MEMO

TO: DENNIS FROM: CHRIS C.

If PT is going to issue an official statement, here are some suggestions:

1. The President is to be congratulated for his strong insistence on Israel's security now and under any resolution of the West Bank's future. He was wise to rule out a Palestinian state on the West Bank/

2. The President has taken a calculated risk in linking the future of the West Bank with Jordan. But in doing so he has borrowed an idea from a respected Israeli leader, General Alon. A Federation of all or part of the West Bank with Jordan is also supported by many Labor Party leaders in Israel, including Shimon Peres. And the President stated that this solution must satisfy Israel's security needs in its final form. I believe that this is a workable starting point with which to resume the Camp David peace process.

3. Crucial now to this proposal is the response of the Arab world. It is essential that Arab leaders accept the principal features of the plan, including the disavowal of a Palestinian state, so that Israel will have assurances of good faith and productive negotiations.

4. The government of Israel has responded negatively, but not conclusively. I believe that the President's proposal provides enough flexibility for Israel to enter into meaningful discussions.

5. For its part Israel must demonstrate its committment to a revived peace process by accepting the President's appeal for a freeze on further settlements in the West Bank.