with two political systems, do we have two different systems or are we seeking some kind of confederation, confederation between two systems or the unity of the homeland, now every party is trying to take its share of the homeland or the piece of cake and both are holding the plates trying to take their share but the Palestinian people don't care; they want to eat, they are hungry, they want to eat whether its Kosher or not, whether its Halal or not, we have to take care of the Palestinian people. Now are we heading towards political Islam that is interacting on this land and we are facing a Palestinian model and in the light of the failure of the Palestinian

secular system after Oslo.

Lama Hourani – First I would like to respond to that: Fateh did not accept the results of the elections, ok let's ask did Hamas accept PLC elections, and we have many intellectuals we compares between the two parties in the same way. Mr. Hatem talked about the history of movement in Palestine, history of Muslims brotherhood since it started and how they struggled against the occupation, the history before the first Intifada and the symbols of the coup who attacked and tried to kill national leaders during that period and now they are talking about resistance and even after they assumed authority in Gaza Strip we don't see real resistance the way they boasted. Can we compare this with what we saw from Fateh with its rule which we used to talk a lot about it during Oslo and we said that they don't accept partnership and we saw it, despite the differences in 1988 the PFLP expressed reservations regarding the declaration of Independence but they remained in the PLO. We are all talking about Palestinian legitimacy in homeland but we also talk about west Bank and Gaza Strip but we are forgetting five millions outside, we know that Khaled Mashal is staying in Syria, when we talked about 5 million Palestinians, and when we say that Hamas represents Palestinian people, Hamas represents the Palestinian people only in the West Bank and Gaza Strip.

Mr. Hatem – Many questions I want to answer many as I can, but I want to answer the security issues of Mr. Taweel and Assaf. you want to accuse anyone of siding with one party of the other like Bush vision either you are with me or against me; the issue is not like this, the issue is what kind of military option, any military option is rejected and the dialogue must be accepted, we are against military option I am calling today I was in prison and the position of the prisoners was announced we are not with military option when settling political differences but with regards to other questions I say to you that hundreds of Hamas people were arrested because of the Palestinian flag and some

were killed and then after decades of struggle you are accusing us of not accepting the Palestinian flag. When you asked me about legitimacy, yes I am with the legitimacy but the legitimacy is not to elect someone or not to elect him or to be a PLC member or not or to have Abu Mazen as president, the legitimacy is the rule and the law this is the legitimacy that I understood, the rule should apply to everyone but either you are with legitimacy or not I am with legitimacy. I am part of the legitimacy I was elected by 51,000 people for the PLC, I have to be part of the legitimacy but when you violate the law with presidential decrees from everyone what we see in terms of violation of human rights whether in the streets of the West Bank or Gaza these acts are condemned by everyone, killing is killing, attacking journalist is attacking journalist; these are human rights violations there is no one citizen better than another, I said few minutes ago that occupation wants a weak entity in Gaza Strip led by Hamas and even a weaker entity in the West Bank to be led by Fateh.

Aref Hijawi - I want to have a break for a few moments to cool down a little bit and then I will get back to you.

Abdullah Abdullah – Those who said Fateh did not recognize the elections this is wrong because the first government was formed by Hamas and then a national unity government was formed headed by Hamas and the result of the elections were recognized and many people were appointed.

The second point relates to the basic law and the constitution prohibits using force in making any changes so what happened in Gaza Strip is a coup is a way rejecting the system the political system.

I like the idea that we need to find a formula, we the Palestinian people in the homeland whether here or in the Diaspora we are all in the same boat if we allow a group to find a loophole in our system we will all drown and collapse; we have to use efforts to

protect ourselves but the formula that we are looking for is not abstract for us, I repeat again its not true we are against dialogue, I will repeat it for the third time, we want the dialogue to be a means to reach points that we can abide by and respect and abide by, and not to have dialogue today and then do whatever we want the next day and then say this is the democracy, no, democracy is not only going to the ballot box and to express our opinions this part of the democracy, the democracy is the way we act, the way we think, the way we do our work everyday, of course when you reflect democracy how you act in the society, we have to find formulas to bridge the gap, yes, I accept, but what are the formulas, they say we have clouds then it will rain, we know that it will not rain if there are no clouds. How can we talk about formulas when we see escalations, there was first escalation against a wing in Fateh, now its against Fateh, now its against PLO factions and now its against the civil society organizations in Gaza Strip. Does it serve the efforts to look for formulas? I don't think so. This is a question that everyone should ask and all parties are responsible, if you want to find a way to reconcile, they should retreat from their mistakes without retreating from the mistakes how can we guarantee that they might repeat the same mistakes, and of course the believer is not a only a person who goes to the mosque no it's in the heart, it's in the soul.

Aref Hijawi - Mr. Abdullah the PLC when you were in it as head of the PLC political committee does it have a role in the current crises?

Abdullah Abdullah - Let me say the role of the political committee in the PLC and the presidency of the PLC were the first parties that talked about the national unity and the dialogue since last May, but let me ask could the PLC convene in one official session after March? let me say why, not because Fateh and Hamas are in conflict, no, because there was a condition from

the PLC presidency not to hold any session unless the Presidency accepts certain agenda, and refusing any amendments to any agenda so the attack on the PLC is continuous, the PLC in its current formula refuses to open its second term according to the Basic Law.

Aref Hijawi – How many PLC members are detainees?

Abdullah Abdullah - There are 44 detainees PLC members

Aref Hijawi – Don't you think this is a reason.

Abdullah Abdullah – No, this is another issue, this is not the topic here. There is the proxy system it can work out, our PLC from the first day, Fateh position was based on national decision to give the safety network to Hamas because we rejected the schemes of the occupation who tried to obstruct our project, 44 absent members but still there is a quorum in the confidence for the national unity government we were able to gather the quorum. Why we don't do the same in other sessions? We have tasks to do in the PLC, we have a monitoring role; and not one minister from the previous government did attend of course this is poor performance at the PLC by the PLC presidency which want to cancel the PLC. On the issue of Hebron what happened and the arrests in the West Bank, first this is a Palestinian affair and not a factional affair, Palestine is higher than everyone, there is no way to condemn human rights violations in Gaza and ignore what happened in terms of human rights violations in the West Bank, but let us be objective, purely objective, how? the attack that happened in Hebron against the journalist not because he is journalist but because the journalist and this came in a written report, the journalist cursed the policeman and spat in his face and tried to attack him and despite this we say the security person should serve the people, and a committee was formed and the

policeman would be punished if he is found guilty.

Abdul Rahim Mallouh - I would like to talk about a core point. the differences and splits in the Palestinian arena are political differences; we should not hide it or try to conceal it with legal reasons or constitutional reasons, no, this is political, this is an agreement between the two forces, each force tries to influence the street and the institution; unfortunately, the two basic forces did not really look seriously on their partnership even when they went to Mecca, they were surrounded by the Ka'ba and they prayed there and then they came here and carried the weapons. Let us be frank. We reached the National Reconciliation Document and the Cairo Agreement Document and Mecca Agreement Document. Then they continued with the same method. This is why I say if there is no mentality and readiness by the two basic forces on the Palestinian arena to have partnership, then all the talk that we are having will be irrelevant. At the beginning of this year I read an article by an Israeli journalist saying that we are facing not two states for two peoples but three countries for two peoples and we have to prepare ourselves for the next phase; this was before Mecca Agreement and two months before Mecca Agreement and I read that in prison. We have to make ourselves ready for this new factor because some people said we are reading facts in advance, unfortunately this happens we are facing that reality which was mentioned by an Israeli journalist. I don't think it's good to have two states for the Palestinian people; I don't think this is good for any people.

The other point, I think I agree with Dr. Naser Abdul Kareem that the Palestinian people do not respect any Palestinian leadership, the respect and symbols are diminishing and let me add this; we should not say that people are ahead of their leadership; this is a contradiction because the leadership should lead their people, so when the people are ahead of their leadership then it means that the leadership is imposing itself on its people and this is a

disaster, this is not something good; it can lead to crises.

On the issue of the presidency institution, I want to say this very clearly that the presidential institution has been weakened and the split has weakened it and the current political condition weakened the Palestinian presidency and the PLO is also weakened and some people are trying to exploit this weak status in the political conflict. The PLO is the umbrella of all the Palestinian people, the differences and the weak performance should not be exploited. Now for the other factions if they made bargains, I don't know if these forces, I can't talk on behalf of all the factions of the PLO. I can talk about my faction; we did not sell our political position when we supported this party or that other party. And I would like to tell my colleague here; in 1988 we were under pressure on the political differences in 1983 and 1984 when there was an attempt to split the PLO and that time we said that the political entity is a sacred thing especially when we are in a national liberation movement and the Palestinian blood should remain a red line, so all other lines can be crossed but forces of the left have a role, but if Dr. Naser wants to say some factions have other considerations to support a certain party this is something else.

I still hope that these factions would realize their role at this phase because their role is of a national interest for Fateh and for Hamas, the factions have a role.

Aref Hijawi - Is the PFLP doing enough?

Abdul Rahim Malouh – No, the factions are not doing enough regarding the crises; we can see the disaster happening on our arena, but I don't think anyone is doing enough, we are still far from doing enough to reach dialogue to get us out of the crises, I hope that by the end of the day, you would give some time for discussing the way out.

Aref Hijawi - Some of our colleagues here wanted Faisal Hourani to talk about a way out because he is not siding with any party and because he is looking from outside the parties and framework.

Faisal Hourani – The Palestinian national social democratic program is in danger and it is being harmed. The Palestinian national movement that came after 1948 was part of the Arab national Liberation movement and international movement and then the collapse started because of the several consecutives strikes against the Palestinian people which hit them in their unity. I believe all factions are incapable of reforming themselves, when you have such splits, when you have split all over, when you have 80 percent of the people live on the assistance of the UNRWA and relief and when all institutions are destroyed, then it is really difficult to talk about the reform, it is possible to talk about measures to ease the impact of the disaster. My opinion and I hope it would be understood as an academic opinion, Hamas came to the PLC, came in the framework of the collapse which started since Oslo and this continued until Hamas came to authority, Hamas did not act in a sound wise way to exploit the popular mandate that was given to it. And of course there is corruption and corruption is happening everywhere in all aspects. This is an important point when we want to analyze the Palestinian political situation, otherwise we could go in circles and circles without reaching anywhere. Hamas cannot invest the mandate it was given and are we coming to the phase of political Islam rule, what I said before when there is a general collapse in the situation in role of the secular people, what happens? Who replaces them? Of course it is logical. Who replaces them? We get the conservative people or right wing people.

In the occupied territories and not only in the occupied territories, it's in the region; democracy is retreating in the world and because our share of democracy is very minimal, then

its affecting us too much, I believe that it's not possible for a party or movement to build its political position on ideology that cannot accept criticism to achieve pluralism and what you see on TV is a proof on this, and I hope I would not be very pessimistic this is the beginning and still the worst is coming. If the Islamic movement wants to rule in the Arab world, of course, it is linked to the American hegemony in the world, we know through information that there is dialogue for sometime, regular sometimes between international leadership of Muslim brotherhood and the United States, what concerns us on this there is a point here, the Palestinian Muslim brotherhood whether its Hamas or other groups they are not represented in the international leadership of Muslims brotherhood and they were not recognized yet, they were recognized of course but there is no command in Palestine for the Muslims brotherhood.

In the West Bank of course it belongs to the Muslim brotherhood in Jordan and Gaza Strip to Egypt, now the dialogue between the United States and International leadership of Muslim brotherhood its forms is subject to the US hegemony, domination and in the US administration there are several viewpoints, should we adopt the moderate political Islam to replace the national liberation movements and the progressive movements or maybe we should not adopt it, is it enough to confront extremists; this is debatable still in the circles of the US administration.

I believe that the International Leadership of the Muslims brotherhood is also expecting the results of the debate, an experience happened in Egypt as a result of understanding it was an incomplete understanding and they said in the US administration let us allow the moderate political Islam have big blocs in the parliament, in Egypt, for example the political leadership is against Muslim brotherhood, they opposed it, when the understanding happened and the leadership accepted but was based on precautions and the leadership prove to the Americans that opening elections in that way would lead to dangers and

that's why they dealt with the other three phases of elections in Egypt in a different way to eliminate the Muslims brotherhood.

The second point which might reduce the disaster is related to the PLO. No one criticized the PLO more than I did but it remains the title and the home. when they talk about Hamas participation in the PLO even before Oslo and after and the debate with Hamas they talked about details they said we need 40 members also but the basic issue is that the Muslim brotherhood and Hamas is part of it they don't have permanent alliances. The history of Muslims brotherhood shows that they don't have permanent strategies because they are in relation with heaven they can hold joint activities but they don't have permanent alliances. If they accept the PLO, then they are holding permanent alliances based in the PLO. Despite all the differences, the democratic Palestinian dialogue between the factions ended with programs since 1988 nothing happened in terms of this but the political initiative the Declaration of Independence this was accepted by the Palestinian National Council (PNC) in 1988. I believe Hams' reluctance in entering the PLO is basically based on refusing permanent alliances.

Within the framework which I am talking about, certain forces were recruited and certain regimes and certain funds and certain TV stations were recruited for this work, in this occasion, Al Jazeera Satellite Channel from my point of view was also recruited for this work.

The Palestinian secular people and democratic people all over the world are facing the US domination and they confiscate the western democracy in this light of this hegemony. The secular people are not in danger but they are under strikes. When we talk about details we want measures to reduce the disasters. let us wait for international developments that might change the image.

Participant – question to Mr. Abdullah and a comment to Mr. Hatem isn't it the right time for Fateh conference to have new

generation in Fateh, the second point Hamas and Fateh at least to move one step forward to stop media war between Palestine TV and Aqsa TV to prepare the climate for dialogue.

Mohammed Abed Rabbu - question to PLC member Hatem Kafisheh can we expect you to become a member PLO Executive Committee member in the near future and sit next to Yasser Abed Rabbu?

Juman Qneiss – question to Mr. Faisal Hourani I want to ask about the future between Fateh and Hams. is it in the hands both Fateh and Hamas? And don't you think the Palestinian mass-media are less developed than we thought?

Faisal Hourani – I agree with you absolutely that they are less developed, yes.

Awad Rjoub, Arab Center for Media – question to Mr. Hatem, do you support giving back the security headquarters whether to the authority or to Arab country Saudi Arabia or Egypt?

Second point: the PLC presidency is accused of obstructing the PLC work?

Question to Mr. Faisal Hourani we are in the West Bank; the problems related to what happened in Gaza in terms of torture, arrests; are we heading to a situation similar to what happened in Gaza strip?

Question to Mr. Abdullah talking about Friday in Hebron, in Hebron the security service participated in the attack and six journalists were attacked not only one journalist in Hebron and I don't think all of them cursed and slapped.

Participant - There is a fear regarding the PLO, the PLO is the sole representative, legitimate representative of the people but if the PLO gives up the national and constant rights, if the PLO

gives up some of these constants, can the Palestinian people at that point consider the PLO the sole representative?

Participant - First comment on what Mr. Faisal said that Hamas did not invest its victory, was it given a chance to rule?

The question there is Saudi move to bring the both sides; do you think the Saudi move will have any chance?

Comment by Faisal Hourani - He wants to give Mr. Abdulla the room so he will give Hamas the chance to speak the last like al Jazeera TV

Mr. Abdullah Abdullah – There are efforts in all the districts to start Fateh Conference and there are internal elections in some areas we hope that the conference will take place as soon as possible, this conference is an important thing hopefully we will succeed in this. For the issue of Hebron and Gaza it is not useful to look at who is worse. this is not the point, we should stand against any mistake, we should stand against any sin; what is happening whether in Hebron or Ramallah or Rafah; these are blows against our national project, the image of the Palestinians who were the symbol of liberation of struggle, there is a conference in Brazil or Australia the Palestinian presence came always through the Palestinian scarf. What happened in Palestine distorts the image; we have to consider our methods and restore the image.

Mr. Hatem Kafisheh – I say in front of all of you and God is my witness that the Palestinian security services attacked with clubs five journalists who are known for their professional reputation. I am against attacking any journalists. I am asking: Is the mentality of conspiracy still controlling the Palestinian thought, I heard that Mr. Faisal that there is a dialogue between international leadership of Muslim Brotherhood with the United States. Mr. Aref asked if the political decision of Hamas is in

Syria or by Khomeini; we have to say that the Islamic movement is original, I don't know; as if the Muslim brotherhood were not living in this homeland and did not contribute in building the homeland I don't want to talk about the disputes that happened between factions of the PLO when they used tanks. Then they went to dialogue; we should not forget history; yes, they used tanks against each other we should learn from the mistakes of the past. the prophet said: "in conflicts anyone can make mistakes and the best person is who starts the step to reach peace", and I hope Hamas would start peace and give a little bit to the brothers because we are all brothers I make an appeal from this forum to our brothers in Hamas to start the first step and the brothers in Fateh should respond positively and I hope the meeting between President with the Saudi King would reach positive results with the efforts of Isamil Hanieh. I hope this would happen and this is the point where we should start.

Mr. Faisal Hourani – Mr. Hatem, I don't want to talk about Hamas which insisted that the contradiction is with the occupation and the Palestinian blood is a red line and the contradiction is with Mohammed Dahlan and Abu Ali Shahin. Our meeting here is to talk about the differences and learn from the lessons of the past and I hope and I wish that we could go back to dialogue.

The question was Hamas given a chance to rule? Was Arafat given a chance to invest his gain in the elections? Was any Palestinian given a chance, any factions, a chance to succeed and invest the success, you have to extract your gains. The brothers in Hamas did not plan for their victory in the elections, the victory surprised Hamas. they don't have any experience in the past that's why there was some confusion.

Abdul Rahim Malouh – I want to go back to the title of seminar the relationship between the two parts of the homeland I think that the current situation will obstruct achieving the national goals

and will obstruct any party from reaching national goals whether the international conference in the fall or in Gaza waiting for the next fall or winter for a simple reason because the current split as mentioned by Mudar, the Palestinian split weakened the Palestinian factor in any compromise in any struggle in the next phase.

Let us look and watch the past three months; this is an exaggeration but 90 percent of the Palestinian political rhetoric was attack from Gaza against West Bank and West Bank against Gaza and we forgot the occupation, we forgot the settlements we forgot Bili'n achievement. This is why the split will harm the national interests and goals. It will harm our efforts to achieve progress regardless of the intentions. Everyone can accuse the others of bad intentions but regardless of the intentions, the results are bad. we have to move fast to end this crises we have to go back to the mentality of partnership, the mentality of exclusion and monopoly destroyed the Palestinian arena, we are in front of two forces, one carrying the historical truth and the other carrying the religious truth; if we continue like this we will pay the price, the solution is through a popular movement to exert pressure on all these sides to go back to the mentality of partnership to confront the occupation which is the basic enemy which is taking away the rights of everyone.

At the same time we should not justify oppression; there is an attempt sometime to justify oppression whether it is in the West Bank or Gaza Strip. Oppression is oppression and freedom is freedom; we have to condemn any act against any journalists or any citizen.

Aref Hijawi – We thank you all, this seminar was held and organized by the Jerusalem Media and Communication Center, JMCC. We apologize for those who were not given any chance to ask questions or make comments. Thank you for your attendance and attention.

The Financial of the Palestinian Authority on the first year of the tenth government

Held on March 3, 2007 at the Grand Park Hotel – Ramallah

Opening Speech

Ghassan Khatib – Director of the Jerusalem Media and Communication Center

The topic as it is clear to every one deals with the financial situation of the Palestinian Authority on one year, the first year of the tenth government.

With us as main speakers we have Dr. Samir Abu Eishah – minister of Planning and also Acting Finance Minister, Dr. Rafiq Hussein – from the Presidency Office and Dr. Naser Abdul Kareem – from Birzeit University

I hope this symposium will be in the form of discussion and opinions more than a lecture style. The aim is to discuss in a way that will lead to removing the ambiguity on certain topics and to exchange opinions and information because the past period was dominated by allegations that we can do without them when all the parties concerned and all the stakeholders are present and when there are experts who are capable of holding an objective discussion as we are accustomed in such symposium. We start by presenting an intervention prepared by the JMCC that will inspire questions and topics that we inspire to focus on in this symposium.

And here we say that financial concern dominated official and popular situation in Palestine last year which was the first year of the tenth government period. The government was held responsible by some parties for this crisis that led to irregularity of salary payments and total shortage in ministry expenditures, in addition to a comprehensive strike by PNA employees.

The financial performance and reform were among the most important tools used in the recent elections, statements made by members of the current government assuming powers were full of serious and condensed criticism to the financial performance of the pervious government and governments.

The previous governments were accused of draining the treasury, raising the wage bill to more than necessary and that only ten percent of the senior officials received the greatest majority of the total salary bill, as well as many other statements.

This symposium aims to raise an open and frank discussion among various officials and concerned people with the participants from the elite thinkers, public opinion and civil society leaders and government officials.

Quite unusual that the financial issue this time is not restricted to the ministry of finance because the presidency for well-known and understood reasons is also involved, therefore it should take part of responsibility because it should take part in reviewing the financial performance during last year.

The topic that concerns various political and academic elite most is what we hear about the absence or retreat of financial performance transparency. Neither the ministry of finance nor the presidency provides regular information to enable the concerned people to follow up the revenues and the expenditure in conformity with regulations.

Many also inquire why electronic pages stopped providing reports and necessary information which are necessary for accountability. The absence of this accountability and transparency

forms in fact a big defect in the basis of good governance.

As for the accountability and the calls for the PLC - the body mandated by the basic law - to hold all the governance accountable on behalf of the people, the report of the Treasury committee highlighted a number of criticism and questions addressed to the government regarding the financial performance.

And here we repeat some of these questions to put them into a frank discussion that can contribute to achieve the public interest:

Why hasn't the government submitted the quarterly yearly report requested in general budget and financial law?

Why hasn't the government submitted the general budget draft law of 2007? And how such a legal can be justified?

And on what basis the government has spent and received money?

Finally the report inquires why did the unified account system stop? Which was considered one of the most important reform achievement at the time.

On the other hand last year witnessed an ambiguity which we hope can be removed today regarding the external assistance for the authority, is it true that Arab and international assistance has increased in comparison with last year, and if yes, why then are we talking about a continuous international siege and the need for a government to end the siege?

Aren't you afraid that forming the new government might in light of the talking about the continuation of the siege may lead to decline in the external assistance to the previous levels? And what is extent of coordination in this regard between the government and the presidency and why researchers find it difficult to rely on regular information sources pertaining to assistance?

And what is the fate of the amounts of money that were brought in through Rafah Passage Way, and how these amounts are calculated in the public treasury and why the PLC budget committee raises doubts on the figures presented by the government recently.

The most difficult questions, however is related to the wage bill and increase the volume of employment following the reported news saying that 30,000 new employees were appointed in the security and civil agencies last year.

These are the questions that we hope to discuss seriously and openly in this symposium so that the audience with us today can witness all positions and information and analysis presented which we also hope to clarify the picture to the masses that should practice accountability. We will listen to some short introductions that aim to open the discussion and I really hope that most of the period of this symposium will be given to exchange of opinions and discussion.

And for the sake of starting this discussion, I call on Dr. Naser Abdul karim Professor at Birzeit University to make his intervention on this topic and after that we will ask Dr Samir Abu Eisheh to present his remarks on these and other topics as he likes and then we will listen to Dr. Rafiq El Husseini, and we hope that each of the speakers, main speakers will speak for ten minutes that we will give sufficient time for everyone to take part in the open and frank discussion on these topics.

Dr. Naser Abdul Karim – Professor at Birzeit University

We thank the JMCC for inviting us to take part in this symposium. I am grateful for this invitation I would like to say that there are figures, specially who are well informed on the financial authority, if these figures are not true then the reason is because it was difficult to get the correct information as Dr. Ghassan said that I am I will be willing to be corrected, but the aim was to find a logical analysis of this thing. We are not going to talk about half million or one million here and there we talk about financial performance.

The paper that I prepared defines three bases for the financial performance of any authority, these three bases are as follows:

1. The capacity to recruit the sufficient financial sources and

to meet the emergency and developmental needs as the authority has to provide the sufficient financial sources for its people and society.

2. To have a good government, good policy of spending and a balanced one that will meet the economic and social goals.

3. To have a competent public financial administration based on the two principles of transparency and accountability for getting the money or spending them you need a competent authority that is for sure.

Now if we are to judge the tenth government on these bases, then we can say the following, the volume and public revenues. The public revenues were divided into two sources:

Local sources that come in the form of taxes linked to productive investment and consumer activities for people and individuals within the borders of the PNA. These local revenues were 24 million dollars monthly so the total sum for the whole year was about 300 million dollars. Then we have tax revenues transferred from the Israeli government to the presidency and it was about 100 million dollars from the amount of 600 hundred dollars entitled in accordance to the Paris agreement.

External assistance: It was about 700 million dollars in total last year that came in the form of cash not loans most of them came or were given to the beneficiary according to the Temporary International Mechanism (TIM) adopted by the Quartet Committee and the other part was through the presidency institution and very small some through the government.

Despite the volume of external assistance to the authority, it maintained its average level compared with the previous years or maybe there was a decrease by little more than 50 million dollars from 1994 – 2005 but these assistances were characterized with the following:

They were more irregular pertaining time and volume. They were unpredictable. More plurality pertaining to resources

and channels which made their influence less and reduced the capability of the central authority of using them and benefiting from them. Therefore the impact of the authority was very low.

The total revenues, cash revenues was 1.1 billion dollars last year but the entitled revenues which were not received because there was a siege by the Israeli government and these are estimated to reach 500 million dollars. Dr. Samir and Dr. Rafiq can correct me if I am mistaken. The self revenues, or the tax burden compare to the GDP of the last year was 23 percent. This burden is apparently more than the tax capability of the economy which is 20 percent so we are getting more taxes than the neighboring economics.

It is clear that the taxation efforts of the Palestinian authority have improved last year. it was 16 percent. This improvement and the tax effort maybe in the decline GDP which was the result of Israeli and International siege or to the improvement of the competence of the tax system and restricting any escaping taxes.

The structural defect in the self revenues of the authority and this was manifested in the fact that most of revenues come from indirect taxes on commodity and services and not in income.

The two thirds of this revenue are linked to the Israeli security and political mood and based on the amount of cash that we receive and not to what we are entitled to get.

The external assistance is political assistance par excellence and we should not count on it.

Now if we move to the volume and structure of expenditure in 2006 contrary to the public revenues that retreated, the public expenditure increased over the years which added to the deficit of the government budget at the time when the public expenditure of 2000 which is an exemplary year to financial situation in Palestine because we have two third plus of 13 million dollars, so it was 1.3 billion dollars to which is 26 percent to the GDP of them one million for the not running cost and the rest for development so

2.3 billions was expenditure in 2005 and this has increased in the budget of 2007 it is estimated as 64 percent which is 2.4 billion dollars (which is an imaginable one 2.2 billion dollars are for running cost and the rest for development), the most part is for salaries that wages, and for the appointments, the government was always violating the ceiling that was put for the budget not just the tenth government but all governments.

And then another problem is the application of the financial part of the Civil Service Law - the policy of appointments in 2006 did not change from the previous years neither number-wise nor the methodology, the slogan no for political appointment and yes for appointment of competence which was mentioned in the Hamas Electoral Agenda remained ink on paper without any implementation. There was no change in the public expenditure and structure and the tenth government kept that as it is. Rationalizing the public expenditure that was expressed by Hamas before and during the elections was not implemented. The government official efforts as manifested in the actual expenditure policies did not include any serious indications to adopting new economical social policies that are different from before.

With this situation, the current deficit on the basis of entitled increased into 300 million dollars while the cash deficit increased to 800 million dollars if we add what we are entitled to with the Israelis.

This become three times as much before getting the external assistance, deficit the current deficit on the basis of entitlement is not different from the years of 2001 and 2005 although it is much more the deficit in 2000. The total deficit after taking the developmental expenditure into consideration, is infinitive because these expenditures are totally covered by the donors. And these expenditures increased:

1. Because of the big destruction of the Israeli aggression;
2. The national growth of the population;

3. The cash deficit in the government budget was transformed into arrears for the employees of the PNA authorities, PNA employees and to the private sector;

4. The authority employees became the last resort of giving loans to the authority instead of the banks;

5. The public debt remained at its level because the government was not able to get loans.

Public Financial Administration: on this level, the government has a larger margin for control and influence but it did not succeed in pushing the agenda of financial reform forward, on the contrary, it has obstructed it. The government was not committed to presenting the budget draft law of 2007 to the PLC, and this is violation, clear violation to the law and regarding to take consideration to 2006 no budget was presented to the PLC. By the way this is not restricted only to the tenth government because during the past years only two times this law was enforced and all other years it was not abided by.

Explaining this violation by saying that previous government did not do that is not logical. The budget draft law of 2007 was not different than the budget in the past, it was just a copy and it lacked convincing policies and goals despite the success of the finance ministry in recording the assistance, but we can say it did not fulfill its basic job and its role was restricted to becoming an accountant, not the body that formulates economic and social goals and objectives. The role of the ministry of finance is supposed to be one that formulates and runs policies. Control from the financial, administrative control office was very weak because maybe the capabilities of this council is very low.

The government did not succeed in opening not even one corruption file although the people of the government where all the time raising this issue on every occasion and despite the fact that the government was able to absorb the public financial crisis which was culminated by the strike of employees. Still this will

appear once again.

This current financial crisis shows that the estimation of ministers was wrong and their estimations that fighting corruptions and stopping wasting the public money will not be sufficient.

The financial crises may find a solution by ending the siege but only by reaching a political solution that we can do without external assistance,

Thank you very much

Dr. Samir Abu Eishah – Planning Minister and Acting Finance Minister

In the name of God, the Merciful and Compassionate,

I am glad to be with you today and I really thank our dear brothers at the Good Governance Forum for allowing us to express our opinions in this very important issue. I really did not know how much time was supposed to be given to us, you raised about 30 questions each needs about half of minute, so you need more than 15 minutes.

I will focus, maybe I will count on some of the information of my intervention.

For the sake of having a complete picture, I wanted very much that it would have been better to have something else rather than the financial committee report and the file that was distributed, maybe I have another report that I can distribute at the end of this meeting or people can go to the Finance Ministry website and have a look at it.

As you know the tenth government from even the days before resuming their national responsibility, the siege on this government started and it was by the Israelis and by the external world as well. And the authority faced very difficult time and the Israelis within the financial arrangement based on Paris Protocol were able to control the passage way crossings and put us under

the mercy of the Israeli side, including our right to get our revenues directly. The occupation was responsible for the arrest of the top of the pyramid as Dr. Omar Abdel Razeq, Minister of Finance, has been arrested and his responsibility has been handled by another at that time, from the beginning of August I also assumed the ministry during 40 days the ministry has three ministers.

So four and a half months we have been in this government we believe that the demands of the employees are correct and right but their strike affected the course of action in the public institutions, especially in the ministry of finance.

Banks never boycotted the government in any country, but here they boycotted the government and created difficulties through the pressure that was exerted on these banks and created problems for us in dealing with the banks and we tried to look for alternative ways, maybe they are not the best but that was the best available for us.

Despite all of this, the pressure the banking sector was subjected to in dealing with the government, there was an understanding that we have to protect these banks so it will not harm the amount of 4 billion dollars for the people in these banks so we took a decision to form a protection safety network and even that was at the expense of our public interest.

However we maintained a certain kind of relations with the banks and with some banks we received some facility and good treatment. We can say as well that there were failures but also there was success to certain degrees, success that we have to refer to.

The main failure was in the incapability of the government to put into action its program specially its reform part. We understood that one year was not sufficient to implement any program fully and instead of that from the first day we started facing crises and these crises were internal and external.

All that affected the programs and plans that we wanted very

much to crystallize on the ground, but we certainly had financial policies to rationalize the spending and improve the revenues and this was actually done.

I want to mention some of the achievements of the ministry of finance last year:

On the Strategic Level and Policies Level:

There was a council of revenues in order to improve the taxes and unify the financial administration just like other countries, this was under the control of the deputy minister and general directors of taxations.

Measures were taken to rationalize the spending and instructions were issued and especially regarding the running costs to lower them by about 37% compared with 2005. There was also partnership among various ministries to try to avoid as much as possible the policies that were drawn by the external parties.

We reached an agreement with a Petrol company that provides us with petrol for a lower price and tried to get rid of the monopoly. An agreement was also reached with another company which is the first provider company to provide us with the gas and petrol but with the same prices and the same conditions that we reached with the other company. This allowed us to end the government assistance or subsidies to the petrol commission and therefore the diesel and fuel prices stopped being subsidized. There was only limited subsidy for gas which comes to 10 million shekels every month.

There was certainly an attempt to make administrative structural reform to face some of the defects within the reform plan in the ministry, we stopped dealing with the Israeli post office bank which collects the revenues for an Israeli company and replaced that with teams from the ministry through computerized system without passing through the Israeli Post Office Bank, that was on August last year.

The electronic website of the ministry was renewed and it is enjoying vitality and high degree of transparency and can serve all those concerned on the financial issue.

Financial Performance through revenues and the expenditure:

The expenditure revenues of 2006 were about 1.27 billion dollars which is about 20 million compare with the last year which was 1.7 billion dollars, it is an increase of 2%. There were some modifications of the revenues to make it possible to compare logically between the two years, and you can go back to the website of the ministry for more details.

The total Tax revenues although there were 10% less, the net tax revenues went up from 1.40 to 1.99 billion dollars and this is related to the tax reform and working on a positive way in this field and through the cooperation of the private sector that started paying taxes in a better way.

We rationalized the expenditure, so the main problem was the unjust siege imposed on us but there was a mechanism of distributing the revenues on important various issues, and the revenues were distributed by giving advance payments on salaries for the employees and covering the main expenditure and the running costs of the institutions that could guarantee the basic services for the people.

The providers for ministry of health and the ministry of supplies and also the allocations for the prisoners for the social affairs were guaranteed and we focused as well on providing the needs of some institutions, ministries like health, interior, post office and certainly the presidency was one of the parties that got or received the attention in this field.

When the strike started there was organization to form units in each ministry to continue running these ministries even at a lower level so they can continue dealing with the needs of the citizens

and we tried as much as possible to maintain documenting the

financial transactions through the financial system that was adopted by the ministry in Gaza, This may have led to some postponement of achieving certain things but after all and under such a difficult situation we were able to achieve something which is acceptable.

The expenditure in total whether actual or those entitled in salaries and wages of 2006 were 1,574 million dollars which is a decline by 5 percent compare with the year before.

Wages and salaries the total sum went up compared to what was estimated or compared to what was spent in 2005. 1.1 billion dollars but in 2006 it was 1.81 billion dollars this related to two reasons: because the number of people affiliated with the security services increased by about 25,000 people who were appointed before the government assumed its office and this led to increase in the salary bill and of course the salary bill went up from about 65 million dollars in the civil agency and 115 million dollars in the security agencies and became 503 million dollars.

As for the increase as a result of the additional appointments in the time of this government, the additional appointment was 5,500 people who joined the security agency and this was certainly all the time was national demand and even international demand. so 5500 people were absorbed and about 3,500 were appointed in ministry of education and the health ministry this is the number that we need every year and about 1,000 employees were employed or appointed in various ministries and other agencies.

In this government we can say the expenditure went down we said earlier it is about 37% because three or four financial orders were issued at the time when seven financial orders were issued in year 2005, so this year financial orders were less. This relate to rationalizing the expenditure.

As for the external assistance, the total assistance given to the authority was 722 million dollars compared to 2005 which was 349 million dollars, so the increase was 107 percent and certainly

this is the result of increasing the Arab assistance and even the European assistance that was given directly to the beneficiaries and this contributed to reducing the crises and therefore the crises was manifested in holding our entitled money at the Israeli party which was about 600 million dollars that we did not receive anything since March - December last year (2006).

I also would like to refer although very quickly to some of the policies which were followed not resorting to banks to withdraw from the banks except at a very minor level, there was cooperation with the Palestinian Investment Fund and there were funds which were covered as main payments for fuel and other things to cover part of deficit that was accumulating in the past years and also to cover loan, a loan for one of the banks, there was an attempt all the time to give the priority for salaries and the basic expenditures, we might distribute to you a copy of the budget a statement that was published a few weeks ago in the middle of January and last week also all other documents were distributed, including the financial policy that was adopted which focused on some social expenditures and other fields that we don't have time really to cover and talk about all of them.

At the end before I answer any of the questions, I say that the unjust financial and economic siege has really affected the financial performance to a large extent, but due to the good administration of the teams at the ministry of finance preventing a total collapse of the PNA. And so the policy of rationalization and not resorting to get credits from the bank has reduced the danger and it is good to say that the budget law project that was prepared but was not submitted to the PLC for reasons that we know two of them: one is the strike and incapability of the ministry team to be able to bring to the PLC its budget and also the other reason is the incapability of estimating the budget needed for 2007 as a result of the situation.

Now recently they were completed and sent to the PLC but we have to say that all financial reports were handed to the PLC

including the reports of the two quarters, the third and the fourth and the teams at the ministry of finance January started to work around the clock to complete recording all the financial the transactions and in cooperation with the presidency to prepare the financial reports that covered the months of last year and also to complete reports of the quarters not finished of last year.

We also have to say that the report of third two was handed last week to the PLC and I have to say that we are cooperating with the parties in the PLC and the first two or three days of me assuming my authority at the ministry of finance I was invited to the PLC I went immediately and I spoke to them there was another meeting but unfortunately it was on the day that the strike started and I was not able to go. On December I was summoned by PLC and I submitted to them a report on the situation and we provided them with all the documents necessary and all the information. Maybe we have to reply to some of the inquires which were mentioned.

We have to say that transparency is one of the most important aspects that characterized this government and I say this quite confident and transparency related to submitting our reports to the PLC to the Council of Ministers, publishing them on the website and available them to all those concerned in the country and outside. We also held press conferences and published information through the website as well as through reports that are published continuously on what is spent on one way or another.

Regarding the siege and the money brought through the passage ways all these funds were included in the budget and treasury and were recorded and the PLC received the documentation about them, about all sums were received month by month. Therefore we have full transparency in this field, we have also to say that these figures were spent on all aspects of expenditure which included salaries and wages and running costs for security and civil agencies.

Commenting on the intervention of Dr Naser Abdul Karim if I

may say maybe it is necessary to say that there were things that continued for many years including relying on external assistance, I can say that this political assistance which was political for other governments, it was not as such for our government.

The expenditure through mentioning some of the information, I want to correct some of the information, I want to say that the net tax revenues was more than what was mentioned before and despite of the decline of GPD it was 6.6 percent. Compare to last year, so finally it is necessary to say that there are many and increasing needs. These needs force us to increase the expenditure in 2007 including the natural growth and the increasing needs of important ministries like health and education and there was also an increase of salaries, we took the salaries of last month and added 2 percent, while expenditure did not increase very much and there were under control and there were also development expenditure that with the assistance received from abroad.

Dr. Rafiq Husseini – Chairman of Presidency Office

Thank you Ghassan very much and thanks to the audience attending and for the opportunity to talk about this, I did never think that the presidency would ever become another ministry of finance and never thought that I become an assistant to the minister of finance but this was imposed on the presidency unfortunately and the presidency should be monitoring the performance of the government, it should monitor the government just like the PLC, the president according to the law appoints the minister of finance and then the president monitors the performance with the PLC to ensure the good performance of the government but unfortunately the presidency had become part of the financial performance and we have become really doing two roles and we hope this will be reviewed and the eleventh government will come soon to change the situation.

First I would like to start by saying that I was or everyone

expected the data was very clear when Hamas was elected. the

siege was imposed by Israel it was very clear for us that if a government will be elected that doesn't meet the conditions that doesn't recognize agreements, it was understood that we will end up in a very difficult situation just as we are in, the government and the people, we are also facing difficult situation, we hope that we learn from our lessons from our mistakes and our experience and we hope the eleventh government will rectify the mistakes of the tenth government and the governments before it as well. This is very important, the eleventh government should be wise enough, experienced enough, should also be courageous enough in dealing with the political situation that we live in. We are not a government with full sovereignty we are not authority with full sovereignty this is well known, we are a government with incomplete sovereignty, under occupation, we have the sharks all around us and it is not wise to give our feet to the shark to eat it. So it is wise to think how we can continue.

Commenting on what Dr. Samir and Dr. Naser said there has become a role for the presidency in the financial affairs because it has become maybe outlet of the grants assistance from abroad, banks stopped dealing with the government as a result of the terrorist law that was adopted by the American Congress and no bank was able to violate this law. You know that the Arab Bank is suffering a problem and there are now many who say the Arab Bank will be held accountable for bringing money for the country for the benefit of between brackets "terrorist parties" through Saudi Arabia or other parties, therefore the Arab Bank now has an interest to continue and the owners and the shareholders of the Bank has an interest keeping and protecting the bank.

So only one window remained open which is through the presidency and the presidency wanted to end the siege. It was not good for the presidency since the PLC adopted the government, let the government fail and let the PLC fail but no democratic elected president can think this way and therefore the presidency tried to end the siege and brought big funds to the country. We

had before only a very small budget but now we found ourselves dealing with more than 450 million dollars that we received last year some of them were cash and some of them were through agreements signed with the donors countries because if the presidency did not sign agreements these grants will not have come. Much of the assistance from Europe came to the presidency, ratified the agreement with them and that's why the grants were brought to Palestine.

This is very important to understand that the last 100 million dollars we have to understand that the president was be able to bring and this probably would be the last amount we can get from Israel under the political current situation, so if we build our budget on the revenues from Israel in the future in 2007 then we will be mistaken, this seized money in Israel will not come at all in 2007 and we have to understand this. Maybe the siege will not end by the banks because the banks are also threatened and therefore we have to calculate correctly.

I don't want to refer to figures because the ministry of finance has its figures and we have our figures but lets talks about these figures, it was clear that however the funds were brought through the presidency either cash to the account of the presidency and we discuss things with the ministry of finance how to spend each, we have differences with the ministry of finance, but it was clear that the presidency can not be an additional bank account for the ministry of finance because if this is done then this account will stop, the money will stop, assistance will stop. So we have to deal with it wisely in a manner to continue receiving assistance. There was much talk about the spending and 99 percent of cases we had an agreement on these spending with the ministry of finance.

This was part of the government budget and another part was covered by European through TIM and through other international agreements, the investment fund as well spend 100 million dollars I think to cover the fuel bill, the investment fund

as we know was the grantor of the authority, so if the authority

did not pay the loan, pay the interest loan then the investment fund will pay.

These things in fact made the situation not impossible but difficult, made it difficult but not impossible and the presidency helped the government in one way or another to continue functioning in the needed way.

There were other differences with the ministry of finance, they were related as I said to the references bodies and I have to speak about it with Dr. Samir on the insults that the president was subjected to and fabrications that the president was subjected to on incorrect allegations that other fund were received by the presidency 300 million dollars and I don't know anything about this, of course the minister of finance he rejected these allegations but the minister who made such statements reaffirmed his statements even after the minister of finance rejected the such statements and denied such statements.

There were other statements that we felt at the presidency office we felt that the government considers the PLO not to be the reference body we hear this everyday from Hamas leaderships that PLO is not the basic thing, not the reference body. some of these things are correct, some of them are not correct, so what happened in this field that there we have our brothers in Lebanon, we have brothers in the exile refugee camps, that the PLO has entitlement and we tried all the time to send them what is entitled to them even at the minimum level and certainly this was not easy because the government has its responsibility in Palestine, only in Palestine or the authority has responsibility in Palestine so this created some problems.

There was another problem with the military people, because if we consider their ratio of salaries, the civil employees received under 2500 NIS received 60 to 70 percent of their salaries while the military received less than that about 40 percent of their salaries. Even those whom under 2500 NIS.

Also we have those employees who get over 2500 NIS who

got only 10 or 12 or 25 percent of their salaries so we had two worries: the military employees if they don't get salaries then this will lead to more chaos in the country so we had to pay the military employees, military people. And another worry was if we don't pay the employees whose salaries are above 2500 NIS then we will harm the expert people, the technicians in these ministries and then these ministries will be negligent rather than improve the performance of these ministries and the performance will decline.

So the ministry and the presidency institution we had to deal with large amounts of money that was introduced to the presidency account, and we had to deal with transparency and in this aspect we dealt with two main parts: first to have external audits specially on the account of public expenditure and also from July last year the control office was also introduced in order to carry its responsibility, but at the end of the day we are not a ministry of finance we have a limited human resources that can carry on part of the duty certainly there was a shortcoming, certainly it was difficult for us to present the figures as quick as possible because we don't have the human resources.

Also I want to comment on some of the problems related to the financial performance:

The first point that all spoke about is the fact that there is no budget for 2007 and there was no budget made for 2007; it was only made recently this is a story I don't want to indulge in it much because the PLC must carry on its duty and deal with this issue.

The other issue is the money in the sacks or in the suitcases, money brought in the suitcases this is a problem, maybe the government was forced to follow this method, but the responsibility is quite important. One of the reasons for the closure of Rafah Passage way is this thing. The agreement on Rafah Passage way we don't

have sovereignty; we are under occupation, there should be a

third party, a European party so if the European part is requested by the Israeli party to withdraw so then they should withdraw and this case is problem.

Another important issue is the transparency which has become very difficult or lacking on the cash which came in pockets and suitcases, when we get the money to the presidency it goes to the bank, so it is easy to track accounts but when you bring money by sacks and put them on the table to the public then controlling this is very difficult, so we were criticizing the previous governments because they were dealing with cash money and we stopped it. Now the phenomena is coming again, and you know the problem regarding the 35 millions dollars that were brought in by the Prime Minister from Areesh and then they were put in the account of the Arab League and 2.5 million dollars did not appear and 33.90 million dollars were seized by the Arab League as a result of the American courts that file cases against them. So we lost about 30.5 million dollars as a result of this way in bringing the money, so what happened, I don't want to indulge in what happened with the other funds brought that way. Maybe the explanation with be acceptable or unacceptable, but I just mention this as an example to show that the cash money spoils and could be stolen easily and even if they were dealt with by the best people and the best moral people. So this way should stop.

On the other hand, dealing with the cash money, receiving cash money also came from TIM and this is also unacceptable and this was done in Gaza. Assistance was paid in cash, maybe Dr. Samir doesn't accept this or prefer this but this was forced of us and of course this brings us to the same problems that it's better to do without. The banks refused to accept the money brought this way, and this should be understood why banks cannot be a helping factor, and this created for us problems, the payment in cash also created not just problem, but problem in tension, created tension, because people felt that Gaza received more money than the West Bank and this is part of the problem.

Another the problem also having the judge of higher court people to stand in a queue to receive 1500 NIS this is a humiliating thing if he is to go to the post office bank to get 1500 NIS then this is really humiliating to the judge who should be treated in a different way.

Another problem is the unified account it is no more, one of the achievements that the previous government is very proud of is that they achieved the unified account before there was no such account but that stopped. there are many accounts nowadays, I remember Dr. Mahmoud Zahhar minister of Foreign Affairs announced several times that Iran granted 120 million dollars but recently it was only 68 million dollars and there is difference and everyone will start inquiring where did this amount go, is it for organization, is it for what. So therefore should be a way in order to operate this.

I've spoke about discrimination among employees; we paid the teachers but we paid the military personnel less. This creates discrimination and creates tension among the employees of the government this is something we have to deal with in a different way.

Relations with the banks and the incapability of dealing with the banks system is a big problem that the government is suffering from and the eleventh government should find a solution for it because it affects the performance to a very high degree, because as I said banks are threatened by billions of dollars and this lead to bankruptcy of banks.

According to article 46 of the basic law the council of minister helps the president in carrying on his duties, so the ministry of finance pays its full salary to the Executive Force and this is an illegal force, so how then the government that is supposed to help the president to carry on his duties pay such salaries to an illegal force, the Executive Force.

These things had negative impact and created the gap between the presidency and the government, so we hope this will be

overcome by the eleventh government.

The final issue is the separation of many agencies to the presidency which created the executive authority this should be understood clearly, if the passage ways and the crossings are not under the authority of the presidency then these passages and crossings will be closed and people will be harmed. Therefore the presidency was forced and contrary what to a minister here and a minister there said in agreement with the government the passage ways and crossings were brought back to the control of the presidency as it was the case in the time of Arafat.

The Quartet wanted to move the authority on these crossings to the government, the authority on these crossings to the government and I remember that I've sent it many letters to the government saying that if the government insists to have control of the crossing then the presidency is ready but the government will have to meet their responsibility to show its responsibility for that.

Then Energy Authority for instance there is a law that is still to be enacted at the PLC it is related to the presidency, the basic law gave the authority of all agencies to the government but the presidency clings to that Energy Authority because the PLC should change the law but the presidency clings to have the authority on the Energy Authority now with this authority it can get much support from external sources because it is under the authority of the presidency and otherwise all projects by Europeans and others will stop this creates a duplicity but we don't want that.

12 million dollars in Gaza for creation for job opportunities; it was kept under the authority of the president because otherwise it will not be financed by the donors and because people will benefit from Gaza because it provides job opportunities.

As Dr. Naser said the employees have given 650 million dollars to the government my calculations say 400 million dollars, the pension fund is entitled into 350 million dollars so there is

1 billion and 750 million dollars that the eleventh government will have to deal with. These are given by the employees to the government.

Now as soon as possible, I am sure that Dr. Samir prays everyday and more two times than what he usually prays in order to get rid of the problems that his ministry facing.

And as I said I thank you.

Discussion Session

Hani al Masri – I thank again the JMCC and the Good Governance Forum for this very important symposium, I think what is important for us at the end of the day is to benefit from the past experience and to benefit from the lessons in order not to repeat such mistakes in the future. Especially there were some mistakes and even things that attached to the course of the PNA in the financial field since the PNA was created, the mistakes put us in quite matter that we don't know were and how we can get out of it as big external assistance, the salary and wage bill is very high and the revenues are very limited and the important part of these revenues are under the control of Israel. We did not hear solutions, we hear diagnosis or presentations, but as it is the case the budget are repeated themselves and for instance we don't find any investment in real agriculture, in research, scientific research, education and the security is consuming about 30 percent of the budget these things necessitate to take certain steps.

Another point: it wasn't possible to do better in the past so despite Israel's position against the formation of the government one year ago, I am not trying to settle accounts with Hamas or any other party, but if it was possible to avoid such these difficulties which was very clear not just for experts for any people of certain political awareness would expect that we would have suffered as we had suffered. So it wasn't possible to avoid such situation at the beginning. That's all.

Qais Abu Laila – PLC member, the question in my mind and in the minds of thousands of our people for a year already is wasn't the leadership of Hamas aware it was going to lead an authority that is under the occupation and restricted by a series of agreements which were referred to by Dr. Samir, that this makes the government as a hostage in the hands of the occupation. This is an international situation that controls our banks, did Hamas

leadership ask itself how it can run the authority in a program that rejects to negotiate with Israel and rejects the agreement with Israel and also rejects to deal with the framework of the international legitimacy in a minimum level that could be accepted by the world. This is a question that has not been answered so far, and very objectively I think it should be answered and should have a clear answer, because it could not be answered just by condemning the unjust international siege, I also condemn this siege because it doesn't meet the standards of human rights and standards of democracy and I endorse all these talks, but now we are talking about planning policies, about a leadership of people and authority that is planning policy for the people, and policies can't be made on condemnations but on attainable options, so in this field we are just like those who has a stomach ulcer but at the same time he drinks an acid or citrus and feels the pain, this can't work, so this is the situation. I am not raising this question from the perspective of evaluating the last year, I raised this question because the presented budget that was presented one month ago to the PLC is formulated as if there is no siege and there is no such an international situation. This budget is not far from formulating policy that is based on limiting the expenditure but on the contrary it is increasing the expenditure levels compared with the other governments' budgets.

With the previous government from 1.9 billion dollars expenditure in the previous ninth government in 2005 this was the final calculations to 2.6 billion dollars in the new budget. So imagine the difference, you can calculate the difference about 30 percent more in the estimated expenditure, this is not tightening the bill policy, this is a budget for drowning quicker in a quagmire, so if there is a criticism for the previous policy and that the previous government added to our problems then it is logic that the new government should adopt a different approach. But if this budget is an indicator to the policy government then we can see it is not a different policy, this is more drowning in

the mud of the previous policy.

Another point if you allow me, I like Dr. Samir very much he is always lucky when he is invited to make a presentation in a public meeting just like this, two or three days before he would have done things which he should have done months ago, so he presents them as if they are already achieved. I want to ask him is just this by accident or because I am a member in the budget committee of the PLC, I did not receive the reply to the committee, I did not receive it and I can say that the Budget Committee did not receive what you have said. The budget statement was not received by the Budget Committee at the PLC and the total economics structure was not received as well, the third and fourth quarter reports were not received by the Budget Committee at the PLC.

Dr. Samir is going to hand these statements today, I want to say that the report of the third quarter was supposed to be handed in October 2006, the third and fourth quarters reports could be handed in January 2007 now we are in March 2007. I know the situation is very difficult and there are problems and difficulties. But if there was a systematic kind of work in the ministry, but we hope the work would be up to such an inspired level to present and provide figures in the right time.

Dr. Samir Abu Eishah reply to the questions above.

Dr. Samir Abu Eishah – I wasn't one of those who formulated the electoral agenda of Hamas and also I was not nominated as a member of Hamas in this government. But as a Palestinian I can say this is an entitlement for the democratic choice, people when they elected this movement for the PLC, the people understood that this may create problems for them. But before the elections, months before the elections it was clear for the people if they elect this government that there will be difficulties and it will happen, but people accepted their choice and they wanted this choice

and we respect their choice. The president was democratically elected, the councils were democratically elected, and so this was the price of democracy. This price was away and was distant from any conditions imposed.

If the democratic choice dictated that the people will suffer for certain periods of time until democracy, so this is the course of pain that all of us pass through and it is not the thing that we all wanted, but it was inevitable.

Dr. Ahmad Majdalni – I like to talk politics but today I will talk about policies, I listened carefully to Dr. Samir Abu Eiseh and I believe he tried to present statements of accounts for the activities of the ministry of finance last year and I believe what he presented needs to be checked carefully regarding the accuracy of figures and information and the accuracy of the performance both needs to be checked carefully. And I pretend to know a little bit about economy. So regarding the tax revenues there are four remarks:

First there is a contradiction of figures between what was mentioned by Dr. Samir and Dr. Naser, as for growth of tax revenues compared with other previous of 2005 it was 242 millions every year and the average was 24 millions so where is the growth here. Tax revenues growth is estimated by tax reform or the reduction of the GDP, I think what happened here is the decline of GDP and this is well known and it is known how much the GDP retreated or declined.

As for the public expenditure, the report of the Budget Committee of the PLC of December 24 indicates a big defect in the report of the second and the first quarters report of the documentation of public expenditure also indicates the abnormal increase in the public expenditure government.

I have a question in the three months 236.6 million dollars in three months expenditure is this for Haj and minor Haj, is this

expenditure for Haj and Minor Haj is it more important than the

salaries of employees.

Dr. Samir: this is a mistake in printing

Dr. Ahmad Majdalani (Continue) – I am relying on the report of the Budget Committee at the PLC. In addition to that expanding the expenditure by the new appointment and these are political appointments and this something for this government was criticized, previous governments were criticized because they did not perform any reform and your government the main issue was reform and you did not do any reform. This government you said is characterized by transparency and you give an example regarding the relations with the PLC and the website of the ministry. The ministry website is not renewed or updated for the last four months. I want to say what is the opinion of the PLC Budget Committee on the transparency of the government it says it shows that an acute retreat in the transparency of the financial system and the degree it is open to accountability of the PLC. this is the report of the Budget Committee at the PLC not my own report and not my own point of view.

The other topic the banks boycott of the government, I think that banks dealt with in way that provoke and not just the banks but also provoke the public opinion against the banks and if this policies continued it will lead to collapse the financial system in this country and could also collapse the economic system through the policy that government followed in provoking against the banks. As if these banks are not linked to international bank system and if they are money changers only. I think Dr. Al Abed protected the banking system.

As for the external assistance, it wasn't political for this current government, I can ask you isn't the Iranian assistance political, well known it is, but excellent it is political assistant because Iran was not ready to help the previous government with one dollar at the time when the current government the tenth government

received the assistance from Iran. Thank You.

Khaleda Jarrar - PLC Member, first I have some questions that are related to the questions asked in the beginning and some of these questions that were asked in the beginning we have expected to have replies and responses to them but we did not. Regarding the transparency there was no such thing, the main question was according to which law the expenditure is taking place nowadays, because the budget endorsement in the PLC, we understand the situation but regardless of the situation there should be law. According to which law was spending carried out. So the whole performance in accordance the law, this one did not respond it to. This is a central question.

Regarding the quarterly report I think comrade Abu Laila asked this question, we did not have an idea, we did not receive these reports only the budget draft law was presented, this is also a defect in the government dealing go with the PLC.

The budget presented to the PLC is sort of copying the previous budget and the focus is not made in the basic issues and the society but really reflects a certain vision of the government and not our social and economic issues.

As for the appointments about 10 thousands jobs as Dr. Samir said, 10 thousands jobs is it a very little during a year.

Ghassan Khatib - Compare to 20 thousands it is very much.

Khaleda Jarrar (continue) – so at least there is now a transparency in recognizing or acknowledging 10 thousands job, I am not discussing based on comparison we want to change, because the previous system needs to be changed. So if want to change it is wrong to start comparing our work with the previous work.

Another question according to the law the PLC should monitor the government, what is the monitoring mechanism on the

presidency because despite the circumstances the presidency is practically is spending and receiving money and this is important for the monetary system the control system, how is the control system performing.

The government did not implement some of the PLC decisions, we have sent so many letters but we did not ever receive replies and we were frustrated, there was a question, amounts to be given to the martyrs families and injured people, we sent letter to the Prime Minister, to the minister of prisoners, and minister of finance so we are inquiring whether the government has abided by the decision of the PLC.

Dr. Ayman Daraghmeh – PLC member, thanks for the JMCC for this workshop. We are in need for such meetings for a long time already, for a long time the stakeholders had not met in such meeting.

The first thing I want to tackle is a political entitlement and a democratic entitlement that forced Hamas and the leaders of Reform and Change Bloc, I think the movement was facing two options and were all bitter and I compare them to the situation of Abu Ammar when he was at Camp David and when he clung to the Palestinian basic principles and now when Hamas won high majority in the elections.

Another point, all Palestinian governments even the tenth government failed in putting economic and developmental policies; this entails cooperation of all government and private sectors of stakeholders and all of us we have to take a role because if we continue with such situation with an annual deficit of 300 million dollars and with a high salary bill that is increasing every year so I don't know where we are heading to, we have to stop that and we have to cooperate, the PLC with the government, private sector in order to put an end to this situation.

As for the assistance Arab of International assistance or Iranian they are political why do we accept European assistance and not

accept the Arab assistance I don't see a problem in here. But there are no conditions put like European and the American assistance, no conditions were put by the Iranian government.

The last issue that I like to speak about is fighting corruption, the PLC with the problems of PLC failed we tried to open the files of corruption but the main barrier was the party affiliation, this corrupt person is affiliated certain parties, so this was the barrier because there was obstacle in getting information about such people so I think transparency should be maintained.

Ghassan Khatib – I have question within the discussion, the current government succeeded on the bases of criticizing the pervious governments and that the masses believed that this government will be an alternative and deal with all the shortcomings of the previous government, so these two main parties the previous government the majority was from Fateh and were criticized and had failed and the current government which is the government of Hamas also faces difficulties in achieving main issues in its program. If we are gather these two governments in one government what the result would be, are we going to see the negative aspects of both governments in the eleventh government, or are we going to see some positive things?

Marwan Jilani – I am not going to deal with this question, thanks for this workshop and thanks for the interventions. I think the all of these figures, dealing with these figures show that if the general situation is okay, because the revenues increased, tax increased and expenditure declined, but in fact there was a total absence of policies and regarding the responsibilities of the government towards the people, and also the policies of public institutions, these policies were important of improvement, 80 percent of people according to statistics rely on international assistance, these are international reports, maybe you have

different figures Dr. Samir but 45 percent unemployment, 70 percent under poverty line. This structure of financial figures that we deal with, this is what we should deal with in order to judge whether the financial administration was good or not.

Also another question, how to benefit from these mistakes, the effectiveness of this assistance, the external assistance has increased but where did it go and what was the impact of this assistance on the people, so we should really ask what the impact on the public sector would be, because this assistance came outside the public sector, health and education salary of teachers specially that within the EU, now they are talking about establishing a permanent not a temporary one, a permanent mechanism or tool to deal with this assistance. Another question, the cost of this assistance, how much cost of this assistance goes to such mechanisms.

Dr. Samir Abu Eisheh replies on the question of PLC member Khalda Jarrar

Dr. Samir Abu Eisheh – I believe in this respect there was a decision taken by the PLC in June I believe and this decision said the expenditure continued 1 over 12 and revenues continued been collected the same method. The Budget as you know its two parts: expenditure and revenues, as long as expenditure continues from 1 over 12 then the part of revenues continues as it is, so the revenues will continue with the mechanism that was used before until the 2006, this was clear according to this decision.

The Budget Law, according to budget law when it is impossible to present and to endorse until December 31 of the 2006, then the mechanism of expenditure that was followed in the previous year will continue until the March of the following it. This is a text it is such. If the budget was not submitted until March then the mechanism of the expenditure and revenues which is followed in the previous year would be followed until the end of March.

Qais Abu Laila - The last budget of 2005 and it should been followed until the previous of 31 of March of 2006, so this not the budget of 2006, this is a temporary exemption, and already ended in the 31 of December 2006, there is a legal vacuum.

Dr. Samir Abu Eishah – Because the PLC has not convened and we know why, this difficult environment imposed itself on the president, the people and also the PLC, we know that the PLC was not able to extend until 31 of March and even after the 31 of March. There is a draft decision to be taken by the PLC and should endorsed by the PLC. And we hope that the expenditure or the mechanism followed by the government in expanding policies will continue after the 31 of March.

Dr. Rafiq Hussein Reply on Khalda Jarrar question who holds the Presidency accountable

Dr. Rafiq Hussein – Without saying that God is the only one who monitors everyone, but if there is an exceptional situation and the government cannot receive assistance and cannot spend according to the law then the PLC should initiate a new law that if the presidency receives the assistance then it should be held accountable, but because there is no such mechanism the presidency imposed two things on itself, first it brought the control office and brought international auditors from abroad so it can come up with outcome reports, this is what the presidency imposed on itself, so it will enjoy the needed transparency, this is not enough but the whole situation is an exceptional one. I suggest also the control office report and the reports of international audits be published and also the presidency should have a website in which all the reports and other things be included.

Samer Ersheid – Journalist, Dr. Samir you spoke about 10

thousands employees employed in 2006, the question is, and

those we hear about are contract employees are within these figures the 10 thousands.

Another question, the salaries of these contract employees are they in the salary bill, and is there a clear policy from the minister of finance towards the sector of employees?

Saji Khalil – in light of the complications that are understood and in light of the inter-relation of our economy and the economy of surroundings countries Jordan, Egypt and others, and in light of the complications, what is the policies, the economic and general policy that Dr. Samir deems or thinks could have change or suggest to change them in the future, is there a new policy that can impact the labor market, agriculture, trade and we all know the linkage among these in this objective situation.

