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DEFENCE AND TRADE FOREIGN AFFAIRS SUBCOMMITTEE

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BY AUTHORITY OF THE PARLIAMENT

**JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE**

**Foreign Affairs Subcommittee**

**Friday, 18 August 2000 Thursday, 17 August 2000**

**Members:** Senator Ferguson (*Chair*), Senators Bourne, Calvert, Chapman, Cook, Gibbs, Harradine, Sandy Macdonald, O'Brien, Payne, Quirke and Schacht and Fran Bailey, Mr Baird, Mr Brereton, Mrs Crosio, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Jull, Mrs De-Anne Kelly, Mr Lieberman, Mr Martin, Mrs Moylan, Mr Nugent, Mr O'Keefe, Mr Price, Mr Prosser, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

**Subcommittee members:** Mr Jull (*Chair*), Senator Gibbs (*Deputy Chair*) Senators Bourne, Calvert, Chapman, Ferguson, Quirke and Schacht and Mr Brereton, Mrs Crosio, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Lieberman, Mr Martin, Mr Nugent, Mr Price, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

**Senators and members in attendance:** Mrs Crosio, Mr Laurie Ferguson, Mr Jull, Mr Snowdon and Mr Andrew Thomson

**Terms of reference for the inquiry:**

- Private briefing—Embassy of Israel.

**WITNESSES**

**LEVY, Ambassador Gabby, Embassy of Israel ..... 1**  
**MA'OZ, Professor Moshe, Hebrew University of Jerusalem, Truman Institute ..... 1**



**Subcommittee met at 9.06 a.m.****LEVY, Ambassador Gabby, Embassy of Israel****MA'OZ, Professor Moshe, Hebrew University of Jerusalem, Truman Institute**

**CHAIR**—Welcome. This is not a formal hearing as such but, if you have no objection, what we say will be recorded—principally for our own information and the record of our Middle East inquiry. Professor, thank you very much indeed for the document *Middle East Policy*. I will leave that with the secretary as part of our background material. You might like to explain the background to that document. Would you like to make a few introductory comments? We could then proceed to questions.

**Prof. Ma'oz**—Good morning. Do you want me first to explain this document?

**CHAIR**—Yes, please.

**Prof. Ma'oz**—This document is an outcome of a joint workshop between Palestinian and Israeli scholars, under the auspices of Harvard University, which has been working on various issues of final settlement—such as Jerusalem refugees, Jewish settlement state and so forth. This is a concluding paper to look ahead, after peace, to reconciliation: how can the future relationship between the Palestinians and Israelis look in the various fields, and what are the preconditions to it? We talk about political solutions regarding the two states, the issue of Jerusalem, borders, refugees and settlements. But we also talk about the issues of educating the public on both sides to know one another—for the two peoples, the Arabs and the Jews, to use their common values to develop a new curriculum in schools and to enhance relations, in order to really coexist in a peaceful relationship. If at the end of the road we also have love and affinity, that will be very, very welcome. But it is this direction that we are going in.

Also, the point was made that no side should use its strategic, political or economic advantage to impose on the other side. It will be on an equal footing. It is a very good dream, and I do not know whether it can be implemented. But this at least is a desire to be more realistic and more modest regarding these issues.

This paper deals mostly with the Palestinian-Israeli track, although it mentions also the Arab and Islamic scenes. The argument was that, once there was a deal with the Palestinians, particularly regarding Jerusalem, it might also affect, influence, impact on Israel's relations with the Islamic and Arab countries—the Arab countries around us and the Islamic countries as well—particularly with the question of Jerusalem, which is very, very important to these nations. So this is a kind of summary of some ideas shared by Israeli and Palestinian intellectuals. Since I have started talking and being on the run, so to speak, I will probably continue.

**CHAIR**—Thank you.

**Prof. Ma'oz**—I feel that nowadays in these very weeks, in this very month, for the first time—we always say 'for the first time', but this is true—there really is a unique opportunity for Israel and its neighbours to come to terms. When I speak about 'neighbours', I mean particularly the Palestinians and Syria. These are the two nations that have not yet had peaceful

relations with Israel, especially Syria. With the Palestinians we have the Oslo accords, and we have other agreements such as the Hebron accord and the Wye agreement. But this is important because the Arab-Israeli conflict stemmed, as we all know, from the Palestinian issue—the conflict over Palestine between the Jewish national movement and the Arab national movement. In order to resolve the conflict, I think we need also to find a solution to this question. I do not want to go into detail because books have been written about it and we do not have time. I can give you some of my books about this issue. But this issue is very deep rooted.

Equally there is Syria. Syria was very hostile to Israel for many, many years—not only ideologically but also strategically. Unlike the Palestinians, who have never posed a strategic threat to Israel, the Syrians have. Their army, alongside other armies, attacked Israel. They also have a very strong commitment to Arab nationalism. The beating heart of Arabism is Syria. It goes back to the Umaia period of the eighth century, not to mention modern times. So Syria is really the symbol of Arabism. Once there is a deal between Syria and Israel, again it might influence other Arab countries and Islamic countries to join in.

As I have said, this is a very, very important time to have a deal with these two nations. Although there are enormous obstacles, there are also good prospects. The obstacles are mostly ideological, emotional, psychological and cultural, and one should not really overlook them. But I think we are in a happy position with the majorities on the three sides. First of all, the leaderships—but also the intellectuals and the mainstreams—on all sides have decided to push aside for the time these ideologies and the preferred interest, self-interest of those. It so happens that the interests of all sides coincide and we have a very, very good chance for peace, for an agreement.

Of course, everybody wants peace on his own terms. This is the problem and the reason for our having these discussions, debates and quarrels. But I think also we can reach some common ground; we can bridge the gap in each and every issue. Let us take the issue of Syria. During negotiations after Madrid, particularly after the late Rabin came to power in 1992, despite obstacles and bumps, there have been a series of understandings regarding future relations or how peace would look between Syria and Israel.

I would give the example of demilitarisation of the Golan Heights with effective supervision. Although there was an agreement, there was also the question: who is going to supervise—especially at Mount Hebron, which is really the main early-warning station? Israel says that it will be Israeli troops for a time; Syria says no. Maybe a compromise will be found. The Americans suggested the other day a joint group of supervisors: American, French, Israeli and Syrian. So I think this can be settled.

With diplomatic relations also, the question is when; it is a question of timing. Israel wants ‘immediately’; the Syrians want ‘later’. Again, this can be arranged. In the Middle East usually we cut things in the middle. So, if somebody says 18 months and the other says 12 months, we shall do it in the middle or something of that kind.

The crucial issue that was left was to do with a very narrow strip along the lake of Tiberias, the lake of Galilee, which is 15 kilometres long and 200 metres wide. Each has a claim on this strip of land. Here again I believe that, with goodwill and some vision and courage on both sides—and I know that Barak has all these qualities, and he has shown it vis-à-vis the Syrians

and the Palestinians—it can be bridged and, again, the nations will be tremendous. The alternative would be poor: again, the cycle of war and violence and what have you.

The same goes for the Palestinians. The Palestinian issue is much more complicated than the Syrian issue. The Syrian issue is just a matter of land and of strategic values and demilitarisation—all of it simpler. Most times one could overlook them. But the Syrian issue is simpler to tackle than the Palestinian issue because the Palestinian issue has been loaded with very, very deep-rooted issues—Jerusalem, to start with. Disagreement about Jerusalem could destroy the whole process altogether. There is the issue of the Palestinian refugees. There are 3.5 million Palestinian refugees and they want to come back to Israel—and they are not going to come back to Israel. So we have to find a solution here too. There is the issue of Jewish settlements in the West Bank—and that could lead to civil war in Israel. There are all sorts of risks involved. Also, there is the Palestinian state, which has been agreed. The question is: what is the size of it; what are the authorities, the powers of the state?

With all of these issues I have mentioned, there has been a great deal of progress. Until recently they were taboo. The great thing about Camp David—from 11 to 25 July—is that, although it ended up in a stalemate, the two leaders or the two teams negotiated with goodwill and reached some understanding. Nothing was agreed, but there was understanding. I assume that the distance is not too far to conclude.

The stumbling block is Jerusalem, especially the Old City of Jerusalem. Everybody knows the positions of the two sides. They go back 3,000 years. That is the extent and the depth of the matter. There are so many issues involved: religious, emotional, psychological, gods—everything that you can think of although, as I have already mentioned, not strategic. People feel very, very deeply about it. The two sides have expectations because they have been ‘brainwashed’—sorry about that expression—educated or indoctrinated, ‘This is ours, it’s not theirs.’ It is a zero-sum game. The question is to transform zero-sum thinking to a win-win situation. This is the great challenge.

I must say that both leaders, Arafat and Barak, are very forthcoming. Especially for Barak, it will be very difficult because Jerusalem is ‘the’ unique place of the Jewish people. Arabs have other capitals. Muslims have other centres. Jews feel that, after so many thousands of years, they deserve to have a capital and also to have control of sovereignty about Jerusalem. This also has been the way Israeli Jews were educated throughout the years. So it has been very difficult for Barak to break this taboo—and he has. The question is: to what extent can he carry on and reach the kind of compromise that will be accepted by both sides, particularly the Israeli side?

The Israeli side must accept it because the onus is on Israel. Israel controls the area, so Israel has to decide. Israel has to take the risks. Also, Israel is a democracy. For Barak to decide is not enough; he needs to be supported by the Knesset, whose support he does not have, or by the nation. Barak, I think, expects to be able to do it. Arafat and Assad take decisions just by themselves and that is the way it goes. Their regimes are of that type. So you have a sort of unequal equilibrium here. This is why the issue in Israel is much more crucial—because of the democratic system, because of the attachment to this land and because of the suffering of the Jewish people and their longing for this place.

Despite all of this, I think Barak is the person to do it because he is 'Mr Security'. Israelis are obsessed with security—and rightly so—and they want a general to do it because, if he does it, it means that it is kosher, it is good. He has so many decorations from the various wars he can do it. I do not see any replacement for him. There is no other who can do it—although never say 'never' in politics. But we need a military figure. Rabin died; he was assassinated. Among the Labor Party you do not have generals of the same status who can do it. The alternative is the Likud. But the Likud would say no, and then we would go back to square one and fight one another.

That, more or less, is what I have to say. Of course, I will be very happy to elaborate and answer your questions. Thank you.

**CHAIR**—Thank you very much indeed.

**Mr SNOWDON**—Professor, I am very interested in your paper, which I have just scanned very briefly. I am interested particularly in where you arrive with a two-state resolution. How would the values of the two societies be met—I think this is in option C of the two-state resolution—so that there could be some high level of integration between the two societies? How would that manifest itself?

**Prof. Ma'oz**—It will be in stages. The assumption was that the two states could not continue to be separated for very long. I am sure that you have been to Israel. It is a very small country. Israel by itself—pre-1967—is 20,000 square kilometres only. Together with the West Bank and Gaza, it is 27,000 or 30,000—something like that. It is a tiny area. We depend on each other. For example, we share the water; we share the same aquifer. We share the air. We share electricity, the telephone. If I call my friend the Palestinian who lives across the road, should I do so by international exchange? That does not make sense.

I can give you many other examples. We share the infrastructure. Regarding labour, I cannot see the Palestinian state developing well economically without Palestinians working in Israel. That has been the case now for the last 33 years. The number fluctuates but they draw their wages from Israel, and it helps them very much. Until they become independent, they need badly to work in Israel. I think it is also beneficial for Israel because Israel hires a great many foreign workers. They are not very successful, especially socially. Then there is commerce, and even culturally in many respects: we need more affiliation in the way of joint bodies, universities, hospitals, even various municipal councils. That is because everything is so close to each other. So it is very, very hard to think about separation.

However, I know very well that our leaders, especially Barak, want to separate. Barak wants to just draw a line and separate. Maybe for the first stage it is good in order to avoid the fear. There is a lot of fear and suspicion of one another. So maybe for a short run, in the first stage, it is good. But then again, if you want to leave Jerusalem undivided and an open city, how can you separate there? You have to have a city without boundaries—and this can apply to other areas too.

In some areas it is a matter of stages. Stage 1 will be separation in most places. Stage 2 will be cooperation at the various levels of authority. I would go as far as thinking about a confederation—and that would also include Jordan. Jordan also is a part of this package. Jordan,



again, is just across the river. Do not think that the River Jordan is something huge; it is a stream. In South Africa you would not give it a second look; it is a very small stream.

**Mrs CROSIO**—It is quite a shock when you first see it. You are expecting a great river.

**Prof. Ma'oz**—You can jump over it in the summer. So Jordan also would be included, particularly since in Jordan more than half the population is Palestinian already. So it makes sense to have a triple confederation of the three units, like a common market, and a sharing of other institutions. Why not? I think it is a good idea. It will be either Israel-Palestine or Israel-Palestine-Jordan. Incidentally, the Jordanians are very supportive of this idea, provided Israel is there. They are afraid to be faced with the Palestinians by themselves.

You probably know about the question of the Jordan Valley between Israel and Jordan. The idea always has been that Israel wants to keep the Jordan Valley for itself for strategic reasons. That does not make sense because the enemy in the east would be Jordan, and Jordan is our best ally. It appears that the request is Jordanian because they are afraid. They do not want to have a common border with the Palestinians because they are afraid that the Palestinians will encroach into Jordan and tie with the Palestinians living there. So I think their request would be that Israel control the corridor, so to speak, the valley. Again and again we have to think beyond this fear and think about cooperation. I think there is a very good chance for cooperation of the three units. So, to your question, it should be done in stages.

**Mrs CROSIO**—How do you think Barak will go at the election? An election has to be held within 90 days, doesn't it?

**Prof. Ma'oz**—No, that has not yet been established. If possible, I would like His Excellency the Ambassador to help me because, as I say, I am an expert on Arab affairs; Jewish affairs are too complex for me.

**Mrs CROSIO**—I am sorry.

**Prof. Ma'oz**—My field is Arab studies, politics. But since I have been a citizen of Israel for so many years—

**Mrs CROSIO**—I was just wondering, because of what you were saying, what the feeling on the ground is as to whether he would be supported.

**Prof. Ma'oz**—No. My notion is—and I know Barak personally, so I know something about this—that he does not have the support of the Knesset, and he is trying very hard to arrange some sort of majority, which I doubt he can achieve. It seems to me that his tactics or strategy is to conclude an agreement with the Palestinians, the PLO—maybe also with Syria—and go for new elections. The new elections also will be a sort of referendum to approve or disapprove of the agreement. So it is a matter of a decision. Does it take the Knesset three months to decide?

**Ambassador Levy**—No, it is not three months. It is just that we have a break of the sittings of our parliament, the Knesset, for three months now. During this period, a move of 'no confidence' cannot be tabled in the Knesset. So this gives the Prime Minister three months in order to either compose or form a new coalition if he succeeds. My reading of the situation is

that he will probably look forward and try to get into an agreement with the Palestinians and then go within or after this three-month period into elections. He will present the agreement to the Israeli public, 'This is the deal that I have; if you vote for this deal in the elections, then you will elect me,' and then the old story will go on.

**Mrs CROSIO**—That was the next question I had written down—'Would he use those elections as a referendum?'

**Ambassador Levy**—According to Israeli law, there is no such instrument as 'referendum'. Both Prime Ministers—the late Rabin, and Mr Barak now—committed themselves to this: whenever an agreement is going to be signed with any of our Arab neighbours, they will bring it in a referendum to the Israeli public. In order to hold a referendum, they have to enact a law within the Knesset, because we do not have such an instrument in our system.

**Mrs CROSIO**—You have spoken of the 3½ million Palestinian refugees who want to return. Do you believe that they all want to return, or do they just feel that they would like to return? There are many people now who have settled in Australia who just want the right of having their passport in order to go back and visit; they do not want to stay there.

**Prof. Ma'oz**—That is a very good point. Among the papers we wrote together with the Palestinians, there is one about refugees. This is a joint Palestinian-Israeli paper, and there was some agreement and some disagreement. To report the gist of it, Palestinians have the right of Hak el auda, meaning the right of return to Palestine itself, and many to Israel. Many of them came from Israel proper after the war in 1948. Some fled, some were deported and some panicked. It is a big issue. They want to come according to this right.

We have decided that we cannot ignore that right, but we advocate—really, we insist—that the implementation of that right will lie with the Palestinian state that is going to be established, according to its capacity to absorb these refugees. I would add that the candidates for this will be the Palestinian refugees living in Lebanon because they are in the worst shape of all Palestinian refugees. In Jordan and in other places they are absorbed and they are accepted—first of all, with a passport, because that is a sign of identity, and also with monetary compensation to allow them to have their businesses and build new houses. But the Palestinian-Lebanese refugees are in very bad shape. They have been harassed. They are not liked. They are not accepted by their population. As I say, there are 350,000 of them, which is a good number to go back.

**Mr LAURIE FERGUSON**—I know that you are mainly talking about the peace process, et cetera, but I would like to ask a question about Israeli politics. Obviously, with the peace process, the division between Likud and Labor has made them both basically victims of religious parties who can dictate other changes in Israeli society. Just imagine for the sake of argument that the peace process does not go well. Is there any feeling within Likud of concern that, essentially, these parties are becoming more demanding about subsidies, et cetera? I would think that Labor would be very concerned about the way it is going. But is there any concern in Likud that, essentially, they are being held ransom to the Shas and the other political religious parties?

**Prof. Ma'oz**—It is a very complex situation, and I hope that the Ambassador will follow what I have to say about it. To start with, the Likud has also changed. Think about the peace process. It is not only the Labor initiative; the Likud also, reluctantly, adopted the Oslo accord when Netanyahu came to power and signed the Hebron accord. All of it means that they, for the first time, recognised the principle of partition of Palestine into two states. I think that the Labor Party held that from the beginning—really, for decades. So this is No. 1.

No. 2 is that still they do not see eye to eye with Labor regarding the solution for the Palestinian issue. I think the official position of Likud is against the Palestinian state—and Labor, of course, is for. Again, I cannot think about a coalition between the two of them. According to what you have said, it would be ideal to have a coalition of the two big parties and then push aside all these religious parties that are trying to squeeze.

Even among the religious parties you have different ones. There are those who are very committed. Whether you bribe them or not, they are very, very committed to this, especially to the notion of greater Israel. Money would not move them—well, maybe a little bit.

Shas is different. As you know, you have many religious parties—in my opinion, too many. But Shas is different. Shas is in a very unique situation whereby the leadership has been, until recently, more pragmatic and they would accept some incentives, so to speak, to go along. But the rank and file is very militant. Here again there has been a change too. To say that the religious parties are not very helpful regarding the peace process would be an understatement, especially the Haradim—not only the Shas Haradim but the Ash Kanazim Haradim. This is a new phenomenon that people do not know about. People think that the national and religious are the most militant. But no, now the Haradim are the most militant. They are against any compromise with the Palestinians, and they are growing in number. So we are going to have a very difficult time along the road.

**Mr LAURIE FERGUSON**—But is there any move in Likud of concern with the way that this is going?

**Prof. Ma'oz**—Yes.

**Ambassador Levy**—As for the sentiment of the secular population, the total population in Israel, by and large at least 80 per cent are completely against the unproportional influence of this sector on Israeli politics—and this also relates to Likud supporters. I think that the weakness of the political system in Israel imposes on the Likud as well to align with this. If there were to be some changes in our political system, I believe that people would be much happier—just a simple thing like increasing the threshold of getting into parliament from 1.5 per cent now to five per cent in the future. That would solve many of the weaknesses in our political system, I believe. But I believe that Likud voters are in the same position as other voters on the left concerning the question of religious influence on Israeli politics.

**Prof. Ma'oz**—There is no doubt about that.

**Subcommittee adjourned at 9.35 a.m.**



