

The Pathway to Peace in the Middle East Begins With President Obama

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Welcome/Moderator:

Daniel Kurtzer,

Lecturer and S. Daniel Abraham Professor in Middle Eastern Policy Studies,
Princeton University

Speakers:

Marwan Muasher,

Vice President for Studies,
Carnegie Endowment

William B. Quandt,

Edward R. Stettinius, Jr., Professor of Politics,
University of Virginia

Aaron David Miller,

Vice President for New Initiatives and Distinguished Scholar,
Middle East Program at Wilson Center

Robert Malley,

Program Director for Middle East and North Africa,
International Crisis Group

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DANIEL KURTZER: Hi, good afternoon. My name is Dan Kurtzer. And I want to welcome you here to Carnegie, actually being hosted by Marwan Muasher, but he was kind enough to give me the microphone as moderator.

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MARWAN MUASHER: Louder, apparently.

MR. : Is your mic on?

MR. KURTZER: Probably not.

MR. : Yeah.

MR. KURTZER: Now my mic is on. I want to welcome you to Carnegie for this discussion this afternoon on *The Pathway to Peace in the Middle East Begins with President Obama*. Ostensibly, this is a book launch. It's a book that's just come out, a policy-oriented series of essays that began to be conceptualized this summer in anticipation of the presidential election. And the idea of the 12 authors who came together was to put before the president, whoever that might be, ideas about the peace process in the Middle East, what are the analytical bases for proceeding or not, and what policy choices the president should consider.

Not surprisingly, all of the authors agreed that this is an issue that is of considerable interest to the United States, a national security interest of the United States, and not a favor that the United States does for the parties. And therefore, what underpins the analysis in virtually all of the essays in this book is the idea that for the United States to allow the peace process to go unattended or to – or to allow the situation in the Middle East to remain guided by a status quo that is inherently unstable, is not only bad for the parties in the region, but it's bad for the United States as well.

The authors in the book do not agree on everything that should be done. And you're going to hear today some of the convergent and divergent with respect to what to do. But the authors do agree, remarkably, as do the two co-authors of the forward of the book – former Secretary of State James Baker and former National Security Adviser Sandy Berger – that the time is now upon us, the United States, to activate a serious, sustained peace process to try and bring about a conflict-ending resolution between Arabs and Israelis.

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I will be the moderator today, but I will also take the opportunity of moderating to offer some comments at the end. But I want to start by offering the floor to Marwan Muasher, who is the vice president for studies here at Carnegie. As many of you – I think all of you know, Dr. Muasher served as foreign minister, deputy prime minister of Jordan. And his career has spanned the diplomacy of the past 30 years in this region in a variety of positions. So it's a great honor to have Marwan as one of the authors in this book and a great honor to have him start today's program.

MR. MUASHER: Thank you so much, Dan. Happy Thanksgiving to everyone. Frankly, it's heartening to see that there are still people who are interested in the peace process. (Laughs.) I did not expect to see this many people the Monday after Thanksgiving. So I hope this is a good sign. What I'd like to do is to talk about my views on what should be done. And unlike the many times that I have talked about this issue, these days, I'm talking not as a diplomat but as an analyst. And therefore, I can afford to be a bit more provocative and a bit more, maybe, candid in my remarks.

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I think that the choice that the president has in trying to, you know, address this issue is between the difficult and the impossible. The difficult is to try to do something on the peace process now at the same time that the president and the administration are facing so many other priorities, domestic and foreign, whether it is the fiscal cliff, whether it is Iran, whether it is Afghanistan, Syria. I mean, you can name the many, many issues that face this president and that make it difficult for the next Obama administration to do something on the peace process.

The impossible is to try to do something later. When you have a two-state solution that is dying, in my view, settlement activity that has become – that is leading to a solution becoming almost impossible to implement, even if an agreement is reached in the short term, an Arab awakening that is placing new restrictions on the ability to make peace. We've all seen what happened in Gaza last week – and this is only, you know, the beginning of an ugly period, I think, in the Arab world if a solution is not attempted now – and finally, an Arab peace initiative that is dying.

An Arab peace initiative which 10 years ago attempted to shift the goal posts by focusing on the regional settlement instead of on an Israeli-Palestinian settlement, and thereby providing the two parties with the cover they needed to arrive at an agreement. The Israelis would have peace and security, not with part of the Palestinians but with all the Palestinians, with all of the Arab and Muslim world, in return for what they would see as painful compromises. And the Palestinians would have Arab and Muslim cover for what would be painful compromises on their behalf as well, on such issues as Jerusalem and the refugees.

The Arab peace initiative today is dying. Syria is not in a position, at this point, to give it any attention. The Saudi monarch is old. In fact, he's in the hospital as we speak. And we will face a time, and I think very soon, when that regional cover will no longer be possible. Before we faced a situation when there was a political will to attempt to solve the conflict among all the parties, but the defined solution was not there and attempts were made at defining the solution. Today we're facing the opposite – there is a defined solution, the parameters are known by everybody, but the political will is lacking to bring about such a settlement.

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And so in my view – and in the book I have laid a specific path. It doesn't have to be the only one but it's a possible path that the president can take if he chooses to take on this difficult assignment. But I think that we are rapidly approaching the point where if we don't have a solution today, the alternative is no solution for a decade or two or three. And then, of course, naturally after that, a one-state solution where the Palestinians will be the majority – they are – some people say

they are the majority today – and territories under Israel’s control will ask for the only natural thing, which is equal rights in the state they live in, if they cannot have a two-state solution.

And therefore, I don’t think that one, in my view, can keep on talking about a process and giving the impression, or the illusion more like, that by doing this one further step we are moving along a road to produce peace. That era, in my view, is over. We are beyond tactics. We are beyond process. Nobody is interested in a process anyway in the Middle East. And no Arab country, in my view, whether moderate or hardline, today is interested to yet again attempt another process that in the Arab world’s view, only gives Israel an excuse to build more settlements, create more – (inaudible) – on the ground and basically postpone what, in Israel’s view, would be the final – the final outcome.

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And so, once again, I come back to the difficult and the impossible. My recipe is that as difficult as this undertaking is – and I don’t belittle the difficulties at all – it is still better, in my view, than the impossible, which is to wait for a better time. It is my view that a better time is never going to come. And if you want to wait until the dust settles in the region, the dust is not going to settle on the side of peace.

MR. KURTZER: Thank you. Our second speaker is Bill Quandt. Professor Quandt is the Edward Stettinius chair of politics at the University of Virginia, and has had a long career, both in and out of government, focusing on the Middle East, including as a senior fellow with the foreign studies – I’m sorry, the Foreign Policy Studies Program at Brookings and before that serving as a staff member on the National Security Council, where he was actively involved in the Camp David negotiations – the first Camp David negotiations and the Egyptian-Israeli Peace Treaty.

I might add that Bill is also a co-author with me, Steve Spiegel, Shibley Telhami and Scott Lasensky of another book that’s just been published called “The Peace Puzzle.” We’ll talk about that on another day. But, Bill, please.

WILLIAM QUANDT: Thank you very much and my thanks to Carnegie for hosting this event. It’s nice to see so many friends of long standing and acquaintances, a few of my former students and even my colleagues from UVA in the audience. So the chapter that I was asked to write for this volume addressed the question of whether recent changes in the Middle East have made the peace process, peacemaking, more or less important, or more or less difficult, from an American standpoint.

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So let me just quickly give you my, perhaps not terribly surprising, answer to the question I was asked to address. First, I still think it is the case that the United States would serve its national interests quite substantially if we could help to broker an Arab-Israeli peace, an Israeli-Palestinian peace, and as much additional peace as we can. And that is not a terribly controversial statement, I would venture to say. Most observers would probably agree that Israeli-Palestinian peace, and broader Arab-Israeli peace would be a good thing for the United States.

There is an argument over how good a thing it would be. Some would say, yes, it would make some difference but not a huge amount; it doesn't solve all of our problems in the Middle East. And of course, I don't think anybody really argues that Arab-Israeli peace is a panacea to all of the problems of the region. But I do think it would make quite a bit of difference. It would be all on the plus-side of our national interests.

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I cite in the article two recent military commanders of the Central Command who happen to agree with that. And I assume that they look at the region from a strategic standpoint and for them Arab-Israeli peace is not, you know, the first thing on their agenda, and yet they both have made very strong statements that imply that it would make our strategic interests in the Middle East region more secure if Arab-Israeli peace could be achieved.

The second point I would make about the concept of national interests as it relates to the Arab-Israeli conflict is that unless a president genuinely believes that it matters in terms of American national interests to tackle this very difficult problem, they're not going to make any effort. The presidents who have tried the hardest, and I think Aaron Miller and I would agree on the list of those three or four, were all keenly aware that very major national interests were at stake.

In 1973, it was easy to remember why it mattered. It was also true in the Carter period and I think in the first Bush period. Presidents who don't think that American national interests are so vitally at stake don't try as hard and correspondingly they don't do as well. They tend to think that managing the problem may be all that can or should be done.

The second thing I do in the chapter is look at – briefly at recent developments in the Middle East, the various Arab Spring developments, Syria's civil war, Turkey's role in the region, Iran's ambitions. And I try to answer two questions: Do these developments, taken one by one and overall, make Israeli-Palestinian peace more or less urgent and important? Do they make it easier or harder? Let me take the easier or harder question first.

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Obviously, if this were an easy problem it would have been solved a long time ago. So I'm not going to try to say that recent developments make it any easier. It is a hard problem. It's been a hard problem. The question is, as I think Marwan stated it, is it just a hard, difficult, thorny problem or is it genuinely an impossible problem for diplomacy to tackle? And I would come out on the hard but not impossible side of that debate.

I do think that on the question of whether it's more important now in light of developments in the region to make the effort, I would answer in the positive. I think with all of the combustible material that is out there in the Middle East – with the Arab Spring developments, the rising tide of populism, people no longer deferring to the authoritarian regimes that they have had in place for so long – we're going to see a sensitivity to the Palestinian issue.

It's always been there, but it's going to once again be very much a part of the public discourse. We saw it just in the last week or so with events in Gaza and the preoccupation in Arab media with those developments, Arab leaders trying to legitimize themselves by rushing off to Gaza.

I think that that is not just a flash in the pan but is an indicator that this issue is as sensitive as anytime in the recent past.

Today the United States still has a few good working relations in the Middle East – not so many and not perhaps the traditional ones that we’ve counted on. But we have, for example, pretty good working relations with Turkey and I think, perhaps, with Egypt. That’s kind of an interesting and potentially important development.

And I think with both of those partners, and with the good relations – I don’t want to exaggerate it – but good relations that President Obama has with Israel generally and won’t say with Netanyahu, but I think that he has an OK relationship, I think we have the makings of a serious attempt to mobilize forces in the Middle East to work with us on peacemaking.

Egypt and Turkey working together have reasons to try to moderate Hamas’ ideological stand in the region. They have an interest in trying to isolate Iran from dominating the region. And I think with those two partners and with Israel at least willing to talk, there is some possibility to get something started.

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And then I would agree with what Marwan said, that if we don’t seize whatever opportunity there is in the present, prospects for a negotiated solution anytime in the near future are really very slim. Maybe it’s already too late. I don’t think we will ever know unless we give it a serious try. But in all honesty we have not made a full attempt at serious Arab-Israeli peacemaking for at least 10 years, and one could even argue longer than that.

We now have a re-elected president. He doesn’t have to take his entire first year getting up to speed. He is presumably in the verge of making some new decisions about who his top foreign policy and national security team will be. All I would say is that if he is tempted to tackle this issue one more time, for the reasons that we lay out in the book and his own – whatever his own reasons are, he needs to be very serious about getting the A-team in place because you don’t conduct serious Middle East diplomacy without your best team in place. So that’s pretty much what my chapter says. And it reinforces what you heard from Marwan.

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MR. KURTZER: Thank you. I will be taking questions after all of this concludes, so if you jot them down we’ll be able to do that later. Our third speaker is Aaron David Miller, who is the newly-appointed vice president for new initiatives and a distinguished scholar at the Woodrow Wilson International Center for Scholars. He served previously at the center as a public policy scholar, where wrote one of his several books called “The Much Too Promised Land: America’s Elusive Search for Arab-Israeli Peace.” His newest book on the presidency is just about – I suppose it’s due out now.

For more than two decades, Aaron served in the Department of States as an adviser to both Republican and Democratic secretaries of state in helping to formulate and execute American policy with respect to the peace process. Aaron.

AARON MILLER: Dan, thanks. I'll be brief. It's an honor, first of all, for me to be here; I worked with all of these gentlemen. Not with Bill, but I wish I had, since Bill Quandt was associated with the only administration that actually succeeded in brokering a permanent status agreement between Israelis and Egyptians that actually involved a fundamental exchange of territory into something that we could loosely describe as a – well, peace is the absence of war, but it was a notable, notable accomplishment.

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Marwan, Dan and Rob and I have spent probably more time – more hours than any of them would care to admit, particularly these days, I suspect. My own views on these – on this matter – and I'll concede this openly—have become, and I use the term specifically, “annoyingly negative.” I left government in '03, and I took a look at what I saw, and over the past decade or so, I haven't seen much that has impressed me in terms of what would be required to actually get to a conflict-ending agreement, and I choose my words very carefully here – conflict-ending agreement. I didn't say accommodation, interim agreement, peace is the absence of war – an agreement that ends the Israeli-Palestinian conflict so that an Israeli prime minister could stand before the Knesset and a Palestinian president could stand before the Palestinian legislative council and say the following: all of the core issues that divide us – Jerusalem, borders, security, refugees and the recognition of Israel as the nation-state of the Jewish people, have been resolved. No more “irredenta,” no more claims. We don't love you – one another – we may never love you, but our business with you is done. I do not see, with my eyes – and Groucho Marx said it best; who are you going to believe, he said? Me, or your lying eyes? I do not see the prospects of that kind of an agreement materializing any time soon.

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And I'm not sure what to do with that, because that conflicts with my view that the Israeli-Palestinian conflict is critical in so many respects to regional peace, security, stability, the character of a democratic Jewish state, the moral necessity of Palestinians being empowered with their own real state stability in the Arab world; the list goes on and on. And it conflicts with my view that we have a national interest – the United States has a core national interest in seeing this problem resolved. I concede all of that. I'm looking for a way to reconcile the absence of a conflict-ending agreement with those realities.

And let me offer three observations. Number one, in my judgment, the pursuit of a two-state solution is too complicated right now to succeed, and yet too important – resonant and relevant still – to fail; two, that creates a sort of “Twilight Zone” – neither peace nor confrontation, within which the diplomacy with respect to this conflict will probably be waged in the coming months and years.

That environment is defined by leaders who are profoundly constrained, divided polities – I've made the point without trivializing it – the Palestinian national movement resembles a Noah's Ark, and the problem is getting worse. There are now two of everything. Two constitutions, two visions of Palestinians, two polities, two security services, two separate sets of patrons, and one of the distinguishing qualities of statehood is acquiring a monopoly over the forces of violence within your society. If you do not control all of the guns, you control nothing. That's the Palestinian problem. Israel is divided, polarized – a prime minister who is at war with himself, in my judgment,

against the backdrop of a divided nation which now has other priorities, not to mention the state of play in the Arab world, which has created a situation where it is going to be harder now for President Morsi to even accept a solution on Jerusalem, because it's going to require, on his part, very painful and uncomfortable compromises.

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Three, the problem then is what to do. And I concede that there's a huge gap between what it is we want to achieve and where we are at the moment. I see this diplomacy, frankly, in the wake of the recent confrontation and conflict in Gaza, moving into an entirely different direction. I see an implicit alignment of interests developing between Hamas, between Morsi and between – I'll say Israel, but I really mean Benjamin Netanyahu. And this line of interest – this alignment, which has been building for some time, to me, is probably the single greatest threat and challenge to those who want to pursue the alternative, which is a meaningful two-state solution.

This alignment – this cabal, implicit, indirect, creates a situation where it is in the interests of these three parties not to move toward a conflict-ending agreement at all, and that, I think – the predicate for this has been laid in the recent conflict in Gaza. It is not in Morsi's interest – he barely can bring himself to use the word “two-state solution.” If I'm not mistaken, the latest ICG report – Rob, correct me if I'm wrong – basically posits that Morsi has not used the word “Israel” once publicly since he's come to power. Hamas has no stake in a negotiation right now on the core issues. Their stake is consolidation of power in Gaza; it's creating a relationship with the Israelis which allows them to do what they really want, which is to open up Gaza economically, to enhance their own legitimacy and to control the smaller Jihadi groups, which only economic dividends and benefits will allow them to do.

And I do not believe Benjamin Netanyahu is the leader – even though he is a legitimate, authoritative leader – he's the only Israeli politician that can assemble a coalition today in Israeli politics – I don't think it's in Benjamin Netanyahu's interests either to push down the road toward resolving Jerusalem, borders, security and refugees.

Finally, point four – it was H.L. Mencken who wrote, not far from here, up in Baltimore, that it is unfashionable, in a democracy, to talk about the disease without talking about the remedy. I would argue Mencken was right.

We need to face up to the nature of the illness – the disease, the enormity of the challenge that we now confront, standing in the way of a two-state solution. Only then will the president of the United States – and I would argue to you, he will, before his time is done, launch a significant initiative to resolve the Israeli-Palestinian conflict. I don't think he can help himself. The question is, as he goes through it, is he going to be smart about it? Is he going to think it through, and will he ultimately succeed?

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My final point – and Bill and I have been discussing this and arguing about this for years; Dan and I have been arguing about it for years. Rob and I, I think, agree, and Marwan's views I do not know. And it is this: any time there has been a breakthrough in this conflict, it is because the parties, for their own reasons and because their own calculations changed in response to prospects

of pain or gain, incentives or disincentives, changed those calculations and owned the process. They owned it, and it was only then – and there is no exception to this rule in the three or four breakthroughs that we have facilitated – only then could the United States, assuming it was smart – and I’ll be quite clear about my own bias here – the last time we had a serious foreign policy in this country was Bush ’41 and Jim Baker. Certainly that’s the case on the Arab-Israeli issue. It was a four-year run only, and it was too bad, because had Bill Clinton lost and Rabin not been murdered, the whole tenor of this conversation that we are having here today may have been fundamentally altered. We might have had one agreement, but it is ownership that is critical, and unless we can produce it – and I argue in my essay that we can’t – we cannot create that kind of ownership. It’s going to be very difficult to accomplish and achieve this conflict-ending solution. Thank you.

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MR. KURTZER: Thank you. Our next speaker is Robert Malley, who is the program director for the Middle East North Africa at the International Crisis Group. Rob, in this position, oversees analysis and policy recommendations reflecting the entire region, with a heavy focus, of course, on the Arab-Israeli conflict. Previously, Rob served as the assistant to President Clinton for Arab-Israeli affairs, the executive assistant to the national security adviser, Sandy Berger, and as the director for democracy, human rights and humanitarian affairs at the National Security Council. Rob?

ROBERT MALLEY: Thanks, Dan. The great thing about speaking after Aaron is that I could sit here and say that the end of the world is near, and I’d still sound like an optimist. (Laughter.) It’s also great because he really set it up well, and I do agree with a lot of what he said, even though I may differ – some of the conclusions. But I want to start with, sort of, what he was laying out, which is that, for me, the war on Gaza is very much a microcosm of the tectonic shifts that the re-elected President Obama is going to face, tectonic shifts in the region, and which are going to shape whatever can be done between Israelis and Palestinians, and I just want to mention – four of those changes – again, I think Aaron touched upon most of them.

The first is a change in the make-up of the region. Egypt is no longer what it once was; it’s not the country that the United States was used to dealing with. The wave of Islamism in the – in the region is something that has profoundly affected the opportunities for or lack of opportunities for progress between Israelis and Palestinians. And if you look at the way President Morsi acted, so you could see some good news and some, perhaps, less good news. As – again, I think, as Aaron said, from the perspective of President Morsi, and perhaps from the perspective of Islamists and the Muslim Brotherhood throughout the region, the priority today is not confronting Israel. The priority today is perhaps not solving the Israeli-Palestinian conflict. The priority is consolidating their domestic rule, and if that means making compromises with the West, and, in fact, being pragmatically useful to the West, so be it.

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And that may be, as I say, good news in that they have become or they have acted possible partners in the search for certain solutions. But of course, there’s the flipside, which I think Aaron also mentioned. I think President Morsi did mention the word “Israel” only during the conflict, when he was denouncing the actions that Israel was taking in Gaza, but before that, he hadn’t. I don’t believe that in his speeches he’s spoken about a two-state solution, and I think it’s going to be

difficult to have, from a country like Egypt and its Islamist partners in the region, the kind of proactive support and pushing for the two-state solution that we've come to know.

So that's obviously change number one, and the role that Egypt – but also, to some extent, the role that Qatar and Turkey are playing, has to be taken into account. The second significant tectonic shift is the one that we've known for some time, but perhaps brought into greater light by the conflict in Gaza, is the change in the Palestinian political landscape. The respective fortunes of Hamas and Fatah – at the time when President Abbas was thinking of going to the U.N. and now, I believe, his hands have been forced and he has to go to the U.N. – when you compare that action, a diplomatic action, an action that is much more in line, one would think, with what Western powers and even Israel would want to see, in comparison with what – the actions that Hamas and other factions in Gaza engaged in, and yet one is likely to be rewarded with some form of punishment – perhaps the withholding of taxes on the part of Israel, perhaps actions by our Congress, and the other achieved a ceasefire.

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Another irony that one of my colleagues noted – at the same time as Hamas was negotiating an end to any Israeli attack in Gaza – any incursion in Gaza, the West Bank was a theater of Israeli incursions to kidnap or to arrest or to prevent attacks. So the comparison there just becomes increasingly difficult for Fatah, for its leader, Mahmoud Abbas, to make a case to his own people, because what would that case actually look like? What does he have to show for years of diplomacy and years of on and off negotiations? The fact is that today – we've seen over the last few days during the war the first demonstrations in the West Bank in which Hamas was sporting its flag. So I think we see in even starker relief than we've known in the past, the shifting balance of power on the Palestinian scene, and again, as Aaron said, the reaffirmation or affirmation of Hamas as the more effective address both for war making and for negotiations.

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The third shift is a geographic shift on the Palestinian landscape; Gaza orienting itself increasingly towards Egypt and with all that that entails, and what it entails, perhaps, for the future of a united Palestinian entity, and one could, perhaps, project into the future and wonder whether the West Bank might be moving incrementally more towards Jordan, but this is something Marwan could talk about. And finally, a change in the way we think about possible solutions. Again, Aaron laid out two options, which is a negotiated two-state solution, or on the other hand, forms of co-existence between Palestinians and Israelis – sort of a long-term truce very much in line with what Hamas has called for in the past.

Well, the Gaza conflict ended in a way that is obviously much closer to the second model than to the first, with a form of coexistence, a long-term truce, perhaps, in which Hamas agrees not to fire rockets and Israel agrees to leave the Palestinians alone, and in this case, to deoccupy Gaza, to leave them up to their own business. This is an outcome that Hamas can live with – this is an outcome that the Islamists in the region could live with. It may be an outcome that some Israelis could live with; it's an outcome that the Palestinian national movement – the mainstream Palestinian national movement – President Abbas, the PLO, Fatah, are inherently hostile and basically puts them out of business and puts them out of existence. This is not the kind of solution that their project stands for. They are against an interim solution, they are against any long-term truce, and yet this is what the model of Gaza points to.

So all this is to say that the ground beneath the feet of the administration has shifted in radical ways. It had begun to shift, of course, even by the time President Obama took office four years ago, but as I say, the events have accelerated, and the three fundamental pillars of – the traditional pillars of U.S. peacemaking in the region – A, reliance on strong entities, Palestinian or Israeli, to make decisions and to make them stick and to sell them to their people. B, the existence of Arab states that were prepared to help the U.S. in this endeavor and to provide cover for the Palestinians – perhaps pressure the Palestinians and then reciprocate with the Israelis.

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And C, a strong United States that had the ability, the credibility and the leverage to make things happen. All three of those pillars have eroded and perhaps no longer exist. Now, does that mean that the U.S. has to simply step back and let events take their course? No, I don't think so. I think the fact that the events today are not ripe for our traditional peacemaking doesn't mean that we stay quiet and don't try to make them more ripe, but it does mean that we have to change our way of looking at the conflict and the way we address the conflict, because if we don't – and in this I have to echo what Marwan and others have said – I think the president will wake up – this administration or the next – wake up to a world in which the very idea of a two-state solution has become a thing of the past, and that – they may not be quite as far as people think. Some people think that day is already upon us.

But what does it mean in terms of the changes that the U.S. has to make in how it approaches peacemaking or its efforts in the region? The first is a different take on Palestinian politics. We may have our preferred partner among the Palestinians. We may have much more in common, as we do, with President Abbas and what he stands for than with Hamas, but it really doesn't make sense to put our heads in the sand and pretend that Fatah is what it once was, that it has the ability to generate popular support as it once did, and that Hamas is as marginalized as it may have been in the 1990s. None of that holds anymore, and if we don't adjust our take and our stance towards domestic Palestinian politics, towards the idea of reconciliation, and if we don't use the act that we now – our main allies in the region are the very allies that Hamas has today; Egypt, Qatar, Turkey – the ones we're working with on a host of issues are the very ones who today are the new patrons of Hamas.

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So if we don't adjust to that reality, we basically are – just as you can't wage yesterday's war, you can't wage yesterday's peace or attempt yesterday's peace. These are different – a different Palestinian world that the United States has to deal with. Second and broader point – it's not just on the Palestinian side and the Islamists that we have to deal with; there's a whole host of new actors. Whether it's the Islamists, whether it's the refugees, the diaspora, whether it's settlers or the right-wing constituency in Israel, these actors have to be brought into the mix. The notion that we used to have in the past that these are spoilers, and therefore we can't deal with them – well, the fact that they're spoilers means you have to deal with them, and the notion that you could simply make peace with like-minded people doesn't take into account, certainly, the precedent of the last 20 years, and doesn't take into account common sense.

The ones who are most mobilized today are not the ones who favor the kind of peace deal that the United States has stood for, but precisely those who have tried to counter it. So you need to find ways to bring them in and to see whether you could take their interests into account, which leads to my third point, which is that we have to rethink the solution that we all thought we knew.

You know, I've been as guilty as I think many in this room in parroting the notion that we know what the solution looks like. If we knew what the solution looked like, and if everyone agreed on what the solution looked like, we would be there already. The fact that we haven't gotten there means, I think, that we have to revisit those assumptions. And even if they were – and I believe that peace might have been possible at the end of the 1990s and 2000 if people had dealt with things differently, certainly those conditions have changed, and what would have been possible then is not today. And some of the issues have acquired increased salience – religious issues, the issue of recognition of Israel as a Jewish state, the issue of Jerusalem – as I already mentioned, the notion that today, Jerusalem could be dealt with the way it was dealt with in the past, given the rise of Islamists in the region, given the rise of Hamas – that's not possible.

So we have to think of new ideas. Perhaps we have to even think of different outcomes. You know, can we or should we be looking at conflict-ending agreement, or are there other agreements that one could look at in the immediate future? If we don't make those adjustments, as I said, we will be pursuing yesterday's peace. And the ground beneath our feet has shifted to the extent that peace or an agreement between Israelis and Palestinians is as urgent as ever, but it has to be pursued in ways different from the past.

[00:41:24]

I'm convinced – as I think others have said – or at least, it's my belief that President Obama wants to do this. I think he recognizes – it is my assumption – that the way it was done in the last term was one of the areas where his foreign policy fell the most short of his aspirations and his ambitions. I believe he is going to try it again. I think he believes he has to try it again. My concern is that we will not have adjusted to these new realities, Palestinian realities, regional realities, psychological realities. If we do so, there may be a way forward. If we don't, we're likely to wake up a few years from now, just at the time when there's a greater consensus at least in the U.S. and Israel on the notion of a two-state solution. That's pretty recent. You know, it's not that long ago that the United States was calling for a Palestinian state. But we might wake up just at the time when we realize the importance of a Palestinian state, of a two-state solution, and figure out that that solution has slipped away.

MR. KURTZER: You now can see a little bit of the smorgasbord that you're going to experience when you actually read the book. There's 12 very different chapters, and all of them, I think, are engaging.

What I want to do is conclude the formal part of the program before we open up the floor to questions with a presentation that I think will be annoyingly positive. (Laughter.) And I say that not out of naiveté or Panglossian view of the world; I say it because I think it's a very pragmatic and practical way of looking at American interests and what needs to be done.

[00:43:04]

Unlike almost any other conflict in the world, the Arab-Israeli conflict has a way of intruding upon the agenda of the American president. The United States, because of our wide interests around the world, deals with a lot of conflicts all the time. And yet when the Arab-Israeli conflict bursts out in some kind of violence, it takes up presidential time and attention, as we saw last week. For the president to be on a trip to Asia, an important trip to Asia, but to take time, which the White House spokesman indicated kept him up until 2 and 3:00 in the morning speaking to leaders in the Middle East, tells you that the president can, if he does not do otherwise, become a firefighter, constantly putting out small brushfires in the Middle East that's not going to let him pursue another agenda, number one.

Number two, the fact of the matter is that for the past 25 or 30 years, including part of which I served in the government, we got off on the cheap with respect to our Arab-Israeli policy. We didn't have a policy. We had an approach, we had tactics, we had responses to specific ideas, but we had no policy. When you asked anyone in the administrations that preceded the Obama administration, what is the objective of the United States, the answer was, well, we want to get to negotiations. That's not a policy. That's an approach. That's a tactic. That's part of a policy. We don't know where we're heading, and we don't know what the United States believes should be an outcome in the Arab-Israeli conflict.

[00:44:47]

Number three, there's a view which was not expressed here today, but is implicit in some of the things that you hear around town, that it's too hard to do this diplomacy now. It's too hard because the parties are far apart, the leaders may be weak or unwilling, the situation is tough. The fact of the matter is the United States can do tough diplomacy. And we have done tough diplomacy in the past. I would venture to say that if we ask our military to do a tough task, we will never hear the response that it's too hard or that we may fail. When the military is given a task to do, they salute and they try their best to achieve that task. Why not ask our diplomats to do the same tough tasks, to salute and say we're going to try our best, to make sure that the president knows that it's going to be hard, and we'll be there with strong backbone when we face the challenges that we will face? But we have done tough diplomacy even on the Arab-Israeli conflict.

And finally, before suggesting an actual pathway forward, there is no alternative to the solution of the Arab-Israeli conflict than the partition into two states of the land that both Israelis and Palestinians call their homeland. And both parties have tried all kinds of ideas over the years to avoid facing each other and admitting that fact. To be sure, their national narratives are remarkably parallel; they're almost mirror images of each other. And to be sure, if they ever did look at each other, they would understand that neither one is going away. And so at the end of the day, we have to talk about partition. And the longer we delay it, and the longer we try to come up with alternative ideas that circumvent or cut across or try to slice this into pieces that are more easily digestible today, the harder it will become. And on that, I think all of us agree.

[00:47:01]

The chapter that I wrote in this book actually suggests a policy for the United States. I left the tactics for the president to decide once he has a policy. First of all, I think the president needs to insist that the physical template of Israel and Palestine be created. Israel is now 65 years old and yet

we don't know its borders. Palestine is a state that we all say should be created, and we don't know its borders. And before we can imbue the state of Palestine with the powers that it should have to exercise its functions internationally, we ought to know where it's going to be, and where it's not going to be. And President Obama got it right in May 2011 when he suggested starting the negotiations on borders from the 1967 lines, understanding that those lines will change in the course of the negotiations, and those changes will be compensated for by swaps of equal size and equal quality. It's not going to be easy to do those negotiations, because both sides have aspirations for controlling territory that cannot be addressed if this in fact is going to be a land that is partitioned. But until we know where the state of Israel is and isn't, and until we know where the state of Palestine is and isn't, everything else becomes commentary.

[00:48:31]

So the first element of American policy is to have a very firm idea of what we're talking about with regard to the borders of the two states that we would like to have created. It doesn't mean that we have to draw those borders. That will be a subject of negotiations. But the two sides have actually talked about this productively. They have come remarkably close. They didn't finish the business of closing those discussions, but we have very keen sense of the direction of the thinking of both sides on this issue, and we ought to make it happen.

Number two, the corresponding aspect of this issue that the president addressed in May 2011 was to talk about security, security for the state of Israel and security for Palestinians and the impending state of Palestine. A lot of work has been done on this as well. James Jones, who was our national Security adviser, undertook a major study in the Bush administration before he became President Obama's national security adviser. We haven't seen what that study is, but there's a lot of work that went into that study, and we ought to use it as a policy basis for the approach of the administration. The United States security coordinator is not just an equip-and-train mission, as you will see in one of the chapters of this book. It is in fact the only mechanism that we have other than our special envoy that's able to talk to both Israelis and Palestinians every single day. And they're able to talk about security issues that motivate both sides every single day.

We all know that security arrangements are going to be complex. There's going to be many overlaps, they're going to be quite intrusive in many respects, local, regional, international guarantees, you name it. And that's fine, because this is going to be one of the most critical elements of any outcome, is to assure that both sides believe that their security can be better off as a result of an agreement than it is today. And there will be a need – and we need to address this as our policy as well – to understand that we're going to have to provide additional – probably large measures of additional U.S. assistance, particularly to the state of Israel. We already are Israel's largest, in some cases, only benefactor with respect to security assistance, and it should rightfully go up as a result of an agreement, because Israel needs to know that its security will be at least as good as it is now, if not better, as a result of an agreement with its neighbors, and also needs to know that the United States' commitments have an element of constancy to them.

[00:51:18]

Third, we ought to know what it is that we believe in with respect to the core issues that you heard talked about today and you know so well – security, borders, Jerusalem and refugees. And we don't know. When we send our diplomats out to argue the case for the peace process, and they're

asked, well, what is your view about the ultimate disposition of the refugee issue, we don't have a view. And we ought to have one. What we do with that view, whether or not we decide to make it public, whether we decide to activate it as terms of reference in negotiations, whether we decide to at some point take it to the United Nations Security Council and formulate a new resolution as a basis for resolving this conflict, is a tactical choice for the president to make once he knows what it is that we believe in. And right now, the president does not have before him a set of parameters or a set of views on what to do. There is in the appendix of our volume a suggestion of what those parameters could look like. People are going to have different views, but we ought to have that discussion, and it ought to form the basis for a policy for the United States.

Number four, there's already a lot of work that's been on Palestinian institution and economic capacity-building. It's not enough. Many of us have traveled recently to the West Bank. Some have traveled to Gaza; I was in the West Bank just two weeks ago, just before the Gaza crisis. And there's a lot more to do for us to be sure that the Palestinian state that is going to be created is not going to be a failed state right out of the starting gate. A lot of hard work has been done; President Abbas, Prime Minister Fayyad are committed to building the institutions of statehood and the capacity to sustain that state with economic activities, and a lot more needs to be done. And we ought to be part of that solution.

[00:53:21]

Five, Israel with Palestinians agreed years ago, almost 10 years ago on the road map, to change their behaviors, to stop settlement activity, to stop violence, to stop incitement. Now, if you extract those behaviors from a larger policy, and translate – translate them into what's called confidence-building measures, we saw over the past four years that doesn't work, because there are no incentives politically for either side to take the hard decisions to change behaviors when they see nothing else happening. In the context of a large policy, however, those behaviors must change. And anyone who argues that the status quo is sustainable while the bad behaviors are continuing is guaranteeing that that status quo is going to deteriorate, and we'll putting out not just brushfires, but major conflagrations. So behaviors need to change in the context of a large policy.

Number six, the region can't get off the hook. One of the authors of the Arab Peace Initiative is sitting to my left. Marwan Muasher, I think, can take great pride in having helped bring the Arab world around to the idea that if we can build an edifice of peace around the end of the occupation and the changes that are required in order to bring about a two-state solution, then Arab recognition and the provision of security on the part of the Arab world to Israel are all in the cards.

But the Arab world can't sit back having taken this tough decision 10 years ago, and we have to find ways, as we did in the 1990s, to start building the people-to-people and institution-to-institution, track-two efforts, you name it, bringing people together to activate the kind of support structures that make the formal negotiations that will have to take place, make sense. So as part of a peace process, we should be making demands of the Arab world to step up to the plate, and to do what's necessary, not later, but even now in order to support a serious peace process.

[00:55:38]

And finally, the religious, ideological, historical narratives of the parties – this is an area that governments don't do. This is an area that motivates and attracts the support of people. It is very

much a part of the way Israelis and Arabs look at this conflict. And there are good people in the region who are working to figure out how to deal with each other, and how to talk to each other, not government to government, but religion to religion, ideology to ideology, internal dialogues within the settler community, internal dialogues within the refugee community, dialogues between Jewish and Muslim clerics. This is something that governments, and our government, should not do, but it's something that has a small cost that we can bear in order to support those who are doing it.

It seems to me that if we can get our own policy straightened out along these lines or as amended by other people with good ideas, then the president is in a position to choose the tactics that are necessary. Will negotiations be necessary? Sure, they're going to have to take place. Israel and the Palestinians have to look at each other face to face and decide how they actually want to solve this problem. Do we have to decide for Palestinians whether or not Hamas and Fatah deal with each other and how they deal with it? I don't know why that's our decision to make. It's a Palestinian decision to make. We have choices with respect to whom we're going to talk to, but we should not be choosing for Palestinians how they talk to each other.

[00:57:22]

But those tactical decisions become, in my estimation, far easier to make if the president knows that we have a strong policy foundation on which to rest. And that's chapter 12 of the book.

With that, let me open up the floor to your questions and comments. I think what we'll probably do is take two or three at a time. Try to address them specifically, if you could, to one of the panelists, and I'll try to keep track of that.

Why don't we start here? Identify yourself too, please.

Q: My name is Muhammad Jinnah (sp), the Voice of America.

My question is to Bill Quandt and Aaron David. Given that Arab countries accepted a U.S.-sponsored peace process instead of United Nations was to allow the U.S. mediation to counter the imbalance in power between Israel and the Palestinians, how could President Obama perform that role when Israel's prime minister gets 23 standing ovations in Congress, rejecting President Obama's proposal of 1967 borders as a basis?

MR. KURTZER: OK, Zvika.

Q: Hi, Zvika Krieger with the S. Daniel Abraham Center for Middle East Peace.

This question is for you, Dan. I wanted to follow up on your comment that you said that the U.S. should put out its position, and if not necessarily parameters, on the core issues. Where do you think would be the advantage of putting out clear position on the final status issues, both as you had mentioned, either having the position but keeping them private, or having a position and making them public? What is to be gained in making progress on that?

MR. KURTZER: Sir, right here, yup. With your hand up, microphone's coming.

[00:59:13]

Q: Thanks. Howard Sunkiff (sp), former USAID director in West Bank and Gaza.

I wonder – I don't know who exactly to address this to, maybe Rob – how long the center will hold in the West Bank? If you look at the chapters in your book, the one that Samir Hulileh co-authored, the one that Ghassan Khatib wrote, there's a lot of anger seeping through people who really have been – have been constructive partners for all of us for a long time. And if there isn't visible movement on the political track, how long do you think we can – we can really keep the West Bank stable?

MR. KURTZER: All right, one more. Way in the back.

Q: Thank you sir. My name is Iva Pullich (sp); I'm from Al-Jazeera Balkans. I'd like to know what is your opinion about possibility that Palestinians get some vote – I will say that – in the U.N. this week; I mean, in – (inaudible) – that they will try to get in the U.N. – and if they succeed, what consequences we can expect. Thank you.

MR. KURTZER: OK. Why don't we start – Bill and Aaron, you want to deal with that first question?

MR. QUANDT: Well, Congress makes everything much more difficult, because they don't think very deeply about the national security interests of this country. They think about politics. They are politicians, after all, so I don't blame them for thinking about politics. I'd be a terrible politician because I don't think very much about, you know, putting my finger to the wind and what's popular.

[01:00:55]

But at some point in the course of most big strategic decisions, the president, if he's serious, can get quite far down the road before Congress can really stop initiatives. You have to be willing to take a bit of flack. He's got supporters in Congress who are smart enough to know why this might be worth doing. What he has to avoid, I suppose, is gratuitously getting into battles with the Israelis over noncentral issues, because those battles we just always lose. And it was embarrassing when Netanyahu came here and basically shook his finger in the face of the president, and the president backed down. And Congress clearly sided with Netanyahu.

So yes, it is a real problem. It doesn't make his task any easier. But if he's willing to take the political flack – he, after all, never has to run for anything again. He does have to govern, but he doesn't have to run for anything. So insofar as the last year and a half has seen paralysis in Washington, due largely to electoral consideration, that constraint's lifted. As I said, he still has to govern, so he can't, you know, have terrible relations with Congress. But most people in Congress don't care that much about this issue. It's very easy for them to sign on. Those people who were standing up and giving Netanyahu his cheers in Congress – somebody said he could have been reading the Tel Aviv telephone directory to them in Hebrew, and they would have been doing the same thing. This wasn't about issues. It wasn't because they cared. It was that they wanted to make sure that their constituents knew that they were pro-Israeli.

[01:02:47]

So yes, they will always make the president's life a little bit more difficult. But it's no reason that a serious president can't get on with the business of conducting foreign affairs.

MR. MILLER: Yeah, just – let me add just two brief points. The founders, in their less than – in their less than infinite wisdom, perhaps, created a political system which was literally an open invitation to struggle. Congress is not some extraneous piece of the – some alien piece of our political system. The notion somehow that Congress is Israeli-occupied territory, or that somehow our political system holds the Arab-Israeli peace process hostage, is a – frankly is a naïve and flatly wrong conceit. A willful president who's smart and knows when to pick productive fights with Israel over issues that count can actually succeed. It's actually happened in the past.

[01:03:43]

So I don't think Congress should be looked at as some sort of foreign element. I've heard senior American officials curse Congress, as if they had all of the answers to the nation's problems. I'd no more – I'd no more want to entrust the Department of State with the conduct of this nation's foreign policy than I would the Congress of the United States. It is the president, ultimately, who defines the national interest and, as Bill appropriately suggested, navigates through this very imperfect maze.

One additional point, and I call it the second-term illusion. Let's be clear: The fact that President Obama isn't running for anything is not the point. There is no precedent for an American president, freed from the constraints of re-election, pursuing with abandon and without thinking through a huge initiative on the Arab-Israeli conflict. And you know why there's no precedent for it? There's no precedent for it because it isn't political constraints that determine when and how a president succeeds; it's opportunity. If, in fact, this president divines a chance, in part because the regional parties are willing to do stuff and because he is prepared to lead, it is the confluence of that that may provide a basis on which to succeed.

[01:05:18]

Legacy cuts both ways. If you succeed, you can be a hero; but if you don't succeed, you get no more chances, and you're the goat. And legacy is as much of a constraint in a second term as it is an incentive.

MR. KURTZER: I'll take the second question, which was addressed to me: What are the advantages or disadvantages of putting out the U.S. positions once they're articulated? And I'll just do a very short reminder of a history lesson. At the end of 2000, beginning of 2001, President Clinton developed the so-called Clinton parameters, which were his ideas of where he thought the parties both had come to and could come to with respect to negotiations.

The interesting – there were two interesting – or three interesting features of that exercise. Number one, it came too late in President Clinton's term. Number two, the president actually withdrew them when he determined that the two sides were not prepared to use them as a basis for negotiations. And then, number three, the two sides actually did use them as a basis for negotiations that took place in Taba right after President Clinton left office.

What's instructive about this is that the parties need terms of reference for negotiations. So as part of a strategy to play out American policy, either we can engage the parties in a very prolonged and probably unproductive exercise in which they try to reach agreement on terms of reference, or we put those terms of reference forward. But we can't put those terms of reference forward until we have an idea of what we think those terms of reference should be. We don't just draw them out of thin air. And we now have the experience of Camp David, of Taba, of the negotiations that followed Camp David and preceded Taba; we have the negotiations of 2008.

And so an American administration would have a fairly good idea of what would constitute parameters which we could accept as our policy – not something to simply dispense with if the parties don't like it – and which could serve as terms of reference and short-circuit the effort to get those terms of reference through negotiations. So it's a tactical decision that the president would make after we know what the terms of reference, or the parameters in this case, would actually be.

[01:07:51]

Third question to Rob from Howard Sumka.

MR. MALLEY: Yeah, actually there were two questions that I wanted – because they both have to do with sort of the other side, the – Abbas' project and the – and the PLO's project. One had to do – the question that you asked was how long the center will hold. And then there was a question about the General Assembly resolution. I think both go to the core of the issue about – for how long can a project that has exhausted itself and that really doesn't have much to show for everything it's tried to do for the last 20 years – for how long can it survive?

If I were to give a risk-averse answer, I'd say I don't know. A slightly less risk-averse answer, I'd say not forever. (Laughter.) There are enough – there – we've seen cracks. You know, there are enough reasons why people in the West Bank don't want to resume armed conflict, don't want to go back to resistance. They've paid a price. They don't want to jeopardize everything that they've rebuilt since the Second Intifada.

[01:08:44]

But as I say, you could look at some cracks. You could see the demonstrations that first took place several months ago or weeks ago against the Palestinian Authority because of the – of the elimination of economic subsidies. You now saw the renewed demonstrations, this time in solidarity with Gazans. But as I said, they were – they were showing Hamas flags. And the Palestinian security forces this time chose not to take action against them out of fear that it could – it could – it could backfire.

And over time – I think it was – Keith Dayton had given this whole project a two-year shelf life. We're beyond the two years, but as I say, things are cracking around the edges. And over time, I think the problem is that the Palestinian security force would look increasingly like a subcontractor for the Israeli occupation. The Palestinian Authority would look increasingly like a body whose sole interest is its own self-perpetuation. And the Palestinian leadership in the West Bank would look increasingly like people who are simply interested in the retention of their privileges. So I don't

know how long the current leadership will continue this, if in fact there is no prospect – no prospect for change of realities on the ground, for an end to the occupation.

And that explains – I think it brings me to the next question – it explains what President Abbas is doing at the U.N. In many ways it's a real paradox because President Abbas, for those who know him, is the last Palestinian who believes in going to an international forum, who believes in making speeches at the U.N. or getting resolutions for the U.N. That's not who he is. He has been forced there, or he's felt that he's been forced there, for lack of any alternative. He sees this as the alternative to things that are much worse and much more inimical to the project that he's pursuing.

He is – again, he's the most moderate expression of a generalized frustration and lack of hope and impatience on the – on the part of the Palestinian public. And going to the U.N. is the most moderate expression of that frustration. So we may – you know, Israelis may not like it; the U.S. may not like it. He really, politically, has no choice. And ultimately his survival depends much more on domestic politics than on international politics.

[01:11:01]

A smart answer to the U.N. bid – I suggest, and I think others agree with me – would have been for Israel to basically shrug its shoulders and say, let him – let President Abbas do what he wants. On the one hand, it would have taken away the big benefit – the one argument that the Palestinians have for going there, which is to be confrontational. If Israel were to say, fine by us if that's what you want to do; it's not really going to – (inaudible) – you a state, and we're not going to react in a harsh way that's going to make life for Palestinians in the West Bank even more difficult – if the U.S. were to take that approach, it would have been the smarter approach.

It doesn't seem that that's where we're headed. It does seem like both in Israel and some in Congress here are contemplating harsh retaliatory measures. Again, the image of punishing Abbas for going to the U.N. when Hamas has achieved a cease-fire after launching rockets I don't think is the image that one would want to project, if in fact the goal is to promote and to – and to boost the chances of President Abbas and the Palestinians he stands for.

So I see there are some Europeans in this room. Maybe they could do something at the U.N. that would be more productive in terms of supporting what President Abbas is doing. But I think it really has to be understood less as an act in which the president is trying to confront Israel and the world; it's really an act of survival.

MR. KURTZER: Marwan?

MR. MUASHER: Twenty years ago I was a diplomat covering Congress for the Jordanian Embassy here in Washington. And I remember how, you know, difficult Congress was with us because of our position on the gulf – first gulf crisis then. The late Tom Lantos, who – whose able staffer, Alan Makovsky, is with us today, was particularly harsh on our position during the gulf crisis.

[01:12:53]

And then one day in '94, King – the late King Hussein and the late Prime Minister Rabin came to address a joint session of Congress and had the Washington Declaration, if you remember.

The next day, the king met with Tom Lantos and the International Relations Committee at the House, and I was there at that meeting. And Tom Lantos stood up and said, Your Majesty, you have just entered Washington's magic circle of friends. And all the problems that we had in Congress – all of them disappeared in one day. What I want to say is that Congress does change its mind. (Chuckles.) (Laughter.)

And what I also want to say is that, yes, I do think it is unfortunate what Congress did with Prime Minister Netanyahu. But I agree with Bill and all the others who said that this is not because Congress really cares. I do think that President Obama has some domestic homework to do with the U.S. Congress before – if he ever decides to put a package, or at least parameters, on the table, he does need some domestic homework to do. But I have a hard time believing that a president who wants to, frankly, do not just the Arabs a favor but Israel also a favor by a two-state solution – I would have a hard time believing that Congress would say no to a solution that would, you know, have Israel live in peace and security with the whole Arab world forever. It would be difficult – it would not be that difficult to make the argument, even to a skeptical Congress.

[01:14:39]

MR. KURTZER: As you gird your loins for the next rounds of questions, I will just note that the book “Pathways of Peace” (sic; “Pathways to Peace”) will be available for sale here for those who want, or at Amazon, Barnes & Noble and your favorite bookstores. (Laughter.) Yeah, hold it up so you can see the beautiful cover. (Inaudible.) (Laughter.) There it is.

OK, Carole.

Q: I'm Carole Thompson. It's good to see everybody. Each of you has said so many wise things, and I'd like to ask each of you if you could say, you know, I don't know, three to four things that have to happen in the next three to six months in order to really make progress. And that's it.

MR. KURTZER: OK. Judith? Right.

Q: Judith Kipper. If only – Bill talked about the A-team – if only the president would be wise enough to get all of you in there as either consultants or staffers. Just a quick comment to Aaron: Yes, these are diseased parties. But I would have to say that their commitment to remaining victims and living so badly – that the U.S. lack of policy for the last 30 years, concentrating on peace processing instead of peacemaking, contributed vastly to the paralyzed condition that we find them in today. And it's going to be very hard to undo.

Question for Dan: How, with all of your excellent peace plan and your – the steps that have to be taken – how does an American president/administration really say to the Israelis, the gig is up? Forty-five years of occupation has absolutely zero purpose. It's destructive to the future of Israel. And settlements from the first day after '67 have always been a symbol of Israel's intentions about the land. And this is a real estate problem.

[01:17:09]

And very quickly to Marwan: You said –

MR. KURTZER: All right, Judith, let's – can we get some others?

Q: OK.

MR. KURTZER: OK. (Pause.) Fourth row.

Q: Thanks very much. Mike Kraft, former State Department counterterrorism specialist. I really have a question – I want to pick up on a comment that Rob made about realities on the ground. In view of the situation in Gaza with Hamas strengthening its position and the real disputes that continue between West Bankers and Gaza, should we perhaps be talking about a three-state solution and not a two-state solution, which might lead to two tracks of possible negotiations?

And also, I wonder, in view of the problems Abbas is having and the economic strikes or demonstrations, why do you all think that the gulf countries, particularly Saudi Arabia, have cut back on their financial support for the West Bank? Thank you.

[01:18:14]

MR. KURTZER: OK. One more, maybe way in the back.

Q: Hi, I'm Ali Gharib; I'm from the Daily Beast. I have a question for Ambassador Kurtzer and Mr. Musaher about the Arab Peace Initiative. And the ambassador said that the – that the Arab countries need to basically pay it forward with what amounts to confidence-building measures on the Arab Peace Initiative before we get to the endpoint on any of the negotiations. But I'm just wondering, at this point, what some examples of that would be and why the Arab capitals would be inclined to take them at a time when, as you said yourself, even the parties themselves lack incentives to do confidence-building measures. Thanks.

MR. KURTZER: OK. Who wants to take a crack at the three or four things that need to be done in the next six months?

[01:19:05]

MR. MILLER: I mean, I'd only say that it's now November. I would identify two things that need to be done. None of them relate immediately to this issue, but they need to be done. And they will speak volumes about this president and all foreign policy initiatives. Number one is the proverbial so-called fiscal cliff, slope, whatever it is, needs to be negotiated in a way that leaves the president as a clear winner with some bipartisan support, which will be critical if it's – if it – if it's going to succeed.

But the notion somehow that this president is free to pursue a variety of – I call – I divide them between migraines and root canals – (laughter) – in this region, whether it's an imploding Syria or a dysfunctional relationship with Israel or the arc of the Iranian nuclear program, is just – is extraordinary. We know – we talk about the Arab-Israeli issue as if it somehow is the most important issue and that everything else in the world, our – the health of our economy, a region in turmoil somehow subordinated to it. I mean, I don't – frankly, I know how important it is. I devoted a fair portion of my life to that. But it is not clearheaded thinking to try to detach it from

these other issues. I would submit to you no Israeli prime minister will make a decision on this issue until there is more clarity on the Iranian nuclear program – full stop.

So get through the fiscal cliff, and second, find a team – and thank you very much, Judith, but I would – I would respectfully regret and regret any invitation to serve yet again. (Laughter.) We were – we were all – we were all – Bill excluded from this – part of the problem. All right? We also did a lot of great work, but we were all part of the problem. There ought to be term limits imposed, in my judgment, on advisers to secretaries of state and presidents.

But here's my point. This president has been the most withholding foreign policy president, in my judgment, since Richard Nixon. He had an extremely talented and able secretary of state, which he has not empowered – not with one significant or consequential issue relating to peace or war. She found her own agenda. I call it planetary humanism. And it was an important one. It was gender equality, women's issues, social media, technology, the environment. Secretaries of state are responsible for the conduct of American foreign policy, working in real time with presidents. They need to own it. No special envoys, don't bring back Bill Clinton, don't appoint a special envoy – empower your secretary of state to direct a team in her agency to work this issue if, Mr. President, that's the way you truly want to go. So get over the fiscal cliff and get yourself a first-class foreign policy team led by the secretary of state.

[01:22:32]

MR. QUANDT: I'm astonished that I agree with Aaron – (laughter) – because I didn't with a lot of what he was saying before, but I do with – you know, obviously he's going to – if he wants to do something on this issue, you do have to have a secretary of state who is knowledgeable, is committed, can lead a sophisticated team, who can engage in some of the kind of rethinking that's being urged by people here.

I also think you have to stop doing stupid things that have been counterproductive. We have had a policy that consciously aimed at keeping Fatah and Hamas apart. That didn't just happen because they objected to one another. It also was part of our strategy. I think for us to continue along that path is counterproductive. Now, does that mean we're going to have to swallow hard and find ways to communicate with people that we haven't yet talked to? Yes. And we did it with the PLO.

The PLO in 1985 is about where Hamas is today. Yeah, more or less, I think that's true. Now everybody looks at, you know, Fata and PLO as kind of model citizens. They weren't model citizens then. We had to start talking to them when they were anything but model citizens. And I think that's going to have to come – the Palestinians will not be interested in or able to make peace with Israel as long as they're as divided as they are. If there is any chance for negotiation, it's going to be based on some kind of reconciliation, even if it's just kind of tactical. The reason to think it might work is that Hamas has said that they would not contest Abu Mazen's right to represent the Palestinians in negotiations, provided that the outcome of the negotiations is put to a referendum of the Palestinian people. That's not an impossible position to work with. It means you talk in formal negotiations with the PLO, but Hamas doesn't constantly try to undermine the process because they are part of some kind of a broad government that supports it. Now, maybe that's not going to happen in the next six months, but we should at least stop opposing it. And we have parties like the Turks, the Egyptians, the Qataris and others who can help us begin to put that piece of the puzzle in play. I think that's probably enough for the next six months.

[01:25:04]

MR. MUASHER: But beyond the fiscal cliff and empowering secretary of state, I think the president can, if he wants, do a number of steps. I've outlined some of them in the chapter as a possible course of action. I don't claim it is the only one necessarily taken. But I do think there is a possible course of action, which involves the president basically talking, privately at first, with four different constituencies, and getting what I would call end-game deposits from each of them, because there are things that the parties will not give the other part a priori without knowing what they are getting in return. They would give it to the U.S. president in return for what they need. That is not something that I just came up with. That's something that, you know, President Clinton and Secretary Christopher used with a deposit on the Golan Heights and with the late Prime Minister Rabin.

What I would suggest is that the president talk to the Israelis and the Palestinians and understand exactly what their parameters are in relation to refugees. I think whereas the Palestinians have a maximalist position on refugees today, they not – they will not necessarily have the same position if they know that they are getting in return a viable Palestinian state, you know, on the basis of the '67 borders. I think he needs to get some end-game deposits from the Israelis, what they are prepared to give in return for peace and security with all the Arab and Muslim world, the disarming of Hamas and Hezbollah and an end of conflict resolution; and to the Arabs – and here I have in particular the Saudis, you know, what would it take for the Saudis to sort of supervise a process of acceptance by the Arab and Muslim world a la Arab peace initiative in return for a viable Palestinian state that does include East Jerusalem; and finally, to (his ?) domestic audience here, particularly to the American Jewish community and to Congress, explaining why, you know, a resolution is in the interest not just of the U.S. but also of Israel itself – Arab states to respond to the question about the Arab peace initiative.

[01:27:43]

And to Dan's statement, I do not believe Arab states are going to lift a finger in terms of confidence-building measures if they don't know what they are getting in return. The old formula of do this for us and trust us, is over. There's no trust anymore. If we want to do confidence-building measures so the Arab states stay hard line and moderate ally, we need to know exactly what we are getting in return. If we are getting a viable Palestinian state with East Jerusalem, then we are prepared to go with this. If what we are getting are promises in the air, then nobody's going to lift a finger. That's why I believe the idea of end-game deposits is an important idea, because it sets the stage for the U.S. president of what parameters, you know, are acceptable, and then once he does that, in few months, then, you know, as Dan says, I'll leave the tactics to the president. Whether, you know, he presents the package in an international conference, whether he talks to the Quartet about it, whatever he needs to do, he can do it himself. In the end, if he is going to keep the process hostage to Prime Minister Netanyahu or to President Abbas, peace is not going to come. If he is able to present a package to both publics, then I believe a majority on either side, as the polls show, would accept a credible package that does involve a viable Palestinian state, the end of occupation, the disarming of Hamas and Hezbollah, East Jerusalem as a shared and open city and a capital of two states, I believe that the majority on both sides will accept that solution.

[01:29:28]

MR. KURTZER: And Rob, if you could also address – (inaudible).

MR. MALLEY: Well, that's what I was going to – because I think we've offered enough – three points, at this point, if I add mine. The president will be done with his four years before he gets to this.

But I wanted to address three questions that were raised and comments that I've heard just now – first on reconciliation. I think both Bill and I come from background of studying national liberation movements, and I think neither one of us knows a precedent of a national liberation movement that has succeeded when it was divided. It simply cannot work – not on the kind of existential issues. Either one side of the national movement prevails over the other and defeats it – as happened in Algeria – or they get together and they find some kind of compromise. I think that's why it's so important, if you want to find some kind of arrangement between Israelis and the Palestinians for the Palestinians to get their house in order and for the rest of the world not to stand in the way. God knows they have enough problems among themselves without others adding to them. I think the real question to Hamas would be what Egypt wants and whether Egypt can pressure Hamas in the direction – in a different direction, and that, I think, the jury is still out.

[01:30:34]

Second issue, very briefly, is on Iran. And it may well be that the Israeli government will not do anything on the peace process unless and until the United States deals with the question of Iran. And I'm in favor of an Israeli-Palestinian, you know, agreement as much as anyone, and I want the U.S. to be active. But I would caution that if the price for U.S. activity on Israeli-Palestinian question is a war with Iran, I would caution that we think again.

Third point on the three-state solution that was just raised. I think as we were saying earlier, we really are at a crossroads between two models, two paradigms. One is the traditional paradigm about – which is one that has the appeal of – you know, it's America's aspiration, it sort of has a stronger moral appeal, I'd argue, which is a two-state solution. It's one that the U.S. and others have been fighting for for some time, or at least advocating for some time.

The other is the one in which we're talking about peaceful coexistence with two forms of truce between Gaza and Israel on the one hand, between the West Bank and Israel on the other, and which Gaza, as I said, is looking more toward Egypt, and the West Bank at some point looks more towards Jordan. That model is more – we have to admit it – more in tune with the realities of the day, more in tune with the mood of the day. And as you say, Naga (ph) and I wrote in a recent article, it's one that allows Hamas and the Islamists to continue to perpetuate the struggle with Israel without having to wage it and to be able to focus on what their priority is today, which is more domestic and more consolidation of power. So there is a choice between one model which I think people at this table would feel more comfortable with, I think that is more in tune with our aspirations, and another which is more in tune with the current winds and the current trends in the region. And I leave it to you to divine which one has a better chance of succeeding, particularly if the United States doesn't try to do something to promote the one that it believes in.

[01:32:42]

MR. KURTZER: Two questions were addressed to me. On the question of what does the president of the United States say to the Israeli prime minister, I don't think he says the gig is up. I think the president needs to fulfill what I said earlier in my remarks, which is to ensure that Israel understands the constancy of American commitments and the fact that the United States fully

understands Israel's security requirements in the context of a settlement. It's been quite extraordinary, over the past four years, the degree to which the U.S.-Israeli relationship has expanded dramatically in ways that we saw play out last week in the conflict between Israel and Hamas, and yet the Israeli public does not trust the president of the United States, at the end of the day. So there needs to be a different kind of dialogue in which Israel understands that this is a president who not only provides the wherewithal and the goods and the money and the means, but also can provide some ideas that can help Israel out of the dilemma that it has been avoiding getting itself out of for the last 65 years. So the dialogue has to be a serious dialogue, not preaching.

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On the question of the Arab peace initiative and specific ideas, I agree fully with Marwan that we're not talking about confidence-building measures. In fact, the only time in which Arab states came forward in anticipation of a peace treaty or a peace agreement and actually engaged with Israel was when they believed in the early 1990s that a serious process had been launched at Madrid and then enhanced by Oslo and you had both the multilateral peace talks that took place in five different committees and you had the public/private economic summits. So I think a case needs to be made to the Arab world that in order to so-called activate the Arab peace initiative, we are in fact embarked on a very serious effort to bring about a realization of the vision that I think we all share for an end to the conflict, and that the Arabs who have a part to play. Specifically it can start with more participation in track-two meetings. It can start with more formal get-togethers on regional issues that can't wait for peace – health, water, environment, issues that don't know borders and are affecting everybody in that region because nobody's talking to each other about those problems. But I think asking Arab states to conduct a dialogue in the absence of a serious peace process is probably not going to work, and therefore, it becomes part of what I call the seven-point or whatever number of points there are program in which the United States has a serious and sustained approach to peacemaking.

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With that, I'm afraid we've come to the end of our program. I want to thank all of you for coming. I want to thank my colleagues and particularly Carnegie for hosting us, and hope to see you again soon. Thank you. (Applause.)

(END)