Mr. Chairman, a just and durable peace in the Middle East is a central objective of the United States. Both President Ford and Secretary Kissinger have stated firmly on numerous occasions that the United States is determined to make every feasible effort to maintain the momentum of practical progress toward a peaceful settlement of the Arab-Israeli conflict.

We have also repeatedly stated that the legitimate interests of the Palestinian Arabs must be taken into account in the negotiation of an Arab-Israeli peace. In many ways, the Palestinian dimension of the Arab-Israeli conflict is the heart of that conflict. Final resolution of the problems arising from the partition of Palestine, the establishment of the State of Israel, and Arab opposition to those events will not be possible until agreement is reached defining a just and permanent status for the Arab peoples who consider themselves Palestinians... The U.S. has
provided some $620 million in assistance -- about sixty-two percent of the total international support ($1 billion) for the Palestinian refugees over the past quarter of a century.

Today, however, we recognize that, in addition to meeting the human needs and responding to legitimate personal claims of the refugees, there is another interest that must be taken into account. It is a fact that many of the three million or so people who call themselves Palestinians today increasingly regard themselves as having their own identity as a people and desire a voice in determining their political status. As with any people in this situation, there are differences among themselves, but the Palestinians collectively are a political factor which must be dealt with if there is to be a peace between Israel and its neighbors.

The statement is often made in the Arab world that there will not be peace until the "rights of the Palestinians" are fulfilled, but there is no agreed definition of what is meant and a variety of viewpoints have been expressed on what the legitimate objectives of the Palestinians are.

Some Palestinian elements hold to the objective of a binational secular state in the area of the former mandate of Palestine. Realization of this objective would mean the end of the present State of Israel, a member of the United Nations, and its submergence in some larger entity. Some would be willing to accept merely as a first step toward this goal the establishment of a Palestinian state comprising the West Bank of the Jordan River and Gaza.

Other elements of Palestinian opinion appear willing to accept an independent Palestinian state comprising the West Bank and Gaza, based on acceptance of Israel's right to exist as an independent state within roughly its pre-1967 borders.

Some Palestinians and other Arabs envisage as a possible solution a unification of the West Bank and Gaza with Jordan. A variation of this which has been suggested would be the reconstitution of the country as a federated state, with the West Bank becoming an autonomous Palestinian province.

Still others, including many Israelis, feel that with the West Bank returned to Jordan, and with the resulting existence of two communities -- Palestinian and Jordanian -- within Jordan, opportunities would be created thereby for the Palestinians to find self-expression.
In the case of a solution which would rejoin the West Bank to Jordan or a solution involving a West Bank/Gaza state, there would still arise the property claims of those Palestinians who before 1948 resided in areas that became the State of Israel. These claims have been acknowledged as a serious problem by the international community ever since the adoption by the United Nations of Resolution 194 on this subject in 1948, a resolution which the United Nations has repeatedly reaffirmed and which the United States has supported. A solution will be further complicated by the property claims against Arab states of the many Jews from those states who moved to Israel in its early years after achieving statehood.

In addition to property claims, some believe they should have the option of returning to their original homes under any settlement.

Other Arab leaders, while pressing the importance of Palestinian involvement in a settlement, have taken the position that the definition of Palestinian interests is something for the Palestinian people themselves to sort out, and the view has been expressed by responsible Arab leaders that realization of Palestinian rights need not be inconsistent with the existence of Israel.

No one, therefore, seems in a position today to say exactly what Palestinian objectives are. What is needed as a first step is a diplomatic process which will help bring forth a reasonable definition of Palestinian interests -- a position from which negotiations on a solution of the Palestinian aspects of the problem might begin. The issue is not whether Palestinian interests should be expressed in a final settlement, but how. There will be no peace unless an answer is found.

Another requirement is the development of a framework for negotiations -- a statement of the objectives and the terms of reference. The framework for the negotiations that have taken place thus far and the agreements they have produced involving Israel, Syria, and Egypt, has been provided by United Nations Security Council Resolutions 242 and 338. In accepting that framework, all of the parties to the negotiation have accepted that the objective of the negotiations is peace between them based on mutual recognition, territorial integrity, political independence, the right to live in peace within secure and recognized borders, and the resolution of the specific issues which comprise the Arab-Israeli conflict.

Figure 4 Saunders neglected to call for an end to Palestinian terrorism, as perpetrated by Yasser Arafat's PLO (C) and the Democratic Front for the Liberation of Palestine (Public Domain, Jordan)
The major problem that must be resolved in establishing a framework for bringing issues of concern to the Palestinians into negotiation, therefore, is to find a common basis for the negotiation that Palestinians and Israelis can both accept. This could be achieved by common acceptance of the above-mentioned Security Council Resolutions, although they do not deal with the political aspect of the Palestinian problem.

A particularly difficult aspect of the problem is the question of who negotiates for the Palestinians. It has been our belief that Jordan would be a logical negotiator for the Palestinian-related issues. The Rabat Summit, however, recognized the Palestinian Liberation Organization as the "sole legitimate representative of the Palestinian people."...

However, the PLO does not accept the United Nations Security Council Resolutions, does not recognize the existence of Israel, and has not stated its readiness to negotiate peace with Israel; Israel does not recognize the PLO or the idea of a separate Palestinian entity. Thus, we do not, at this point, have the framework for a negotiation involving the PLO. We cannot envision or urge a negotiation between two parties as long as one professes to hold the objective of eliminating the other -- rather than the objective of negotiating peace with it.

There is one other aspect to this problem. Elements of the PLO have used terrorism to gain attention for their cause. Some Americans, as well as many Israelis and others, have been killed by Palestinian terrorists. The international community cannot condone such practices, and it seems to us that there must be some assurance if Palestinians are drawn into the negotiating process that these practices will be curbed.

This is the problem which we now face. If the progress toward peace which has now begun is to continue; a solution to this question must be found. We have not devised an American solution, nor would it be appropriate for us to do so. This is the responsibility of the parties and the purpose of the negotiating process. But we have not closed our minds to any reasonable solution which can contribute to progress toward our overriding objective in the Middle East -- an Arab-Israeli peace. The step-by-step approach to negotiations which we have pursued has been based partly on the understanding that issues in the Arab-Israeli conflict take time to mature. It is obvious that thinking on the Palestinian aspects of the problem must evolve on all sides. As it does, what is not possible today may become possible.

Our consultations on how to move the peace negotiations forward will recognize the need to deal with this subject. As Secretary Kissinger has said, "We are prepared to work with all the parties toward a solution of all the issues yet remaining -- including the issue of the future of the Palestinians." We will do so because the issues of concern to the Palestinians are important in themselves and because the Arab governments participating in the negotiations will depend in part on progress on issues of concern to the Palestinians. We are prepared to consider any reasonable proposal from any quarter, and we will expect other parties to the negotiation to be equally open-minded.