



SENATOR JOHN KERRY ON U.S. POLICY TOWARD THE MIDDLE EAST

WEDNESDAY, MARCH 16, 2011
1:00 P.M.
WASHINGTON, D.C.

WELCOME:

Marwan Muasher
Vice President for Studies
Carnegie Endowment

SPEAKER:

Senator John Kerry (D-MA)
Chairman, Senate Foreign Relations Committee
United States Congress

Transcript by Federal News Service
Washington, D.C.

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(Applause.)

MARWAN MUASHER: Good afternoon, ladies and gentlemen. And thank you for joining us. I am Marwan Muasher. I'm the vice president for studies at the Carnegie Endowment for International Peace. Over the past several months, we have seen a wave of change sweep across the Middle East, first in Tunis, then in Cairo. Ordinary people marched in the streets and shook the world.

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What once appeared to be an isolated development has continued to spread far beyond Tahrir Square. Reverberations have already been felt in places like Libya, Yemen, Bahrain, Iraq, Iran, Jordan and other places. It remains an open question just how long that list will grow. My own personal sense is that we have – what we have seen so far is just the beginning.

While the past few months have indeed been momentous, it is important to remember that difficult work still remains to be done. It is one thing, after all, to send a Ben Ali or a Mubarak into early retirement, but it's another thing entirely to build a democracy that truly represents its people.

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During the months ahead, the people of the Middle East must decide for themselves any number of basic questions critical to their future: How should elements of the old regime be treated? What role should Islam and Islamist parties play in the nation's political life? How soon is too soon to hold elections? What kind of economic systems will be adopted? And other crucial questions as these. After the votes have been cast and counted, the hard work of governing will start.

At the same time, the United States and the international community must decide how best to support the democratic aspirations of the people of the Middle East. What pressures or inducements are needed to keep this so far remarkably peaceful process of change on the right track? How do we balance a desire to shape the situation on the ground with the need to let the people of the region create their own destiny? And under what circumstances should the United States use military force, if at all?

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How to tackle these difficult and vitally important questions – here to tackle them is a man who needs no introduction. As chairman of the Senate Foreign Relations Committee, John Kerry is one of Washington's most powerful voices on foreign affairs. In addition to leading the charge on a New START and a host of other issues, he has also been deeply and personally engaged on the Middle East.

I have had the privilege of working with him very closely on Middle East issues in the past. He is a man, a voice of wisdom and reason. We're extremely fortunate to have him here with us today to share his vision for the future of the – of U.S. policy in the region.

Ladies and gentlemen, please join me in welcoming Senator John Kerry. (Applause.)

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SENATOR JOHN KERRY (D-MA): Marwan, thank you very much for a very generous introduction. Thank you all for coming. And I apologize for being a moment late.

Marwan has obviously been one of the most articulate advocates of political and economic reform in the Middle East. And as he's said, he had the pleasure of working with me. I had the pleasure of working with him back when he was ambassador and otherwise. And it was a great privilege, and we managed to get some things done – in fact, introduced His Majesty King Abdullah to a number of tech industries in Massachusetts, some of which are now doing business in Jordan. So you can actually make things happen.

I might add that his 2008 book, “The Arab Center,” is subtitled “The Promise of Moderation.” And I think we've seen the power of that promise in the extraordinary public outpourings that have taken place throughout the region.

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I also want to congratulate the Carnegie Endowment on its centennial, and on its success in adapting so skillfully to this rapidly changing world. I know there'll be a lot of questions. I hope there will be. And I anticipate leaving enough time to embrace them. And I look forward to them because that's when I think we can dig into some of these challenges a little more.

But let me frame this challenge from my perspective, at least. I begin by thanking the Carnegie Foundation (ph) for the work that it has done in this arena. And I should say that, you know, now that you guys have five offices across the planet, it is truly a global think tank, which is completely and appropriately reflective of the nature of the challenges that we face today. So it's a pleasure. This is an appropriate place to be talking about the topic we'll talk about today.

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You guys – those of you who are here permanently, and those of you who know this place well, know that those five offices and the work that they're doing now brings this place a lot closer to the vision that Andrew Carnegie had about a peaceful world a hundred years ago.

And nowhere is the pursuit of this vision more challenged and more relevant, more important, than it is today in the Middle East where in two short months we have seen stirring triumphs in Tunis and Tahrir Square, unprecedented protests in Sanaa and Manama, and brutal crackdowns in Tripoli and Benghazi. And who knows what's yet to come in Benghazi.

These uprisings constitute one of the most momentous developments of our time. They also present an enormous challenge – Marwan referred to it a moment ago; the process of building democracy, a huge challenge – for the people of the region and for America's relationship and the relationship of other countries with them.

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So how we respond today – right now – will, in my judgment, shape our strategic position in the entire Middle East, and how Muslims around the world see us going forward, probably for decades to come.

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Twenty-two years ago, the Berlin Wall fell. Central and Eastern Europe were freed from the oppression of Soviet rule and the constant subjugation of the police state. It may be hard to remember now, but at the time, we did not know what would come next. We welcomed the destruction of stultifying autocracies, but we couldn't say what was going to replace them.

What we did know was that there was an opportunity for America to make a difference. So we responded with an enormous package of aid and support. And the actions that we took then literally cemented the end of communism. And they put our relations with those newly liberated states on the path to close friendships and even to the alliances that we have today.

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Now, I believe we have to take similar action in the Middle East. The removal of Mubarak from office was a victory above all for the people of Egypt. But it was also a victory for democrats around the world because it showed that political change, even tremendous political change, epical upheaval, can be brought about peacefully.

And if these gains can be consolidated now, if liberation can be translated into lasting democracy, then the new Arab awakening will carry a vital message: simply, that ordinary people everywhere have the ability to determine for themselves how they are governed.

The developments in Egypt and Tunisia also represent a dramatic blow against the extremism that we have been struggling with this past decade or more – a blow against extremism that we could not have dealt ourselves. Remember that Ayman al-Zawahiri and his fellow radicals struggled to overturn the Egyptian order for decades, but failed to accomplish anything but death and destruction.

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And yet, the people of Egypt managed to liberate themselves in 18 days without a single IED or suicide bomb. Ordinary citizens like Wael Ghonim, a 31-year-old computer engineer – they did it with chants, with new media and with courage. A successful democracy in Egypt can demonstrate that al-Qaida's belief that change requires the cowardly violence of terror is wrong. And it will weaken the position of the states like Iran that repress their own people and use terrorist organizations to advance their interests. That's what's at stake in this.

If we're able to play a constructive role in the process of political and economic reform in the Middle East, if we can affirm the value of democracy and deal a sharp blow to the forces of radicalism, that is of enormous national consequence.

So we have to recognize the extraordinary opportunity that is staring us in the face. We also have to recognize the danger of failing to seize it. That's why I'm working with Senators McCain and Lieberman on legislation that will support the transition to democratic rule in Egypt and Tunisia, and that will encourage movement toward democratic reform in the Middle East, and that will spur sustainable economic development throughout the region.

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A number of ambassadors here who I work with closely who know that – desperately needed to deal with any kind of transformation are jobs and education and opportunity as more and more of the Middle East is defined by increasing numbers of young people.

The future of the Middle East may be uncertain as I stand here today and as we're assembled here. But just as the Berlin Wall could not be rebuilt, so we know that the old order of the Middle East cannot be restored. The roots of the days of rage sweeping the region run very, very deep. The complaints are invariably local, but similar patterns of grievances resonate across borders. That's the commonality of this.

This is a region that has long struggled for dignity. Its people escaped the yoke of colonialism only to be confronted with autocracies that cemented their control with powerful and unaccountable security institutions.

And despite the region's bounty of oil and natural gas, wealth has just plain frankly trickled down to too few people. And yet, the population is booming: 60 percent of Arabs are under the age of 30. Millions of jobs are needed every single year just to keep pace with the influx of new workers. But so – (chuckles) – few have the prospects of a real job and many more have serious concerns about how they're going to provide for their families.

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That lack of economic opportunity is matched only by a lack of political openness. The freedoms that are granted by the government have remained static even as the Internet has brought the freedoms enjoyed by other societies into vivid relief. Corruption is rampant at almost every single level of government, from the handful of dinar that are demanded for a simple vending permit to the gross theft of national resources that allow some leaders to stash away fortunes.

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I think most people here and most people in the world understand, or at least aspire to the notion, that trust is the heart of governance. And with no outlet for frustration, with no recourse for their grievances, with little hope for a better life for themselves and their children, the people of the Middle East are crying out for change.

Now, they're finally tearing down the walls of state-sponsored fear and bureaucratic indifference that have separated them from their leaders. And as Lech Walesa said of the anti-communism that swept Eastern Europe, "He who puts his hand out to stop the wheel of history will have his fingers crushed."

The events of the past weeks have reminded us that the consent of the governed has always been the central force of governance, all the more so now that instant communications can render dissent into protest and protest into revolution.

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To keep the mandate of their people and to meet the challenges of modernity, the leaders of the region really have no choice but to embark on paths of reform. They're going to need to respond to those young people. They're going to need to respond to these growing populations of dissatisfaction. They're going to need to offer them opportunity and they must be more accountable in that process. Because if they don't embrace evolution, they could easily face revolution, as Moammar Gadhafi is now.

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Now in Libya, peaceful protests have been met with grotesque brutality of a dictator who is guided by a megalomaniacal self-preservation instinct. That's it; that's the sole guide. For decades, he's turned his back on his people. And now, he's responded to their struggle for a more just society with force. He's called their dreams hallucinations and he's targeted their hopes with artillery and tanks and aircraft.

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The international community cannot simply watch from the sidelines as this quest for democracy is met with raw violence. The Arab League's call for a no-fly zone – a U.N. no-fly zone – over Libya is an unprecedented signal that the old rules of impunity for autocratic leaders no longer stand. Time is running out, however, for the Libyan people.

The world needs to respond immediately to avert a humanitarian disaster. The Security Council should act now, in my judgment, to heed the Arab League's call. And we need to consider even the possibility of whatever other things necessary in order to assist people to help themselves. Whatever the outcome, this is clear: Gadhafi has no legitimacy and will have no legitimacy. And the will of the Libyan people ultimately will prevail.

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We're also at a critical moment in Bahrain, the longtime home of the Fifth Fleet. We have to continue to urge all sides to refrain from any form of violence and help the parties to move toward a legitimate, real, open, transparent, accountable national dialogue, a dialogue that can address the underlying tensions of that country and chart a path for reform. I believe it's doable in Bahrain.

But above all, we have to ensure that the recent deployment of foreign troops in that country does not lead to a broader regional conflict. That's the challenge. Fortunately, many leaders in the region have begun responding to the imperative of reform. There's a huge change taking place. And if they hadn't already begun moving towards greater political and economic openness, they are now.

King Abdullah of Jordan, who I have many times talked with about this, has always been aware of the need to move. Needless to say, he's moving faster. But he's always had that sensitivity. And he's promised to give the public a greater role in the political process. And I think he has moved skillfully and continues to do so to try to respond to the reform demands and needs in Jordan.

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In Morocco, King Mohammed has announced a referendum on political reform. The sultan of Oman has asked the country's consultative council to propose constitutional changes that will give it a greater voice. A two-decade-long state of emergency has been lifted in Algeria. Now, these are all tentative first steps, not final measures. But they suggest that no country in the region will escape, or is escaping, this populist wave that began with the self-immolation of a fruit vendor in Tunisia.

The wave of Arab reforms obviously also impacts our ally, Israel. We've already seen pro-Western governments fall in Lebanon and Egypt. Other Arab countries which have had good relations with Israel may change their postures to reflect more closely the popular sentiment that they sense.

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To the extent that Israelis found the security situation acceptable prior to the outbreak of unrest, the status quo with its neighbors is now simply unsustainable. And that is why it remains so important to make progress towards the lasting peace that is the only way to ensure Israel's long-term security, and indeed, the region's.

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I am leaving to go to Egypt this weekend. I'll be there for a couple of days. And then I'm going to Israel. And I intend to have more to say about the prospects for that part of the Middle East process at some point after I return, when I think it's appropriate. But that clearly, I think, demands a forum of its own in many respects. And so I reserve further comments until that time.

Now obviously, America's relationship with the region, in view of all that I've just laid out, really requires a readjustment to reflect the new realities. For decades, our Middle East policy has been driven by our addiction to foreign oil, a dependency that we have still, it seems, been unable to break, or even to consider breaking in a really serious way.

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And democracy and human rights, I regret to say, have been overshadowed in that relationship. Too often over the past decade, we've seen regimes in the region chiefly as bulwarks against the fight against terrorism, while looking away from the abuses that we find unconscionable. The result has been relationships that are focused on leaders rather than on people or on countries. We can no longer view the Middle East solely through the lens of 9/11. We have to now view it through the lens of 2011.

And as the people of the region demand reform, our approach to the region has to embody our core values at the most basic level. That means that we have to be consistent in encouraging governments everywhere to respond to the hopes, needs and rights of their citizens.

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We must also emphasize programs that will strengthen our engagement with the people. That is part of the theory of the Kerry-Lugar-Berman money in Pakistan. And it must be the way in which we approach the people of the Middle East. What that means in practice will vary from country to country. Egypt is not Jordan; Jordan is not Libya. And we need to understand carefully the differences between each.

But throughout the region, we must push back against the consolidation of power that has bred economic stagnation, corruption, popular dissatisfaction. And we should encourage the establishment of institutions that translate the will of the people into action, that promote transparency and accountability from leaders, and that safeguard, ultimately, freedom and justice for all.

Now, for this to happen, the citizenry – and I mean the entire citizenry – are going to have to have a greater voice in the affairs of their government. Just as women made their voices heard on the streets of Cairo and Tunis, so their voices must be heard in the halls of government going forward.

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Independent media will play a vital role in closing the distance between the people and their rulers. And I'm proud that the American innovation is part of what facilitated this process. Our soft power is increasingly – (chuckles) – represented by our software. But access to the free flow of information is going to have to be protected as we go forward.

By contrast, the internal security structures that have long dominated these countries is going to have to be checked by an independent judiciary dedicated to enforcing the rule of law and preserving human rights.

So why does America care whether other states enforce the rule of law, reform their economies, how to pluralism ultimately? Well, we care because we believe that democracy enables the fullest expression of the human spirit and that economic freedom is the engine of human innovation. We believe that when people can trust their government and rely on its justice, the society that flourishes is a stable one. We believe that stability and prosperity are powerful antidotes to the violent urges of nihilism and extremism.

We know there is a degree of uncertainty in democracy; that we acknowledge. That's the nature of freedom. And we know that religious parties will seek a voice in the Middle East's new political order, in Egypt and elsewhere. It may be a reason for concern. But I don't believe it's a reason to panic or to avoid our responsibility.

We should engage the region's political actors while standing by the courage of our convictions. We will reject radicalism and anti-Semitism. And we will embrace moderation. For a modern democracy to function, violence can have no place in the political process.

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A course of political reform abroad may demand a degree of faith on our part, faith that democracy will promote tolerance, that it will encourage cooperation and that it will diminish, ultimately, anti-Americanism. But that doesn't mean that we need to rely on faith alone. This is not our revolution. But I'll tell you, our involvement can still make an enormous difference.

We've seen how American expertise can be valuable at inflection points like these. Just 19 days after the fall of the Berlin Wall, President George H.W. Bush signed into law the Support for East European Democracy Act, or SEED, authorizing nearly a billion dollars to support political and economic transition efforts in Poland and Hungary. The program soon expanded to cover the other Warsaw Pact countries and eventually the countries of former Yugoslavia.

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Between 1990 and 2009, SEED expended almost 9 billion (dollars) worth of assistance and it remains active to this day in six Balkan countries. And it's making a difference. These programs combined economic assistance, helping with the transition to a free market and ensuring jobs as the old order crumbled, with political expertise and guidance and strengthening the civil society in establishing democratic institutions and in carrying out elections. At a crucial moment, American funding and knowhow helped others to help themselves.

Two decades later, many of those countries are thriving democracies, stable economies and – guess what – some are even valued members of NATO. I believe a similar program could be invaluable now. It's particularly important that we get this transition, that we get it right in Egypt.

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From the creation of the Muslim Brotherhood in the 1920s to the rise of pan-Arabism in the 1950s and '60s to the peace treaty with Israel in 1979, Egypt throughout that has been an important incubator of ideas for the Middle East. Egypt may have needed a little prodding from Tunisia earlier this year but it is again at the vanguard of the new Arab awakening.

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What happens there will affect not only 80 million Egyptians but it will affect the entire Middle East. And that's why I will be introducing legislation with Senators McCain and Lieberman to use the long experience that we have in building democratic institutions and free markets to help our friends in Egypt and elsewhere.

This is not something that the United States can or should do alone. We should engage with the countries of the region to determine how to best support their priorities and also to leverage the support of international financial institutions, the GCC and European nations. And one component of this effort, which we announced last week, will be the enterprise funds, which Secretary Clinton talked about in Cairo just a day ago. And this money will assist small and medium-sized businesses and support entrepreneurs, a crucial economic lifeline in countries like Egypt where 40 percent of the population lives on \$2 a day or less.

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In addition to providing financial assistance, the enterprise funds will provide technical and strategic advice to local business people. Similar funds were created under SEED when roughly 1.2 billion U.S. dollars was channeled into more than 500 separate enterprises in 19 Eastern European countries. Guess what? The investment drew an additional 5 billion (dollars) in private investment capital from outside the U.S. government, providing the financing to create hundreds of thousands of jobs.

Ultimately, the original U.S. investment was repaid, and repaid with interest. Our legislation will also seek to support new and fledgling democracies in the region. We ought to be helping governments reform their security sectors, building transparency into the fabric of government ministries, strengthening the rule of law and helping leaders to incorporate the views of their public in the day-to-day work that they're engaged in.

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We also want to be working to strengthen political parties in promoting free and independent media, developing a politically active civil society. Though I will say, in prior visits to Egypt and sometimes in dinners into the wee hours of the night, I've always had a sense of the vitality of the Egyptian civil society and of its capacity.

And now, we should be there to help create the fair playing field in the future that they're going to need in order to – in which there is a transparency and a level of competition and – I think importantly – a sufficient amount of time over these next months for the political parties to be able to develop their capacity to make these elections worthwhile and to guarantee that the aspirations of the revolution are not lost because of the process that is put in place afterwards.

Political and economic efforts of this kind have worked on a smaller scale in the West Bank. And in Egypt, we're going to be building on the experience of institutions like the National Endowment for Democracy, the State Department's Middle East Partnership Initiative and USAID's democracy programs, all of which have been laying

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the groundwork for this for years. But I tell you, it is important that we move quickly to nurture the gains that have already been made in Egypt and Tunisia and that we hope to see elsewhere.

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Now, yes, I know, we face a budget crisis here in the United States. But let me tell you something. Democracy assistance is an investment, not a gift. I just talked to you about how it gets paid back. We can either pay now to help brave people build a better future for themselves, which we have promised them and talked about for years or I'll tell you, we will pay later with increased threats to our own national security and other levels of instability.

We all know that there are many hurdles that remain between us and a peaceful, stable Middle East. But even as we face the challenges raised by the events of the past two months, it is critical that we take advantage of these momentous developments. The modern Middle East has long confounded American foreign policymakers trying to balance the need for stability with the shortcomings of realism. And yes, we have often made mistakes.

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Now, because of the people of the Middle East – because they have spoken – we actually have an opportunity to shift the course of regional history toward a greater reform for them and greater security for us. Because of the incredible courage of the Tunisians and the Egyptians and others across the region, the cause of democracy has taken a giant step forward. We can't miss this moment.

And I hope that we can play a role in nurturing these changes, because as George Washington said, "Liberty, when it begins to take root, is a plant of rapid growth." I look forward to a new phase in our relationship with the people of the Middle East in which we are bound together, not only by the humanitarian – the sort of common humanity that links us anyway – but also now by the freedoms that for too long have been the province of too few.

Thank you for letting me share some thoughts. (Applause.) I'll just – unless you have a bunch of favorite people you call on. (Laughter.) Sir?

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Q: (Off mic.) Jonathan Broder from Congressional Quarterly. What would you say to your critics in the administration or those in the administration and in Congress who are not as enthusiastic about creation of a no-fly zone where they say – or of arming the Libyan rebels – where they say that they don't really know who they are and it's not a good idea to arm people you don't really know?

SEN. KERRY: Well, I mentioned a little bit ago that we didn't know who all the people were in Eastern Europe either. We don't always know who they all are. I mean, I wonder if you asked Lafayette the question if he knew everybody over here when he helped us what he'd say.

I think that you have to kind of have a sense of the course of history and what they're fighting for. We know the principal players. We know them sufficiently that the secretary of state met with one of them in Paris the other day. And they met in Brussels with other NATO leaders. And we know they are the former minister of justice and we know former ambassador. And we know these people. I mean, I don't get that completely.

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I think we have a sense of that. Now, does it stay there? I can't predict that. Nobody can. But the alternative is what, that you're going to suggest that it's okay to have Gadhafi, after saying he has to leave, after the world has stood up and said he has to leave, after we've slapped on sanctions, after we've encouraged people to fight for this freedom? I just don't agree with some people who suggest there is no interest there.

You know, I've always believed you can divide the interests of our country into different categories. There is a vital existential national security interest. There is a vital national security interest. There's a national security interest. There's an interest. I mean, you have different layers of interest. Is it a vital national security interest? No. Is it existential to us? No.

But I got news for you: Will it make a difference in the eyes of people throughout the Arab world about how they view us and a lot of other folks? Yes, profoundly, in my judgment. And I think it will have an impact on the judgments that are made about other things we try to do in the region.

So that's just my feeling. I mean, I've got to be honest about it and I'm going to be honest about it. I have that sense that this is one of those moments. And I don't think it's that complicated for a lot of different reasons. I'm not going to go into all of them here and now. But suffice it to say that one country alone has the military capacity to do this outside of us. Other countries – together we all have the capacity. And I don't question our technological ability or options with respect to what would happen.

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Now, it's getting late. It's plenty late. I don't know the answer whether it's too late or not. But I do know this. We ought to be setting that up as a means of, as I said, preventing catastrophic assault on human beings, if that were to take place.

Q: Unilateral?

SEN. KERRY: No, I never said we should do it unilaterally, unless there were other exigencies that arose at that moment. But I've said – but the pieces have sort of come together. When I first suggested it, we didn't have the GCC; we didn't have the Arab League. And many people thought you wouldn't get the Arab League. That's a seminal statement that the Arab League made the decision they made, obviously wanting a U.N. imprimatur, which is understandable. But I think this is one of those moments. And so I stand by my position. And we have the right to disagree here and people do disagree.

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I know Secretary Gates has a point of view. I know that some of my colleagues have a different point of view. But in my judgment – well, I'm not going to go into all the details. I think there are – let's see where we are and where we wind up. But I hope it doesn't wind up costing us a lot more. Yes? Yes, ma'am. Then that gent further back down there.

Q: Thank you. I'm Lara Friedman from Americans for Peace Now.

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SEN. KERRY: I'm sorry. Can you say that again?

Q: Sorry, Lara Friedman from Americans for Peace Now. Senator, I want to respectfully push you on a point that you said you want to defer comment on. You have spoken – you spoke powerfully about the idea that the consent of the governed is now a key factor in the new Middle East. There is one population, which is actually under occupation in the Middle East. And I do want to ask you, the word Palestinian did not come up once in your speech. So I'd actually be interested in your comment.

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Clearly, the Israeli-Palestinian issue is not the first issue on the minds of the people who are protesting across the region, maybe not the second, maybe not the third. I suspect it's probably in the top five. So as the U.S. goes about trying to nurture democracy in the region, which I agree with you – I believe we should – how are we credible if our administration appears impotent in dealing with the Israeli-Palestinian issue?

SEN. KERRY: Well, I'm not sure how our administration could possibly appear indifferent or diffident with respect to that, having pressed harder than any administration in American history –

Q: Impotent.

SEN. KERRY: Even impotent. Well, I think that it takes two to tango to make peace. And one side or the other at one moment or another has been out of sync with the other, as we know, over the course of these past months. But we spent a lot of time – we spent about a year and a ½ – pressing the issues of the ending of the settlements, which essentially, in my judgment, put the issue of Jerusalem at the top of the list, up front, before you even ever solved the security and border issues. I didn't think then and I don't believe now that's the way to begin that process.

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I think now, we've pushed a sort of reset button and we're back to a place where hopefully we can use the Clinton parameters and the history of so many presidents in so many negotiations that have gone through this. This is not a mystery. This is not a sort of how do you the settlement. This is how do you get from here to there. And every leader I've talked to in the region has a pretty good idea on all sides of sort of what the deal sort of looks like, with a couple of variances depending on who is in power and I acknowledge that.

But you've got to get to the table to work those through. And if you put issues that prevent you from getting at the table on the top of the list and start, you create your own hurdles. I think that's what's happened for the past period of time.

So we have to get back and push the reset button and get back. I think that's doable. I personally am very, very encouraged. I am a believer. The ambassador from Syria is here with us today. I have been a believer for some period of time that we could make progress in that relationship. And I'm going to continue to work for it and push it. But again, we need to create the framework on all sides where you can move forward effectively to do that. And I hope that we're going to be able to do that in the days and months ahead. I think, as I said today, there is a new imperative to do that.

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Now, having said that, with respect to the Palestinians, I think when I referred to the Middle East peace process, I was embracing all parties because generally speaking, when you talk about the Middle East peace process, you are talking about all the parties. And I said I'm going to speak about that as we go down the road here appropriately. But I think it's imperative for everybody to move more seriously now. The window of opportunity for a two-state solution is slowly closing. And we, I think, have an imperative to try to move that process forward.

I believe it can be solved. I certainly have a vision in my head of the things that could be done to resolve Israel's security needs in the West Bank, to resolve the Jordan River Valley buffer zone issues, to have adequate security and so forth. And in my judgment, the key is getting to the table and getting at those issues in a very robust, very concentrated way. I'm confident we can make progress.

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Final comment I'll make is, absolutely, the Palestinian component of this is a huge contributor, if not to the legitimate frustration, anger and sense of humiliation that many people in the Arab world feel, certainly to the felt need politically because it gets frankly overused by some people in that part of the world as an issue to hide other things but not as something that they actually willfully address in terms of their money or policies or other things. So I think it's important for us to remember the realities of the whole picture here as we go forward. But I'm very confident there are good faith leaders in many countries in that region who are prepared to move forward if there is a legitimate process that doesn't leave them all hanging out there.

Yes, way back there? Yes.

[00:42:59]

Q: Maya Amagelo (ph). I'm with the Voice of America. Thank you for taking my question, Senator Kerry. You talked a lot about the help that some of the Eastern European countries have gotten after the fall of the Soviet Union. And my question has to do with the legislation that you are about to introduce. I was just wondering when do you think you are going to – you are planning to introduce it? And after introducing it, you talked about the budget crisis that the U.S. is facing. What are its chances of passing quicker, since – thank you.

SEN. KERRY: Well, you know, I think you heard General Petraeus yesterday talking about the need to fund the civilian components of what he's engaged in, in his part of the world. And I think the same will be true from the president and from other leaders with respect to this part of the world. So I would hope that the ideological excess that is consuming some of the budget debate here in Washington right now will be able to break through and understand the real security needs of our country.

And that's why I'm glad to have Senator McCain who is a powerful voice on issues of national security and Senator Lieberman who is an independent and myself – so tripartisan effort, if you will – to point out to people this linkage. I think we can win this fight but it will take a lot of work. It will take a lot of pushing and articulating. But I think we can win the fight.

Q: (Off mic.)

[00:44:29]

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SEN. KERRY: Yes, as soon as we get the legislative language finished. So it will be very, very quickly. Frank, what's the – do you have a date?

MR. : Within the next month or so – (inaudible).

SEN. KERRY: Within the next month, how's that? (Laughter.)

MS. : Sir, sir, right here.

Q: George – (inaudible) – Gulf News. This was very excellent remarks you had today. And I'm sure a lot of people in the area will appreciate it. However, the view is still it's talk and less action. Why there isn't action, especially that President Obama is leaving next week to South America for a few days. Will there be action while he's away?

[00:45:12]

SEN. KERRY: Well, look, I tried very hard to be president so I could answer that question. (Laughter, applause.) I'm not able to predict what he's going to do. But those are discussions that are ongoing right now. And I think we just have to wait and see what the White House decision is. Yes? Yes, sir.

Q: Bora Karamond (ph) from SETA Foundation. As you know, in recent years, Turkey began playing a greater role in its region. And how do you interpret Turkey's reaction to the ongoing events in the Middle East? And what do you think Turkey's role should be to help to bring democracy to those Middle East countries? Thank you.

SEN. KERRY: Well, Turkey is a tremendous example, a stunning example of progress and of what happens when you make this kind of commitment. I mean, Turkey and Egypt, back in the 1950s, were in the same place, probably about the same GDP, about the same per-capita income. And today, there's a gulf like this – Turkey up here and Egypt's down here and the rest of the Arab world and that part of the world is down there. So Turkey has seized this future. And they've been brilliant in the way in which they have worked democratic process and strong economy, reaching out to the West, working as a very constructive partner.

[00:46:48]

Now, I've had – I was in Turkey a few months ago. I had a long meeting, which I appreciated enormously with Prime Minister Erdogan. I met with their foreign minister, very intelligent, capable interlocutor in the international scene. And I think Turkey has the ability to play one of the key roles in this transformation as well as in the Middle East peace process. So I listen to Turkey very closely. I listen to its leaders. And I think we need to work with them very closely in these next months to help make this process effective.

Yes, more from the press – are there people from the press? I just want to make sure we give them a shot here first. Yes, sir, with the St. Paddy's Day on a day early.

Q: Hi, Senator. Ben Birnbaum, Washington Times. You said earlier that the U.S. should consider other steps in addition to a no-fly zone. I'm wondering whether you agree with your colleague, Senator Lieberman, that we should consider arming the rebels directly?

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[00:47:44]

SEN. KERRY: I think all options have to be considered and have to be on the table. I think you have to obviously think them through very, very carefully. I don't like that we've lost this time. It's compacted the choices, diminished the options and it's changed the state of play somewhat. I think the calculation that many people in Libya might have made a week and a half, 10 days ago – if we'd started to announce and move certain things – might have been considerably different than the calculation that they might make today. And those calculations are critical in these kinds of events. So I'm – I think there are a number of options. I'm going to sit down tomorrow with – Senator Levin, myself, Senator McCain – with some folks from the Pentagon and talk about – at least probe from our point of view what some of those options are so we're not shooting from the hip and going out with some concepts that are inappropriate. But I'd put a lot of options on the table still right now.

[00:48:50]

You know, one of the things we don't know is how strong will the Benghazi resistance be? What are the capacities there? We don't know yet if a couple of other key towns are going to be able to hold out? What happens there? I think there's – just what I know is that this is moving fast enough and it's dangerous enough that we need to make a decision one way or the other. We cannot just leave it hanging out there and have people guessing.

You know, everybody says, well, if they say yes, if they say yes, if they say yes – you know, it's sort of pass the buck here. And not a great message. Yeah?

Q: Hi, Jake Gibson, FOX News. My question is you talked earlier about how we should always be on the side of democracy. When it comes to Bahrain, does it get a little tricky in the sense that we have much more interest there than in Libya and we could be heading – do you see us maybe heading towards a clash with Saudi Arabia there in the sense that there are some that have said Saudi Arabia has provided muscle to the regime there. Do you have any thoughts on that?

[00:49:58]

SEN. KERRY: Well, obviously, I better have some thoughts on it. (Laughter.) But I think that Bahrain is – I think – I mean, as I said – each of these countries is its own place. And they are considerably different, either in the makeup of their populations, the tribal nature of the country, the sectarian nature of the country – Shia/Sunni and so forth and so on. There is a 70-percent minority in Bahrain that is Shia. And they feel inadequately represented and addressed. Now, I just talked about the consent of the governed. They need to be listened to. And that's why I called for this legitimate, genuine national dialogue, which works to bring them to the table to work things through.

Now, does that mean they have a right to say the other guys out and we're in? No, I don't think necessarily in that kind of a situation – as long as there is a legitimate dialogue and a legitimate effort and willingness to move towards reform. So I think you have to measure each of these things individually.

[00:51:10]

I would urge again the government there to refrain from violence, to press as hard as possible – with the intervention of others if necessary with respect to the dialogue – to get people to the table and talk about the reforms. But I think everybody is going to have to embrace at one pace or another – depending on their country,

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depending on the dynamics of their nation and what people are capable of doing and ready for and where they are institutionally and in other ways – the pace may change in one place versus another.

But as long as people are moving in a legitimate direction to try to provide for their people, it's the people in those countries who will decide, not us. And the key is to press for the legitimacy of those processes. I believe that has to happen in Bahrain as well.

[00:52:01]

Q: About the – (inaudible) – Saudis.

SEN. KERRY: Well, the Saudis were asked to come in – in order to try to provide additional security because they don't have this enormous security capacity – given the level of unrest to try to guarantee the peacefulness of the area, the surroundings so that they can engage in that kind of a dialogue. And I think it's a responsibility of the protestors, given the opportunity to have that legitimate dialogue, to have it and not just to keep parading around and screaming, you know, that they want him out.

Why do I say that there, because I think that Bahrain has actually been – there's a different quality of life, a different level of citizen participation, a different system there than there are in a lot of other places. And it has progressed in some ways more than many other places. And I don't think you can just discount that and throw it away.

A couple more. Yes, sir.

Q: Thank you.

MR. : Can you wait for the mic?

Q: Thank you. I'm Dave Pollock from the Washington Institute for Near East Policy. Thank you, Senator. I wanted to ask you what you think could be done to encourage democracy in Syria and Iran?

[00:53:16]

SEN. KERRY: Well, I personally believe that – I mean, this is my belief, okay? But President Assad has been very generous with me in terms of the discussions we have had. And when I last went to – the last several trips to Syria – I asked President Assad to do certain things to build the relationship with the United States and sort of show the good faith that would help us to move the process forward. One was to sort of get us over the hump back then of a disruption that had taken place with respect to comments he had made in Qatar. Another was there was no real relationship moving forward with Iran and we needed to get something going there. Another was the relationship with Lebanon and so forth, and our own relationship.

So I put about five or six requests – one was the purchase of land for the American embassy in Damascus. The other was the opening of an American cultural center. The other was the border assistance with respect to Iraq. The fourth was a visit to Iraq by the foreign minister. The fifth was patching up with Bahrain. And the sixth was sending an ambassador to Lebanon in order to send a message before the elections of their independence and to guarantee they'd stay out of the election process. Guess what? All six were done, delivered.

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[00:54:42]

I think it's incumbent on us to try to move that relationship forward in the same way. And I'm convinced that if we could advance the peace process with the Middle East, with Israel, I believe that Syria then has a different set of options other than hedging bets or sticking with the status quo. So my judgment is that Syria will move; Syria will change, as it embraces a legitimate relationship with the United States and the West and economic opportunity that comes with it and the participation that comes with it.

Now I can say, yeah, I believe it. I have put some issues out there for the test. We haven't yet. And I think we need to go down this road in a way that builds trust in a relationship and put things to the test. I take nothing at face value in any relationship. I have learned that. And particularly in certain parts of the world, if you're talking with a leader in their language and they are talking to you in English and they say, we'll do this but they don't go out and say it in their own language to the broad media so everybody hears it, I don't take it to the bank. So I've learned a few tricks of the trade over the years and I think that we can improve that relationship. But we've got to get the process moving forward to do it.

[00:56:07]

You had, Iran? Iran is tougher. Iran is trickier for a lot of different reasons. I can't go into them here. I'll just tell you that there have been a lot of overtures over the last few years at various times in various ways to try to engage in some kind of dialogue. And then, something happens and it comes apart. I believe the administration was teed up to engage when the elections took place. And because of the way they turned out, that completely was off the table. And we've sort of lurched from one opportunity to another, which neither side has been in sync in terms of trying to get something moving.

But we actually have some mutual interest with Iran. Iran, not particularly fond of the Taliban. Iran has a distinct abhorrence for drug trafficking and drugs and what they do to their own population. There are things that we could work to – in Afghanistan and elsewhere – Ambassador Khalilzad is here. I think he would agree with me that there are some opportunities there. Now, does that solve the nuclear problem? No. And I'm not sure – obviously, Iran has ambitions in the region. But there are ways to deal with that. And I'm not going to go into all of them now. But I'm just going to say, I have a hope that over time, we can work through some of those.

[00:57:42]

Yeah?

Q: (Inaudible.)

SEN. KERRY: Oh, I already gave you one, right? Let me – I've got to give somebody who hasn't had a chance. And then maybe we'll do it before we break out of here. Yes, sir.

Q: Senator, James Kitfield from National Journal Magazine. If Gadhafi is successful in crushing this rebellion and stays in power, how concerned are you that that will be the death of the Arab spring, that it will stop there, that the autocrats in the region will take a lesson from that and dig their heels in?

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SEN. KERRY: Well, I don't believe that – if Gadhafi succeeds in doing that – the global efforts with respect to Gadhafi are not going to stop. Gadhafi, as I said in my prepared comments – the will of the people of Libya will ultimately prevail. And I believe that.

[00:58:32]

Yes, he has a fair amount of money stashed away in the country in gold. He can certainly keep distributing it around the world in exchange for his ability to hole up there for a while. But that is not going to be a very effective form of government, nor one that has the ability to provide for his people. And I think the global sanctions that have been put in place and additional efforts will then begin to focus, if that's where we're left. I hope it's not necessarily where we're left at all. But there are a lot of tools available to us still. And we'll continue to work it.

I distinctly do not believe that that one country and this one event is going to turn what happens in the rest of that part of the world. I absolutely am convinced of that. And I've talked to a lot of people much more expert than me who spend a lifetime studying that part of the world, all of whom agree that this – you're not going to put Humpty-Dumpty back together again here. You can't put this back in the box and just put the lid on it. It's not going to happen.

[00:59:36]

People see what – you just can't stomp on the legitimate aspirations of young people who are educated – many of them in other countries – who are tech-savvy, who communicate with the world, who see what the rest of the world is doing and what they have. And then they go back and find a place where you've got to pay for everything under the table and you can't get things done and there aren't any jobs and you have no opportunity. And a lot of these kids have gone to college. And they've got great capacities. And you can't stomp on those capacities forever, folks. That's just the nature of the human spirit.

So I don't – this is not going back in the bottle. This is not going to end it. What happens with Gadhafi – no matter what happens with Benghazi, et cetera, that's not the end of this issue whatsoever. And this, I believe, is going to continue. And each country will face its own moment of its own question. Some have stronger ability to quash and to stop and slow.

But over time, you can't have – President Assad said to me. He said, you know, I have 500,000 kids turning 18 every year. And I want jobs for them. I want education opportunity for them. He understands what's going on. He's a secular country. And I guarantee you he's committed to trying to stay secular, if the rest of the world will sort of help to make that possible. But if he only has one option, I'm sure he'll exercise his option. And we need to be smart.

MR. MUASHER: We have room for one more question, I'm afraid. So take your pick.

[01:01:21]

SEN. KERRY: Well, who's the press, right back here? Yes, ma'am.

Q: Yes, Mr. Senator, it's nice to have you here. I'm Hebel Potsi (ph) from – (inaudible) – Egyptian newspaper.

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SEN. KERRY: Can you speak up?

[01:01:33]

Q: I'm Hebel Potsi from – (inaudible) – Egyptian newspaper. Actually I have two questions, one concerning the Egyptian request to freeze the previous president's account and assets in the United States. Until now, it has been three weeks or more and the United States haven't announced anything about freezing his assets or announcing how much wealth he has in the United States. And that's make the Egyptian people suspect that the United States is backing the previous president.

My second question is about think tanks recommendation or suggestion that what should United States do for Egypt. Some of these suggestion were dropping the Egyptian debt to United States and some other regarding free-trade agreement, regarding opening borders, encouraging investment. And the rethink of having more economic aid to Egypt rather than military aid. What's your comment on these suggestions?

SEN. KERRY: Well, on the last part, yes, I think there's a strong feeling that we should shift the balance of the assistance, certainly until there's been a presidential race and a parliament is chosen and there is a country as a whole and it has sort of defined where it's heading, I think that the most important aid is the economic and the development piece that I talked about here today. So that's number one part of your question.

[01:03:13]

Number two, I think that on the debt, it's under consideration. I think a lot of things are on the table- free trade and so forth. One of the most important things we can do – and I think this is true with Pakistan too – I would desperately like to see us get the reconstruction opportunity zones or even a larger trade arrangement with Pakistan, because nothing would do more to help Pakistan's struggling civilian democratic government to be able to strengthen itself than to be able to deliver to the people. And if you can deliver jobs and begin to make a difference to the quality of the life, you offer an alternative to the nihilism, extremism exploitation that takes place by certain groups over there.

So I'm all for it in Egypt or elsewhere. We should try to do those kinds of things. I think it's a matter of national security. And I would urge the president of the United States to begin to make that argument to the Congress that this is not a traditional relationship situation, a traditional kind of agreement. We need to do this because we need to make certain that democracy does survive and that these countries can deliver.

[01:04:30]

And the final comment on your question about the assets, I'm – that's not what I had understood. I understood we had frozen assets of President Mubarak, somewhere in the vicinity of \$31.5 billion. And that includes properties in New York, properties in California, and bank assets as well as other parts of the world. But we ourselves, just us, have frozen \$31.5 billion.*

On that note, thank you all very, very much.

[01:05:03]

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MR. MUASHER: I hope you join me in thanking Senator Kerry for an excellent speech.

(Applause.)

(END)

*CORRECTION: The United States has not frozen the assets of the Mubarak family. Senator Kerry intended to say that the United States has frozen \$31 billion in Libyan assets, not Mubarak family assets.