

Interview With Israeli Television Reporters July 28, 2000

Israeli-U.S. Relations

Q. Mr. President, time is of the essence. How do you consider right now the relationship between Israel and the United States after the summit?

The President. Well, I think it's very strong. But I think in view of the courageous actions that the Prime Minister and the Israeli team took at the summit and in view of the withdrawal from Lebanon, I think some review and strengthening is in order.

I plan to have a comprehensive review to improve our strategic relationship. We're going to have talks that will start right away, with a view toward what we can do to ensure that Israel maintains its qualitative edge, modernizes the IDF, and meets the new threats that Israel and the other countries will face in the 21st century.

Secondly, I want to have a memorandum of understanding done as soon as possible with regard to our bilateral assistance, with a goal of making a long-term commitment to the necessary support to modernize the IDF. I think that's important.

The third thing that I think is significant is that we provide assistance, which we will do, to Israel, to upgrade its security in light of the withdrawal from Lebanon. And in that context, we also want to try to help the Government of Lebanon to strengthen its ability to control south Lebanon and to make progress toward a more normal existence. There are some other things that we're reviewing.

You know, I have always wanted to move our Embassy to west Jerusalem. We have a designated site there. I have not done so because I didn't want to do anything to undermine our ability to help to broker a secure and fair and lasting peace for Israelis and for Palestinians. But in light of what has happened, I've taken that decision under review, and I'll make a decision sometime between now and the end of the year on that.

And there are other things I think we have to be open to. But the main thing that I want the people of Israel to know is that the United States remains a friend and a partner, completely committed to the security and future of

Israel, continuing to believe that a just and lasting peace is the best alternative and the only alternative for absolute security. But in the meanwhile, we have to do what we can to strengthen the capacity of Israel to defend itself and to deepen our bilateral relationship. So I intend to do that.

U.S. Embassy in Israel

Q. You mentioned the relocation of the Israeli—of the American Embassy and put it in Jerusalem. Would you consider it in any circumstances, even if there is no agreement?

The President. Well, I think I should stand on the words I said. I have always wanted to do it. I've always thought it was the right thing to do. But I didn't want to do anything to undermine the peace process, our ability to be an honest broker, which requires that we be accepted by both sides.

But it's something that I have taken under review now because of the recent events. And I think that's all I should say about it now.

Israeli-Palestinian Talks

Q. So what is the next move right now? As I understand, Prime Minister Barak is saying that he's willing to go to another summit. What do you think is the next move?

The President. Well, I think, first of all, we need to have their people start talking directly again, and I think they will at a certain level. And then the Prime Minister needs to have a little time, I think, in Israel to deal with governmental issues. And I would hope that Chairman Arafat and the other leaders in the Arab world will work to prepare their public for the proposition that there can be no agreement without courage and conscience but also honorable compromise. That's what agreements are.

The Palestinians did make some moves at these talks that have never been made before. And while I made it clear in my statement I thought that the Prime Minister was more creative and more courageous, they did make some moves, and the teams, the negotiating teams, for the first time in a formal setting where it counted, actually discussed these issues.

Now, you know, there had been side papers and discussions and all that over the last 7 years,

since Oslo, but nothing like this, not ever. And there's a reason when the Oslo agreements were signed that these final status issues were put off until the end: They're hard; they're difficult; they're contentious. But the fact that they were actually there talking and the fact that I saw changes emerge on both sides, including within the Palestinian camp, I think is hopeful.

But what I want to do—first of all, I'll do anything I can. I'll be glad to convene another meeting. I'll go anywhere, do anything, anything I can. But—

Q. Will you consider a visit to Israel?

The President. Well, I just want to defer making any statements until I make a decision about what is the best thing for the peace process. I will act as soon as I can be helpful. We're doing things all the time, including now, today, as we speak. But I don't want to do something that's not helpful. And if we're going to make a difference, then the next time we meet, both sides have to be prepared to make the decisions necessary to conclude an agreement. And as soon as I'm convinced that's a good possibility, I'll do what I can to make it happen.

Jerusalem

Q. You know, the discussion about Jerusalem during the summit opened Pandora's box in Israel. Can you assure the Israeli people that Barak isn't going to divide Jerusalem?

The President. Let me say this. First of all, all the discussions that were held were private, and I have to honor that. What the Israelis and Palestinians decide to say about it is their affair. But I can't be in the position of violating the trust of either side.

What I believe is that Prime Minister Barak in no way ever compromised the vital interests of the security of the State of Israel. One thing I think that I can say without violating either side is that the most progress in the talks was made in the area of security, where there was a surprising amount of consensus and an understanding that neither side would be secure after a peace agreement unless both were secure and unless both worked together. And there was no interest, fundamentally, in the Palestinians in having a weak Israel, a vulnerable Israel, an Israel unable to defend itself; and that the Palestinians would be stronger if they were working together.

I think if there is one thing that should be encouraging to the people of Israel, of all polit-

ical parties and persuasions, it would be that. There was a clear willingness to try to come to grips with what were very different positions on this issue when they met and come together. And I was quite encouraged by that.

You know, Jerusalem is a difficult issue. But I believe that the Prime Minister did everything he could to reach an agreement while preserving the vital interests of Israel.

Q. Israel is afraid that if Barak already made some concessions right now, and that the Palestinians didn't make any concession—in Jerusalem—so many people are afraid that if the negotiations will resume, Israel will be asked to do, to make some more concessions. Can you tell the Israeli people that you wouldn't ask Barak to give much more than what he already was ready to give?

The President. Well, first of all, I don't think that he will ever do anything that he believes undermines the vital interest of the people of Israel and Jerusalem. And it is true that while the Palestinians, themselves, didn't make some moves on Jerusalem, that Israel did more, but nothing that I think undermined the vital interests of the people of Israel.

And I think that is an issue where—and frankly, most of the discussion involved ideas embraced not formally by either side. And they are not bound by it. So I believe that everybody pretty well knows right now that there won't necessarily be a lot more movement of the same kind. And we may have to have a resolution in some ways that no one has quite thought of yet.

But I kept telling the Palestinians, and I will say again to the world, that you cannot make an agreement over something as important as a city that is the holiest place in the world to the Jews, to the Christians, and to the— one of the holiest places in the world to the Muslims—if it is required of one side to say, "I completely defeated the interest of the other side." If either side gets to say that at the end, there won't be an agreement, there can't be.

There has to be a way to identify the legitimate interests—and there are legitimate interests in both sides, in Jerusalem—in such a way that they are met and honored and that the sanctity of the Holy City is uplifted. There has to be a way to do that. But you know, it's not for me to design a plan. They have to come to it. And I think they will come to it if the people of Israel, and if the Palestinians will give

their leaders a clear message that they trust them not to compromise their vital interest or their security; but beyond that, to be as flexible as possible to try to honorably accommodate each other's true interests.

Israeli Domestic Reaction

Q. During the talks, did you consider the possibility that maybe Barak's concession will not pass a referendum?

The President. I did. Of course, he has to be the final judge of that.

Q. [*Inaudible*—help him with that.

The President. Excuse me?

Q. You can always advise him and help him with that, too.

The President. Well, if they reach an agreement that they both believe is right and honorable and protects their vital interests and their security, obviously I would do whatever I could to persuade the people to support it. I don't know that I would have much influence, but I would do whatever I could. I would certainly never countenance an agreement that I thought undermined Israel's security, but you don't have to worry about that. I don't think there was ever anything that was clearer to me in these negotiations. The people of Israel may differ with their Prime Minister on some of the details, but they should never question whether he had the long-term security and vital interests of Israel uppermost in his mind. That was clear. And as I said, to me something that should be very encouraging is that they really did make a lot of progress on the security issue. And Israel was, I think, the big winner there, but only because the Palestinians recognize that their security will be tied to Israel's security if they make an agreement.

President's Role in the Peace Process

Q. I'm sure that you know that the majority of Israeli, the people admire your devotion to the peace process. And they ask themselves today if President Clinton can't bring peace, which President of the United States will do it?

The President. Well, I would hope that any President would honor America's historic commitment to Israel and our decades of involvement in the Middle East and our attempt to be fair to the legitimate interests of all the people of the region, including the Palestinians. I don't know if anybody else will ever put the

time in on this that I have or have the kind of personal, almost religious conviction I have about it.

But keep in mind, this is an evolutionary process. If we don't finish—and I believe we can, and I still believe we will—but if we don't finish this year, the negotiating teams for the two sides and the attitudes of the people will be in a different place than they were because of all that has happened over the last 7 years, and especially because of what happened at Camp David, as long as there is a constructive attitude taken about it and a deepened resolve to be frank with the public and that this is especially important for the Palestinians.

Q. You are known as the tireless master of negotiating. What happened there? How can both leaders resist the Clinton charm?

The President. I'm afraid my charm and my reasoning abilities, at least for just 15 days, cannot compare with the thousands of years of history that go to the core of the identity of Israelis and Palestinians, as regards Jerusalem. But that's okay. We made a lot of progress. We got people to talk about it, to deal with it, to think about it. And I hope I prompted a lot of thinking about all the various options available to them. There is more than one way to resolve this in a way that's honorable for everyone.

But I must tell you, when we started these negotiations, I didn't think we had a one-in-10 chance to succeed. And we actually got more done than I thought we would.

I called this summit because I was afraid that the lack of progress was spinning out of control. The parties, after all, promised each other they would reach an agreement by the middle of September. And they'd never even met to formally, frankly, openly discuss these issues—ever.

So I think when you look at it in that context, it's—you know, if I were just sitting on the outside, and I didn't know any more about it, I would be profoundly disappointed. I'd say, "They've had 7 years. What have they been doing all this time?" Well, you know what they've—we've had a lot of progress in the last 7 years, an enormous amount. But these final status issues were put off until the end because both sides knew they were potentially explosive and agonizingly difficult.

So it wasn't really a matter of charm. Believe me, if I could have prevailed by charming, cajoling, arguing, or just depriving them of sleep, we would have a deal. The last 2 nights I went

to bed at 5 in the morning both nights. I did my best so I would be the last person standing on both sides, you know, of all the sides there.

But we just couldn't get there. And we won't get there until each side decides. And this is the decision I think Prime Minister Barak made. That he would go as far as he could without making any specific commitments, because we had it organized so that neither side would be exposed.

So for people to say that he's bound by all these commitments, I don't think that's an accurate reflection of the way I conducted the negotiations. I went out of my way, especially as regards Jerusalem, to set it up so that if either side were willing to float some ideas or entertain some ideas, they wouldn't be exposed, and they could always take them back if there was no agreement.

But both sides—and this applies to the Palestinians; they're going to have to think about this—they have to decide that there is a solution which meets their vital interests, that does not permit them, after it is over, to say, "I won, and they lost." You have to be able to be able to say, when this is over, "We won. Peace won. Our children won. The future won." We may—yes, if we can get 100 percent of everything we wanted, no. Is it an honorable compromise that preserves our vital interests and enhances our security—not just maintains it, enhances it, yes. That has to be the test. The test has to be that our vital interests are preserved; our security is enhanced; our future is brighter; and neither side suffered a cataclysmic defeat. That's not what a negotiation is.

Egypt and Saudi Arabia

Q. Correct me if I'm wrong, but it seems to be that Egypt and Saudi Arabia didn't help to persuade Arafat to make the necessary concessions to have an agreement. It seems to be that this—both allies of the United States in this crucial moment couldn't deliver the goods.

The President. Well, I think that the truth is that because this had never been discussed before between the two parties and because when we went into the negotiations, they were usually secret or sacrosanct, that I'm not sure, number one, that they thought they knew enough to know what to ask for, although I did my best to try to get them to help, in general terms, before the process started. But I'm not sure they knew enough to know explic-

itly what to ask for, which won't be the case if we meet again, because we're down the road enough now.

And number two, I do believe that the public opinion among the Palestinians, and throughout the Middle East, had not even sufficiently discussed all these issues. You can see it was still operating at the high level of rhetoric, you know. And at some point, there has to be a way of saying, "We have won by making sure the Israelis didn't lose." And the Israelis have to be able to say, "We have won by making sure the Palestinians didn't lose." And that's—it's harder to sell.

When you're dealing with something as involved as Jerusalem in these peace talks, the only person who's going to get cheered is the person that says, no, no, no. And that's an easy sell. You go out and say, no, and you can get up the crowd, and they'll cheer you. But if that is the attitude which prevails, then we won't get peace.

Palestinian Statehood

Q. There is right now in the Congress some proposal to eliminate or prevent the use, aid to the Palestinians if they decide unilaterally to declare about statehood. Hillary Clinton, your wife, is for this proposal. What is your approach?

The President. Well, the bill has just been introduced. We don't give a great deal of aid there, as you know. And a lot of it is—

Q. But it's very symbolic.

The President. Very symbolic. Well, let me just say this. I think there should not be a unilateral declaration. And if there is, our entire relationship will be reviewed, not confined to that. So I don't—I make it a practice normally, when the bills are first introduced and I haven't even reviewed them, not to comment. But I think it would be a big mistake to take a unilateral action and walk away from the peace process. And if it happens, there will inevitably be consequences, not just here but throughout the world, and things will happen. I would review our entire relationship, including but not limited to that.

Possible U.S. Support to Israel

Q. If there will be agreement, what kind of support the Israeli people can expect from the United States?

The President. I will do my best to get the maximum amount of support. One of the reasons I wanted very much to get the agreement this time is that it would give us more time to pass an aid package through Congress. But if there is an agreement, Israel will have further security needs. There will be human costs involved. There will have to be some sort of international fund set up for the refugees.

There is, I think, some interest, interestingly enough, on both sides, in also having a fund which compensates the Israelis who were made refugees by the war, which occurred after the birth of the State of Israel. Israel is full of people, Jewish people, who lived in predominantly Arab countries who came to Israel because they were made refugees in their own land.

That's another piece of good news I think I can reveal out of the summit. The Palestinians said they thought those people should be eligible for compensation, as well. So we'll have to set up a fund, and we will contribute. I went to the G-8 in Okinawa in part to give them a report, and I asked the Europeans and the Japanese to contribute, as well. And there will be other costs associated with this. So it will not be inexpensive.

Also, if there is an agreement and if the Palestinians set up a state pursuant to an agreement, Israel has a strong interest in seeing it be economically stronger and more self-sufficient, a better trading partner, not just a supply of labor but also a country capable of buying Israeli products in greater detail and growing together in the future. So there will be economic issues that have to be dealt with.

I will try to get as much support as I possibly can for the United States but also as much support as I possibly can from Europe, from Japan, and from other people in the world.

Middle East Peace Summit

Q. With your permission, Mr. President, can you take us inside Camp David and describe us one of the crucial moments, one of the crucial crises?

The President. Well, I think the only thing I can talk about without revealing the substance of the talks, which I have promised not to do, is the first time the talks almost broke up. Right before I went to Okinawa, I thought the talks were over. I even went by and said goodbye to Chairman Arafat. And I went by and said

goodbye to Prime Minister Barak. And I was walking around talking to the Palestinian and Israeli peace teams. And it was obvious to me that they did not want to go and that they feared that, if they left in the position the talks were then in, that there would be an enormous harshness and recrimination, and it could wind up being a net setback, if you will, for the peace process.

And then, all of a sudden, it became obvious to me that they didn't want to go, that they wanted to keep trying, that they thought it was still possible. So I went back around; I made two more visits. By then, it's very late at night, and I'm leaving at dawn the next day. It was like 1:30 a.m. or 1:45 a.m. I made two more visits to both Prime Minister Barak and his team and to Chairman Arafat and his team.

And I finally concluded that they really didn't want to quit. And so I invited them to stay. And I said that I had to go to the G-8 because the United States had some strong interest in Okinawa—it's a main base for a lot of our forces in the Pacific—and because I owed it to my partners to go there to my last meeting and because I wanted to ask them for money to help the peace process, but that if they would stay, I would leave Secretary Albright behind in charge, and they could keep talking, and they wanted to do it.

That was, I think, the pivotal moment which turned this from a negative result to a positive result, even though we didn't get an agreement. Because in the next few days, they relaxed; they began to talk. The Palestinians began to open up a little bit, and we began to get a sense that at least how we might get an agreement, even if the parties couldn't reach it this time. In my mind, looking back on it, I think that was a pivotal moment.

President's Legacy

Q. Finally, I wanted to ask you, many critics of yours are saying that you are looking desperately for the missing chapter of your legacy, and maybe you tried to overcome the impeachment process. Is the Middle East issue the missing chapter of this legacy?

The President. No. Look, you know, I'm not proud of the personal mistake I made, but I'm proud of what happened in the impeachment process. As far as I'm concerned, we saved the United States Constitution. And I think history will record it favorably to me and unfavorably

to those who did it. And I think I have a pretty good legacy here with our economy, with our social progress on crime, on welfare, on education, on health care for the elderly, for children. And I am proud of what I have done in the Middle East, in the Balkans, in Northern Ireland, in Africa, in Latin America.

This has nothing to do with my legacy. All my life, I have wanted to see peace in the Middle East, and I promised myself when I got elected President, I would work until the last day to achieve it. This is not about me. It's about the children who live in the Middle East. It's about whether those children will be living together or living apart, whether there will be fighting or learning together.

Q. And you're convinced it can be done?

The President. Absolutely. And if it doesn't happen while I'm here, I just want to know that I have done everything I possibly could to make sure it will happen as soon as possible. But I am absolutely convinced that we can do it and that we should do it before the end of the year, because the parties have committed themselves to this September deadline. The par-

ties came to Camp David; nobody had to come. Prime Minister Barak thought it was a good time, and I knew if we didn't do it, we would never get around to dealing with this.

We have a saying in America, this is like going to the dentist without having your gums deadened, you know? It's like having somebody pull your teeth with no painkiller. This is not easy. This was hard for these people. But if we hadn't started—you know, you never get to the end of the road unless you get out on the road and take the first step. And this was a huge, important thing.

Q. Mr. President, thank you very much.

The President. You're welcome.

NOTE: The interview was recorded at 5:42 p.m. on July 27 in the Roosevelt Room at the White House for later broadcast and was embargoed for release until 3 p.m. on July 28. In his remarks, the President referred to Prime Minister Ehud Barak of Israel and Chairman Yasser Arafat of the Palestinian Authority. A tape was not available for verification of the content of this interview.

Statement on the Stability Pact for Southeast Europe

July 28, 2000

A year ago in Sarajevo I joined leaders from Europe, other nations, and the international financial institutions to launch the Stability Pact for Southeast Europe in the aftermath of the Kosovo conflict. Working closely with our partners in Europe and the region, I am proud of the progress that we have made. We have promoted political and economic reform, provided financial support for the region's economic development, and advanced the membership of southeast European countries in key international institutions.

Europe, appropriately, is leading this effort, joining international financial institutions in pledging over 85 percent of assistance to the region. The United States is doing its part by contributing to more than 50 Quick Start projects to improve infrastructure, attract investment, reinforce human rights, and fight crime and corruption. This week we established with the European Bank for Reconstruction and De-

velopment a \$150 million fund to promote small and medium businesses in the region. We also launched a \$150 million regional equity investment fund to invest in telecommunications, consumer goods, and other sectors in the region. Initial reforms have led to the beginning of renewed economic growth this year. Private investment is up, and inflation is down. Democratic values and structures are growing stronger. In Kosovo, the first democratic local elections will be held this fall.

While results since the Stability Pact summit are encouraging, the last aggressive dictatorship in Europe remains a threat to peace. We will continue to support the democratic opposition in Serbia and the people of Montenegro until they can take their rightful place among the free and prosperous people of Europe. With continued commitment by both the region and the international community, we can achieve our