
MEMORANDUM

TO: GHASSAN KHATIB, SAEB EREKAT, NAD
FROM: NSU
SUBJECT: MEETING WITH PERES ON BORDER CROSSINGS, RAFAH, AND ELECTIONS
DATE: 14 OCTOBER 2005

Place: Peres Office , Tel Aviv
Palestinian Attendees: Ghassan Khatib (GK), Saeb Erekat (SE), Habib Hazzan, Zeinah Salahi, Nizar Farsakh
Israeli Attendees: Shimon Peres (SP), Haim Ramon (HR), Giora Eiland, Avi Gill, Enat Wilf, and other aides came in and out.

Summary:

- Three major issues were discussed at the meeting: the Rafah Crossing, the Crossing Points with Israel, and the upcoming Palestinian Elections.
- On Rafah, SP outlined two outstanding issues: cargo leaving Gaza and the nature of the role of the third party; HR added the timing of the opening, but SP disagreed that this was a big issue. Not mentioned was the issue of imaging – whether or not Israeli access to images would be real time – which remains outstanding.
- On the Crossing Points GK outlined the deterioration of the functioning of the crossing points, and stressed the dire need to address the issue quickly. Israeli's responded with apologies for their disorganization and with promises to resolve their issues soon.

On elections, the discussion focused on Hamas participation and the level of Israel facilitation of elections.

Minutes (please note: these are not verbatim minutes, but a summary of the discussions only):

SE:

We accept that for the time being we will let only holders of Palestinian IDs to use the Rafah border crossing.

Israeli concerns over terrorists like Zarqawi crossing to Gaza are unfounded because first, such persons will need to go through Egypt first and second, the smuggling that goes on through the Negev is far more convenient for them.

We have accepted to have imports come through Kerem Shalom for a temporary period. We are willing and have been working on addressing all your concerns and now we need to deliver to our people. This has dragged on for too long.

SP:

In a week's time we should be able to conclude all the other points. The gap is narrow.

1. Cargo from Gaza to Egypt
2. Third party role
3. The date of the opening [HR mentioned], but there is no big difference in this one

HR:

I don't know the details exactly, but what I understood is that our concerns over opening Rafah for exports are not only from a security point of view but also from a commercial one.

SP:

Also, the holidays have put us off. Had it not been for that we would have concluded already.

HR:

Do you have problems with using Nitzana for goods?

SE:

Yes. We, like your Ministry of Defence, want goods to come in through Kerem Shalom.

HR:

But is there infrastructure?

SE:

Dangot said that is already ready.

GK:

There is a marked deterioration in the movement of goods after the disengagement. The average exported containers went from 50 per day to 20 per day and that is before the closure when it went to zero; similarly the number of people crossing through Erez.

Such deterioration will harness instability. Gaza can't survive on its own.

There is a difference between the Palestinian and Israeli approach at how Karni needs to be operated. We believe Karni should cater to the development and growth needs of the Gaza Strip, not limit it. Concerns regarding technology and security should not hold the Gazan economy hostage. Solutions have to be introduced in order to provide for the level of thru put necessary for economic development. This is especially important and urgent for the coming agricultural season in November.

GK then discussed in general terms the issues of Door-to-Door and the link between the West Bank and Gaza Strip.

SP:

I remember that we accepted to check and test technology for door-to-door and we accepted the convoy. We are convinced that Gaza can't survive on its own. However, it is only recently that we realize the scope of change that we have to introduce in our system to address this unprecedented situation in Gaza. Currently we are not organized in a way that can address the variety of issues that Gaza entails and it has mostly to do with internal reorganization and coordination within Israeli agencies. We can't give any specific answers now but in a week's time we will be organized and we'll address your concerns.

As to linking Gaza to the West Bank there are three answers:

1. Convoys, are feasible
2. "Fixing carriers", also possible
3. A train (permanent or pre-permanent solution) linking Gaza to Tarqumiya.

The government has endorsed the train proposal and we are pushing for it, however there are problems with time and financing. Financing is the more urgent problem since the world is slowly drifting to send aid to other areas (Tsunami, Katrina, etc.) and we might lose the opportunity of them financing the project if we don't ask for it soon.

GK:

We are aware of the Israeli proposal and we had made clear that in order to cater for the needs of Gaza, the rail cannot substitute for a road link. The World Bank is conducting a study to ascertain the best way to link the West Bank and Gaza Strip.

HR:

We are not saying not to discuss the road but since the railroad is possible earlier we are suggesting you accept it and we discuss the road later.

SP:

The QIZ has been a great success. The US has agreed for one in Gaza. I suggested to Blair, as UK took up the EU presidency, that the Europeans have to do like the US and give Palestinians a quota for trade. This makes sense because most of the Palestinian trade is with Europe.

Moreover, the 3 billion dollar of aid earmarked for the Palestinians should be used to attract investors. For example, 10% of it can be used by giving it as a subsidy to EU companies that would match the investment in the Gaza Strip. They will do out sourcing. Governments don't do globalization, companies do. Where are you on privatization?

GK:

As to the privatization we already took a cabinet decision to privatize the green houses but no one dared to invest in them before the disengagement because there were no guarantees. Now these investors are afraid to go ahead because they are not sure that the products will get of Gaza. They need guarantees that after they invest they will be able to export.

We are planning a conference in March to boost investment. It will be in Gaza and Bethlehem.

SE:

I told Dov Wiesglass that any one can be Hamas campaign manager. I told him that Silvan Shalom and the others should stay out of these elections. Do not interfere and shut up. Our laws already address the issues you are talking about and we are working on our party law. Verbal incitement is already against the law, as is holding arms. They are not allowed! So Hamas will have to change if they are part of the process, they know the law and still agreed to be part of the elections.

Hama must participate in these elections, they will be the turning point in middle east history , and in Palestinian history and if Israel or the US stops these elections we will have the Algerian model.

HR:

Why don't you publicize it? To the Americans?

SP:

We need a face saving way to change [our position on Hamas]. In General we know the elections are going ahead to go and we do not want to stop them.

SE:

We can have a coordination committee meet and start working on the issues related to elections. We can tell you what our laws already say so that you can use this.

SP:

Can you write out an elections package for us?

You are a very eloquent speaker, but we'd like it in writing so we can examine it carefully.