

**NATIONAL COUNCIL ON U.S.-ARAB RELATIONS**  
**16<sup>TH</sup> ANNUAL ARAB-U.S. POLICYMAKERS CONFERENCE**

**“REVISITING ARAB-U.S. STRATEGIC RELATIONS:  
GEO-POLITICAL, ENERGY, DEFENSE COOPERATION,  
AND DEVELOPMENTAL DYNAMICS”**

**11:00 – 12:30pm: “GEO-POLITICAL DYNAMICS (II):  
ISRAEL AND PALESTINE”**

**DR. PETER GUBSER, Chair**  
**Immediate Past President, American Near East Refugee Aid, Inc.**

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**MARK PERRY**  
**Co-Chair, Conflicts Forum**

**THURSDAY, OCTOBER 25, 2007**  
**RONALD REAGAN BUILDING & INTERNATIONAL TRADE CENTER**  
**WASHINGTON, D.C.**

*Transcript by*  
*Federal News Service*  
*Washington, D.C.*

DR. PETER GUBSER: Ladies and gentlemen, thank you very much for coming back. It's good to see you. And also, once again, thanks very much for coming to the Policymakers Conference. I think John Duke Anthony does an absolutely splendid job. I think I've attended every single one of them.

Before we start our panel, I just wanted to share a little piece of information. John was talking about the Model Arab League. It so happened I had the opportunity to attend the inaugural lecture of the Clovis and Hala Salaam Maksoud Chair. And the new holder of it – a young woman of Arab origin, but American born – is a graduate of the Model Arab League. So I must say, John, you should be very, very proud that this young woman has come up very well – well educated – and partly because of what you've done. Thank you very much.

We have a panel today on Geo-Political Dynamics: Israel and Palestine. We've all heard about Israel and Palestine way too many times. This time I hope our panelists will focus on how we go forward – not the history of it, but how we go forward and try to get a resolution to this.

Our panelists – and you've got their full biographies in your booklets, so I'm not going to go over that. I'm just going to mention a word about each one. First, His Excellency Afif Safieh, is the Ambassador of the Palestine Liberation Organization Mission to the U.S. Previously he was such an Ambassador in London where he had a great reputation and he has a great one here. I've had the pleasure of knowing him for probably 25 years.

The second is Daniel Levy, somebody I just met, but I know from a distance. He's currently senior fellow, New American Foundation. But also, he's been a senior adviser in different parts of the Israeli government. In addition, he was – had a major input to the Geneva Initiative, which was a formulation to try to get to the next stage of resolution to the Palestinian-Israeli dispute. I think it was an admirable document and I'm very pleased to have Daniel.

Third, another old friend is Mark Perry. He's co-chair of the Conflicts Forum. He's the author of many books and papers, et cetera that are on your program – also, he's a very good thinker on all of these issues. And let me also say – and I hope he will talk about this a little bit – he talks to everybody involved in these conflicts. And I mean literally everybody and I hope he'll bring some of that perspective to our group.

I'm going to take it in order that's in your programs. And I invite Afif to come to the microphone. Everyone has 12 minutes so that we will have time for question and answer.

H.E. AFIF SAFIEH: Thank you, Mr. Chairman, for your introduction.

I was introduced as an ambassador and when Christ'l and I left London some two years ago there was a joke fashionable about the difference between an ambassador and a camel. It seems that a camel can work for 10 days without drinking while an ambassador can drink for 10 days without working. I'd like to set your heart at ease! I'm closer to a camel. (Laughter.)

Ladies and gentlemen – ladies and gentlemen, very few Americans know – and as a matter of fact, very few Arabs – know that the first country to recognize the emerging independent state of the United States of America was not France who yes, deployed Lafayette – and his impact and input on the battlefield was tremendous – but an Arab country: Morocco, was the first to recognize American independence.

Ladies and gentlemen, also very few American know – and as a matter of fact, very few Palestinians know – that in 1919 when we discovered that we won't be having the independence promised, but foreign rule, we – the Palestinian society – then would have preferred an American mandate rather than a British mandate. And as you remember, Mr. Chairman, then the British had an empire from where the sun never set. And it's being said that it's because God never trusted them in the dark. (Laughter.)

We preferred then for three pragmatic reasons an American mandate rather than a British mandate. The first was the fact that – of your anti-colonial experience. The second factor was Woodrow Wilson who went to the Versailles Conference that terminated the First World War, upholding the principle of self-determination, which was music to our ears. And the third factor that very few know about, was the presidential fact finding mission – the King-Crane Commission that was deployed in 1919 in Palestine – came back to report to the President then, and the Congress then, by saying that the Balfour Declaration cannot be implemented unless there is massive use of force against the indigenous population.

Mr. President, it's often said in this country that Israel is the only friend of America in the Middle East. But we have to remember – you have to remember that before Israel, America had no enemies in the Middle East. So there is some soul-searching exercise – historical and geopolitical – that needs to be one day undertaken objectively. We have no problems with American values, systems, et cetera. Our only dream and prayer is that one day soon, hopefully, America will reconcile power and principles, and would have listened to our cry for freedom out of captivity and bondage, and instead of being part of the problem will become the engine of the solution.

A window of opportunity is opening. We are on the eve, a few weeks away, from what is supposed to be the Annapolis Conference. And I'll tell you very frankly, we the Palestinians are fully mobilized to give every possible chance of success for an Annapolis meeting/encounter diplomatic conference.

Let me tell you: I always believe that history is undecided. I don't believe in predetermination. And it's a good approach to believe that history is undecided, because it gives you the feeling that one can be a subject of history and not only an object of history. And I believe history being undecided, it allows us to try to help history make the right choice. Let me have in the minutes that are allocated to me to have a triangular, quick, telegraphic approach.

First of all, for many years we've heard that there is no Palestinian partner. I have always disputed this version or this hypothesis. I believe we, the Palestinians, from the October war, Ramadan-Kippur War of '73, we became unreasonably reasonable, moved towards the acceptance of the two-state solution. We're the rejected party and the rejectionist party until '93 – the Oslo process and the signature on the White House lawn. We were the rejected party and not the rejectionist party.

And I believe in recent months we have heard both theories. On the one hand we were not a partner because our government happened to be too radical. And some voices today timidly say that we are not a partner because we might not be sufficiently representative. I dispute, sir, that assertion. And I believe that in Palestinian society there was a consensus for years that those who negotiate on behalf of the Palestinian people are the PLO and luckily, Mahmoud Abbas is the president of the PLO and we are fully available to engage in meaningful, significant dialogue.

Those who invoke the facture in Palestinian society that I totally regret – and I hope it will be resolved in the coming months – I usually respond, sir, by saying all the issues of final status that we still have to deal with happen to be in the West Bank. The Jerusalem issue, the settlement issue, the Wall – the abominable, abhorrent wall – the water resources, final frontiers are all in the West Bank. So I hope that nobody will invoke that type of argument to again delay the process that has been already so far too often delayed.

By the way, sir, I always remind audiences of what I consider a very accurate definition of diplomacy given some 35 years ago by Nahum Goldman, an enlightened leader of the World Jewish Organization, commenting critically on Kissinger's shattered diplomacy in the middle of the '70s, he said, "It seems to me that the diplomacy in the Middle East is the art of delaying the inevitable as long as possible." We are already now in 2007. I believe that definition, painfully accurate, unfortunately remains today relevant: "Diplomacy: The art of delaying the inevitable as long as possible." And I believe that the international community has had the consensus since the '70s that there isn't one people too many in the Middle East – we the Palestinians, this time – but that there is a state which is missing that needs to be created.

Now, I told you: We Palestinians are fully available. Yet, we are stunned that in spite of the fact of the avalanche and the deluge of the diplomatic liturgy – the blah, blah, blah about diplomacy – on the ground the reality is still until today worsening. The U.N. has reported that since the blah, blah, blah on the renewed diplomacy has started, there are 50 additional more checkpoints. Yes, there was the number of 255 prisoners released,

then 80. In the meantime, over 750 were incarcerated so that we ended having a bigger number of Palestinian political prisoners. So on the ground, sir, the reality is not matching the optimistic repetition of some diplomatic liturgy.

I believe that America today wants a successful process. And I believe in President Bush and Condi Rice when they say they want a meaningful, successful and substantive conference – for a variety of reasons, with which we might not agree with all the factors, but the outcome is – I personally believe that they are truthful and sincere in one thing: a successful Annapolis conference.

What was the message, sir, of our delegation here in America the last two years? The first point was to say to America: We're not asking you to sacrifice a traditional friend. We are offering you an additional one: Palestine. Number two, the message was that we understood that America is committed to Israel's existence, but is America committed to Israel's expansion? I doubt it.

Number three, we interacted with those forces in academia, in the media and in churches and elsewhere who believe that the unresolved question of Palestine is the major factor that has poisoned international relations and has put America on a collision course with the Arab or Islamic world. And we believe that since we became unreasonably reasonable, it's not that challenging to satisfy and meet our national aspirations and demands. And I believe that here in America there is a greater awareness that in Israel there is a vibrant debate about the wisdom and sagacity of keeping the hilltops of the West Bank. But why the hell is it in America's interest that Israel would keep the hilltops of the West Bank?

And I believe that there is a growing irritation here in America about Israeli obstinacy on many of those issues because it is keeping America in a difficult environment nationally. And I believe today many in the administration would hope to have Israeli flexibility concerning the conference to come, because many believe it's payback time. This administration has been the most cooperative with Israeli preferences and policies and some believe that there should be a sort of double-way traffic in the level of gestures of good will and friendliness. And today some believe that Israeli obstinacy is the one that is depriving the American administration that it might need, want and desire.

Now, let me tackle, sir, again telegraphically, the Israeli dimension. You know, we have tackled – we the Palestinian national movement – our problem with our demons. As I told you, the strategic demarcation line was the October War of '73. Since then we moved towards the acceptance of the two-state solution. It was a difficult, painful process of political maturation and we each individually, collectively undertook it. Since then, we took this decision that we are ready to make peace with the Israeli state and Israeli society, whoever the Israelis elect as their prime minister. And we offered the concessions we thought the world wanted. And today, ladies and gentleman, I believe that our approach since then up till now has been what I call the mini-max approach. It's

the maximum we are asking for, but it's also the minimum we can accept. We have been unreasonably reasonable and there is no further elasticity or flexibility left on our side.

Now, on the Israeli side – and I have multiple Israeli interlocutors – my message to them has always been the same. I am boringly consistent with myself. The first message was to say: Labor enjoys an undeserved good reputation. Labor enjoys an underserved good reputation. It's Labor that made Palestine unlivable to Palestinians. What Likud usually does is making Israel unlivable to many Jews. And my message was to tell them: Today the Arab world, from Morocco to Muscat in Oman, is ready for an historical compromise revolving the around the idea of if Israel withdraws out of its expansion of '67, we the Arabs are ready to recognize it in its existence of pre-'67.

I believe, ladies and gentlemen, that the perpetuation of the conflict was not due to Arab rejection of Israeli existence, but to Israeli rejection of Arab acceptance. And I tell Israelis very frankly that what has been the obstacle to peacemaking is not terrorism, which I have constantly condemned, but territory and territorial appetites.

I will be concluding, ladies and gentlemen, by saying the following: The Israeli political leadership would be mistaken if they underestimate the changes that have occurred within the American-Jewish community. I can feel the tormenting moral crisis within the American-Jewish community that grew accustomed to be an enlightened community spearheading every possible civil right and human right movement, yet to be reduced in the last 40 years, because of Israeli occupation, to defend the indefensible accompanied by this moral crisis I referred to.

Number two, ladies and gentlemen, I believe that there is an increasing irritation within this administration for Israeli reluctance to move forward. They invoke constantly the equilibrium within the coalition. I believe it's high time that the international community sends to the Israelis the following message: Peace in the Middle East is too important to be left to the Israelis alone to decide upon. The Israelis should abandon their attitude that peace with us – the Palestinians and the Arabs – is a halfway compromise between Labor and Likud, between BeBe [former Prime Minister Benjamin Netanyahu, leader of the Likud Party] and Barak [former Prime Minister Ehud Barak, leader of the Labor Party], between Sharon and Shimon. No! I believe in international relations, ladies and gentlemen. The international will should prevail over a national whim.

Thank you very much. (Applause.)

DR. GUBSER: Daniel, can I invite you – (off mike.)

MR. LEVY: Well, I'd like to thank the National Council on U.S.-Arab Relations for having me on this panel, and Peter for introducing me. And later on I'll take Peter outside and thank him personally for putting me after Afif Safieh. Afif described himself just now as consistently boring. I think he's consistent, but never boring.

Until today I was thinking what a dramatic irony it might be if global warming saves this administration from having to deliver a peace conference in the fall, because the fall looked like never coming. Well, apparently the countdown has now begun. And let me start by mentioning briefly Annapolis – and I'll return to it. And I would pose the question as follows: If what seems to have been driving the thinking in the last seven years – namely the pursuit of American interests in the Middle East – could be conducted with disengagement from active Israeli-Arab and Israeli peacemaking, if that still drives thinking, then I don't think we should have any expectations for Annapolis, because I don't think we are pleading a special case here. I think the question is: Does one identify a core American interest in the region and geostrategically in bringing an end to occupation and resolving the conflict between Israel and its neighbors or not?

Now, I very much would line up with what I think – and they said it pretty clearly – the Iraq Study Group came out with. And it was often lost that an entire one of the three chapters of that bipartisan effort was addressed at why American allies are weakened, adversaries with a radical jihadist bent have such an easy time recruiting, and why there is so much anti-Americanism, when the conflict continues and is framed as it is today. We used to be told: If only the Arab world would be more democratic! Well, the one area that is most democratized is the media and that is where the daily bloody soap opera of the Israeli-Palestinian conflict is played out. And no, the answer isn't for Israel to improve its PR. The answer is to remove the source of those images.

And that study group also said something very interesting. It says that America does its ally Israel no favors in disengaging from Arab-Israeli peacemaking. And I think that would be my point of departure from my experience in Israel – that we suffer from the very, very dubious pleasure of occupation deluxe and misbehavior without consequences. And that increasingly, the consequences are devastating for the state of Israel and I think Afif touched on that during his remarks. We are, in fact, denied something which exists in so many other instances, which is you know that you have to do something – and it can be in the life of a nation or an individual's life – you know that you have to do something, that it's going to be difficult, it's going to be painful, but you've come to the realization that it's unavoidable. And rather than having the external encouragement that will help you get past that moment of realization to the other side, we have the opposite. We are the drunken driver who is handed the keys to the car by their best friend rather than told how self-defeating this behavior is. In fact, I'd say that in recent years we have almost had a super-powered hubris that has been added to the way that Israel is sometimes encouraged to look at the region.

I think a destabilized Middle East – a Middle East without not only a peace process -- it's one of Afif's better lines that he didn't use today. We've had many, many years of peace process. Now we need some peace. And I think a time without a peace process has been to the detriment of Israel, Israel's regional position and Israel's security. From an Israeli perspective I would say this: Eventually 160,000 American troops will leave, but all of Israeli troops and all of Israel's civilians will remain in what I hope will not be such a radically destabilized Middle East.

I would argue that in many ways today it's easier, but in many ways today we're more in need of the external impetus than in the past. Yesterday, in the Hebrew calendar, was the 12<sup>th</sup> anniversary of the assassination of Yitzhak Rabin. Yitzhak Rabin, unfortunately, was something of an aberration, I think, in Israeli leadership. And I think many of the people – and certainly his successor as leader of the Labor party – have not followed that path of boldly trying to strategically determine where Israel needs to go. And I think in the absence of him or of a worthy successor – and there's a wonderful piece by Yossi Sarid in Haaretz on the lack of a worthy successor, if people want to look at that. [Yossi Sarid, "The Ember Died Long Ago," *Haaretz* (May 4, 2007). Israeli Prime Minister Yitzhak Rabin, leader of the Labor Party, who signed the Oslo Peace Accords with PLO leader Yasir Arafat, was assassinated by Yigal Amir, a right-wing Orthodox Jew who opposed the peace accords on November 4, 1995.] In the absence of a worthy successor, that's why I think the American role is all the more crucial.

Yes, Sharon in one respect did something crucial, which was that he demonstrated very visibly that the egg could be unscrambled. Sharon set an important precedent in the withdrawal. Ehud Olmert was elected on a ticket which said: "I'm going to get out of 90 percent of the territories. I might do it unilaterally. I might not do it by agreement." The point I'm driving at is that the stretch from where the Israeli consensus is at today – namely it is not in Israel's interest to remain in most of the territories. The stretch from there – because I don't think the 90 percent is sufficient, because viability of a future Israel and Palestine living side by side, yes, it's measured in territory. Yes, it's measured in resources, but it's measured in something else, which is a little less tangible, but no less crucial, which is both sides being able to come out of this with dignity and with a national narrative that allows them to go forward and not live in an irredentist framing.

And so I think that the distance between where the Israeli consensus is at today and where it needs to get to to deliver not more peace process, but more peace, is not a huge distance. But I fear that it is not one that we can traverse alone. And here is where the American role, of course, could be crucial. And here is where I should also say that I fear we've suffered something of a setback in the last years as follows: I think that the global war on terror narrative has had a devastatingly regressive impact on Israel's own internal domestic narrative. In other words, to the extent to which we at home were making the link between terror and occupation – which I think is a link that has to be made – the shift to understanding terror that is generated by evil, as something that has no roots, no past, no grievances, no way that generates a pool of sympathy I think has had a terrible effect in terms of the setback on the Israeli side. I would also add, if I may, on the Palestinian side I think it killed what was perhaps what one could call the Faustian bargain between Fatah and America – namely, that America would deliver Israel for a viable, sovereign Palestinian state. Once that equation was no longer in play – I don't know if it ever was – but once it was visibly no longer in play, the Fatah ability, I would argue, to have traction domestically was dramatically weakened.

So looking at Annapolis, I would perhaps put out four tests – four measures, four yardsticks – for the Annapolis conference. And they would be as follows: First of all on substance: Do we give clarity to what an Israeli-Palestinian settlement would look like?



It doesn't have to be detailed. You can say something very vague in one page or you can give all the details that need to take us onto the next step – whether it be about the borders in '67, Jerusalem refugees, et cetera, in one page.

Secondly, are we beginning a serious process? Is there a commitment in terms of future meetings, perhaps a timetable – perhaps Annapolis itself acts as an ad hoc oversight mechanism for the future negotiations? When one looks back at Madrid, the interesting thing that I've been thinking about recently about Madrid is that you had a change on all three sides. Within 12 months, basically, of Madrid, you had a new American administration; you had a new Israeli government – Rabin replaced Shamir. And we replaced that funny Jordanian-Palestinian delegation where the Palestinians had to have addresses that were outside of Jerusalem, if people remember the word-smithery of 15-16 years ago. You had them replaced, ultimately, by a PLO delegation in Norway. But you set in motion a process that could actually bring you forward – and so that I would put as the second test.

The third test – and I think it was touched on in the first session this morning – is inclusivity. The Arab League initiative talks about a comprehensive regional peace. I think to the extent to which one could play one track off against another in the past – the Syria track, the Palestinian track – I think it's a nonstarter today. One of the things that you see now is a region in which the interconnections are ever more difficult to prise apart. And I do not suggest that they should be.

Do you incentivize people who you leave on the outside to undermine things? And the spoiler role is often talked about – whether it be Syria or Hamas – in terms of violence, but I think that may miss an even more important element here, which is legitimacy. The process legitimacy that inclusivity could confer, I think, is something that we pay far too little attention to. So the alternative is: Do you give as broad a base as possible, an incentive to be stakeholders to the different actors in the region? I would even argue that an attempt to phrase this as everyone comes together against Iran would be wrongheaded – tempting though it may be.

And the fourth point I'd make is: Is this going to be impactful? Even if we emerge from a summit with a rather attractive photo of a carrot, how far do you stretch the gap between that positive photo and the daily reality on the ground: the daily reality of security or lack thereof for Israel, Israeli civilians – especially in the south – and the daily reality of lack of security, lack of freedom of movement and continued entrenchment of occupation by the Palestinian citizenry? And if you stretch it too far the outcome is predictable. Now, I fear that even if the attendees at the conference have an interest in saying the emperor is rather splendidly clothed, that four weeks later that will not look to be the case.

Are we going to go back to the debates about sequence or parallel – you deal with security first, then we can open things up? I hope not. I hope one of the lessons of the last 15 years is that the question of closure, if economic lack of freedom of movement, of all these day-to-day issues is not about evil 18-year-old Israeli soldiers. It's about 18-

year-old Israelis put in an impossible situation which their state should never have put them in and what we need is a political solution. So it will sound very nice to give economic solutions and say, let's create islands of economic oases, but without defining where Israel begins and where Israel ends, where Palestine begins and where Palestine ends, the temptation – especially on the part of the military – will always be to take minimum risks. If you need to put up one more checkpoint, put up 20 more checkpoints, put up 546 obstacles to Palestinian freedom of movement.

And I'll make two final points here. My first one is as follows: The classical start to many American cop movies is two people who haven't worked together before in the precinct and don't really like each other or an ex-con and a cop get thrown together for 48 hours for the duration of the movie. And it normally begins by one saying to the other, "We ain't partners and we ain't friends." And I think that there may be something more healthy to the hesitant – replete with decades of national struggle – handshake that took place between two adversaries in Yitzhak Rabin and Yasser Arafat in 1993 than this rather forced bear hug that we have today. I have Palestinian friends. Afif has Israeli friends. We can get on, but this isn't a partnership. We are still engaged in an unresolved national struggle and sometimes I think it might be better to think of that framing.

And my final point is to mention again inclusivity. Is the Annapolis exercise a pedagogical exercise to show to Syria, to show to Hamas: your way is wrong; or is about solving problems and delivering a sustainable two-state solution? If it's the latter, then I think over time one has to take a different approach to political Islam. And I want to make this point today, because there's a piece in one of the main papers today about the advisory team to a particular presidential candidate [Rudy Giuliani]. And that team includes a gentleman called Daniel Pipes. And he is this week very engaged in promoting something called Islamo-Fascism Awareness Week on campus. And until we get beyond seeing an undifferentiated sea of green hostility, I don't really see how we get out of the current funk we've got ourselves into in the Middle East. Not all political Islam is the same and it may very well be that some of the political Islamists included in Palestine may be our best bulwark against al Qaeda. And I'll leave you with that thought. (Applause.)

DR. GUBSER: Daniel, thank you very much. It was most edifying and interesting.

Let me remind you that you have cards. Please write your questions on the cards. These young people will pick them up and give them to us, because we will have question and answer after Mark Perry.

Mark.

MR. PERRY: Thank you for the invitation, John Duke Anthony. I very much appreciate it. Thank you for the introduction, Peter.

Peter is right. I talk to everybody: Hamas, Hezbollah, Daniel Levy – everybody. (Laughter.) You have no idea the overwhelming nausea I felt this morning at 5:00 a.m. when I realized that I would have to follow a Palestinian and an Israeli and talk about the peace process. Again, it's a very difficult subject.

And I had some thoughts and I thought I would be kind of a reasonable guy up here and say, "Now, now, let's just – can't we all get along?" And decided that wasn't the way to go, so I'll just bracket the natural standpoint and do some reading, so I picked up David Halberstam's most recent book which I've been reading. It's called *The Coldest Winter: America and the Korean War*, and I recommend it to you. And the part that I'm on in Halberstam's work he describes – and I was very entertained by his description of nationalist Chinese leader Chiang Kai-shek. I think there are probably people out in the audience who might remember this man, who might remember he was the great hope for American democracy in China in the post-World War II era.

President Chiang was once an incredibly popular figure here. He was articulate, suave, sophisticated, very photogenic, a great believer in American democracy and a Chinese patriot. He was an avowed anti-communist, a tough military thinker and perhaps most important of all: a convert to Christianity. In thought and word and deed, Chiang Kai-shek seemed a perfect model of what we wanted, of what we – Americans – wanted China to be: Westernized, democratic and Christian.

And we have to remember in that era that meant a lot. American churches were in love with China. In 1948, at the time Chiang Kai-shek was in power, American churches had been involved in missionary work in China for more than a century and they believed in the missionary creed that China and the Chinese could be converted, and not just to Christianity – would adopt the kind of values and respect for freedoms that we have here in America. Chiang agreed with all of this, calling his own people backward and incapable of leading themselves. The poor peasants of China stuck in a society that had, as he noted, remained unchanged for thousands of years would be transformed by democracy – eventually, but first they would be led by him.

So it was that from 1941 to 1949 the U.S. sent \$10 million of economic and military – tens of millions of dollars of economic and military, but mostly military aid, to China and dispatched American groups to help him modernize his military. And with that military he fought the Japanese – I'm getting to the point. It's a good point. (Laughter.)

DR. GUBSER: I hope so! (Laughter.)

MR. PERRY: And with that military, he fought the Japanese, and the Chinese Communists. There were, of course, those voices in the American establishment who warned that Chiang was not all we thought he might be or was, and who pointed out some uncomfortable truths about him: that as much of 40 percent of the monies we had sent him ended up in his or his aides pockets, that the military he created had no political base, that despite his democratic rhetoric, he was autocratic, small-minded and more

interested in rooting out dissent in his own ranks than in fighting his enemies. His jails were filled not with communists or Japanese – although there were, of course, some of those – but with those in his own movement whom he purged. As for our military aid, it was precariously spent. The communists, after the end of the Chinese civil war, thanked us for supplying them.

Of course, as we all know now, there were voices of dissent in our government on this policy – China hands, they were called – who had warned that Chiang was ruthless, corrupt and a puppet; that he was undemocratic, unrepresentative and a megalomaniac; that he represented few Chinese, did not connect or understand them; that his attitude towards them – that they were ragtag and ill-educated, they needed our missionary ways – reflected our opinions and the truth about Chinese society.

The reaction to this and to Chiang's defeat was predictable. Those followers of Chiang who ended up on Taiwan – a rump Chinese government – were lionized. Chiang was brought to the U.S. on a triumphal tour. More millions were spent supporting him on his small island of Taiwan, and those who had warned that the policy of supporting him could not and would not work were branded as fellow travelers. They were fired from their jobs, derided for their ignorance, branded as having abandoned our Western values and sent into internal and some cases external exile – you might remember this. It was a bad period in American history. The nation of China – the People's Republic of China on mainland China was isolated and outside the community of nations. They were called terrorists and we vowed that we would never, ever under any circumstances talk to them until they changed their policies and adopted our values.

And so we did not talk to them. Of course, the rest of the world thought this was absolutely crazy, but they went along with us anyway, because we're the United States of America – though they knew better – in the hopes that one day we would somehow come to our senses and we did, finally, after 20 years. Thus proving Winston Churchill's adage: The Americans always get it right after trying everything else first.

Thus, my early morning attempt to take my mind off the Middle East. And with this in mind, I've decided that I would speak bluntly about American policy and why I think it is failing and will fail and why the Annapolis conference and our efforts to bring Israelis and Palestinians together is fated for oblivion. And I have put my remarks and my conclusions in 10 simple points. Feel free to boo. (Laughter.)

**Number one:** Palestinian society is not divided. Palestinian society is more united than it has been in years. In spite of what we see on our televisions or read in the American press, the Gaza coup was not launched in Gaza, but in Ramallah and here in Washington. And the forces that brought instability to the Gaza Strip were funded and armed by the United States. [EDITOR: During the first weeks of June 2007 renewed fighting between Fatah and Hamas forces in the Gaza Strip resulted in the disintegration of the attempted "unity government" formed after Hamas won January 2007 parliamentary elections resulting in the appointment of a Hamas Prime Minister – Ismail Haniyeh – alongside the Fatah President of the

Palestinian Authority – Mahmoud Abbas - and the appointment of a coalition government including members of both Hamas and Fatah. The result was a takeover of the Gaza Strip by Hamas forces while Fatah remained in control of territories controlled by the Palestinian Authority on the West Bank. This so-called “Gaza Coup” resulted in a split Palestinian Authority and mirror-image charges that Hamas forces had been encouraged and armed by Iran and Syria or, alternatively, that Fatah forces had been encouraged and armed by the United States and Israel to destabilize the “unity government” in order to seek early new elections.]

**Number two:** Hamas remains popular. It is gaining strength and our efforts to marginalize it will be futile. It is true there have been some dips in popularity of the movement in some areas, but those losses are not significant. And remember, there is a tendency in the U.S. to consistently underestimate Hamas’s popularity. There is a consistent disbelief that the Palestinians could ever support such an organization. There is a belief in our own funded polling numbers. There’s a tendency to overlook the traditional strength of this organization, and there is a tendency to exaggerate the impact of our own economic embargo.

**Number three:** Hamas represents mainstream Palestinian society. Palestinian society is not secular, liberal, progressive and Western. It is Arab, traditional, conservative and Muslim and it’s time to recognize that.

**Number four:** Hamas is not innately or irrevocably wedded to violence. Hamas stood for an election and it won an election. We decided to reverse the verdict of a democratic process, not them.

**Number five:** From top to bottom, Fatah is broken. Fatah is weak, aging, corrupt, disorganized and even more divided than Hamas. It is funded almost exclusively through outside sources. It lacks a clear political program and political vision. Its leadership is out of touch, conference-bound, tethered to the past era. It is dependent for its survival on the United States and Israel. It is at war with its own younger cadre. It shakes hands with the Israeli prime minister and not its own prime minister. It is broken.

**Number six:** The political battle that we hear being waged – that we hear so much about that is being waged on the West Bank is being waged inside of Fatah, not between Fatah and Hamas. Abu Mazen’s power has been significantly eroded inside his own organization. A recent meeting of the committee called to make an assessment of the Gaza repudiated Abu Mazen’s appointees – paid by the United States.

**Number seven:** President Abu Mazen is increasingly isolated. The non-payment of government salaries to Hamas members in the West Bank is causing deep disenchantment because it cuts across family and tribal lines. So it is that one brother, a Fatah member, is paid while another is not. Salaam Fayyad, the prime

minister, has thereby proven to be a good bean counter, but not much of a politician. The West Bank – and I was just there – is a police state and we created it.

**Number eight:** The united front of the U.S., Israel and the Arab regimes is no match for Hamas in the battle for Palestinian support. Indeed, the much flaunted united front being built by the U.S. against Hamas is a myth. The Egyptians and Saudis have quietly repudiated the program to overthrow Hamas and they're waiting for the failure of Annapolis to put together a unity government.

**Number nine:** Hamas's reign in Gaza undermines the propaganda of its foes. Some U.S. politician and some of President Abu Mazen's more alarmist allies like to paint the Hamas administration in Gaza as a kind of pro-Iranian Islamic state, but it's not true. There is no enforcement of the veil, or other conservative Islamic social laws, no Shari'a council, no compulsion to attend the mosque. Stability has returned to Gaza. People are obeying the law and feel secure. This is not a lesson lost on either Egypt or the Israelis, which do we think they would rather have: civil conflict or civil order?

And finally, **number 10:** The final verdict of the Palestinian people, I believe, is that Abu Mazen has crossed the line. That it is possible to put Palestinians in jail, to outlaw parties, to censor newspapers, to spy in mosques, to hold elections in which a major political party, Hamas, will not participate. But it will not be possible for him to come to Annapolis and shake hands with an Israeli prime minister and return to his people and say that peace is at hand, because he will not represent all of the Palestinian people that there are and he will not represent a government that was elected.

I have three very brief conclusions – now you are going to boo. Israel is not interested in the establishment of a Palestinian state on its borders and it is not interested in negotiating an equitable settlement now with the Palestinian government of Abu Mazen. It is, rather – and always has been – interested in the destruction of the Palestinian national movement.

Number two: The U.S. is not interested in negotiating or mediating a serious political end to this conflict. Why now? What happened for six years when the President and Vice-President and Secretary of State said, "Ah, there's nothing we can do. These Palestinians and Israelis – they're just going to go at it forever. Look what happened to President Clinton." So why now? Could it be that the administration is looking for a cover – a cover to cover it's own failures in Iraq and to show the people of the Middle East: No, really, honest! No, honest – honest! We really want to solve this problem. No, honest! No. This time, honest! Really! No! Look, it's right here! We said it. We're really, really interested. Honest.

Number three: The Palestinians. The Palestinians are not united, they're divided. They exist under a government that is divided and not united. One-point-five-million of

their people exist in a refugee camp – a very large refugee camp that is under economic embargo, where people go hungry. And they are about to come to the conclusion, I believe – President Abu Mazen is a very smart man and a friend of mine – he will come to the conclusion after Annapolis that the Palestinian people and the Palestinian government must represent all of the Palestinian people and that he cannot go forward without the help of the largest and most powerful single political party in his country. And that political party is Hamas.

It took the United States 20 years to understand that whether we liked it or not, the Communist Party of China represented the Chinese people and we talked to them. We ought to do the same now. We ought to invite Hamas to Annapolis and when they refuse, we ought to ask them why and then we ought to go talk to them.

Thank you very much. (Applause.)

DR. GUBSER: Mark, thank you very much. I knew it was going to be provocative and it was.

Before I go to questions, I think we ought to give Afif and Daniel one minute each to say anything they want to with respect to what Mark said or what each other said. I'll start with Afif.

AMBASSADOR SAFIEH: Thank you, Peter.

You might be surprised – I very much enjoyed listening to Mark Perry. And I've known – I've always been known to be a person who's intolerably tolerant. And he made a fascinating statement.

I agree with part of the 10 points he mentioned, and profoundly disagree with the others. Those who know me know that I made my professional life in Washington slightly more uncomfortable than it was intended to be by defending the results of our democratic elections and by defending the Mecca agreement and the need that we should be taken away – out of the isolation that we were quarantined in. So I am known as a person to consider Hamas a part of the Palestinian social fabric, ideological environment and all the rest.

And I believe that we the Palestinian national movement – we can pride ourselves that we have constantly been a pluralistic movement and it's Fatah that has defended Palestinian pluralism and nobody else. I was beside Arafat during the Beirut days. I remember how some conservative regimes wanted us to eliminate anybody that had a left-wing inspiration, how Syria regime wanted us to eliminate anybody who had Iraqi affinities and vice versa, et cetera. And it was Fatah and Arafat that protected Palestinian pluralism. Maybe more recent scholars of Middle Eastern realities would not know as much about that period.

Is Hamas the mainstream? I follow opinion polls. And opinion polls – and they were not mistaken last time, because the reality was changing – opinion polls, sir, if you have a look at them all converge into saying that in recent months after the takeover of Hamas in Gaza – the military takeover – and after the mismanagement of the year that proceeded, Hamas is in decline on the level of popularity. And Fatah, even though the reforms we expect – I expect and I demand – have not yet occurred, Fatah is resurfacing beyond 40 percent in popularity ratings. What is not happening is the restructuring of the liberal and left wing forces to create the third pillar of the Palestinian political community.

Is Hamas wedded to violence? I for one defended the idea that within Hamas there is a pragmatic, modernist electoral wing that should be encouraged. And I believe today that wing that I'm speaking of believes that Hamas overplayed their hand in Gaza – won Gaza, but lost the Palestinian people. Something that Mark seems still to be yet unaware of.

Is the fracture eternal? No. I for one, ladies and gentlemen, have defended the idea of an interim period of 12 months where we would be governed by an independent and technocratic government where Fatah and Hamas would stay out of government, hoping that they would use these 12 months to put some order in their respective houses. Fatah made the under organizational matter, but Hamas needs to be encouraged – including by external scholars sympathetic and democratically accepting their authenticity and their originality – Hamas should be encouraged to face some strategic choices with more clarity. I'm thinking, maybe sir, of two.

One: resistance. We should put the question of, should resistance necessarily be militarily? I don't believe so. Yes, maybe international law gives us the right to use every possible means, but it's also our right not to use all our rights. I believe that the wisest military decision we can take is to avoid military confrontation with the Israelis. I'm not only speaking in terms of ethics, which is not unimportant, but militarily, Hamas would be wise to believe that if you want to defy constantly Mike Tyson, better not invite him to the boxing ring, but to another game.

Number two: I believe Hamas has to clarify the issue and not amuse us with ambiguities that we were accustomed with in Fatah twenty years ago, because they are passing through the same process we passed for twenty years – this is why it's boringly consistent. On the one-state, two-state or three-state solutions – and I believe a political movement has at one moment, out of political maturity, to decide what is desirable, what's possible and what's acceptable with some strategic audacity and not to keep ambiguous language. Because if we go back into political partnership, we and they, we would go into a deadlock two, three months later.

So friends of Hamas – and I used to consider myself as somebody sympathetic to them on that issue, accepting their existence and their importance and their role – even though there is fluidity in public opinion that you seem to be unaware of. And I believe, sir, that on certain points I did not disagree with you, enjoyed your analogy and I was



wondering where you will end, and even almost predicted where through Chiang Kai-shek and Mao and in truth will lie a situation that I was not also unfamiliar with.

But let me tell you, sir: Often people sympathize – and here I speak to you, because I think that you are sympathetic to the Palestinian aspiration and I greet you and I bow in respect, because like you, there are hundreds of thousands of academics, et cetera in Europe and America who played an enormous role. Yes, some of those friends of ours around the world grew slightly or gradually disenchanted with the incompetence and mismanagement of Fatah. Yes, many of them, like us, were unhappy about the diplomatic outcomes of all the negotiating exercise. If you think we were happy and comfortable, you are mistaken. But, you know, in politics you have to do sometimes hard choices. Is Oslo wrong or right? Would the Palestinian situation be better had Oslo not occurred or it was – became better because it has occurred? It is our tormenting questions and we might give individual, different responses.

I for one, ladies and gentlemen, believe that we in Arab circles, I always said, we should refute the theory that says Arabs have agreed to disagree. I think we in the Arab world, we have to learn how to disagree. Disagreements in a society are the normal phenomenon. And I personally believe, sir, in our society we are condemned to have unity without a strategy or a strategy without unity. And if we are democratic and pluralistic, having a clear strategy without total unity is not – we have suffered in previous years of what was called the paralytic consensus.

Now, sir, you have been unfair. I don't believe the West Bank is a police state. And I don't think Gaza today is heaven on earth. You are not reading, probably, the papers last week when Hamas was clashing with the Hellis clan (loyal to Palestinian President Mahmoud Abbas and Fatah) in Gaza City and clashing with Islamic Jihad members in Rafah with multiple casualties here and there. And I say it with no pleasure, believe me. I neither want to score points against you nor against Hamas. That would be too easy, but yet very painful.

Yet obscuring that fact, being selective in your choice of your facts, being out of love and affection and solidarity and sympathy with the Palestinian people, demonstrating your disaffection with the mismanagement that I agree with – I agree that there was mismanagement by Fatah – yet adopting a position that makes the pro-Hamas believe that they are adorable, fantastic with a vision that will only lead in our ways together, that's a mistaken attitude of solidarity because I believe – not because I come from a Christian background. I am profoundly secular, by the way, and I believe that I'm sociologically Christian. Theologically I happen to have doubts, and doubts about my doubts, which offends many and many. (Laughter.)

You said, sir, that our society is profoundly conservative. I respect our society. I'm not happy about the regressive conservatives that there are. But the beauty of Fatah during its golden era – and I want to return to that golden era – is that Fatah was itself pluralistic, reflecting Palestinian society. We used to have Marxists within Fatah many

more than in the Marxist parties. And we used to have people, thinkers, leaders who had an Islamic inspiration many more –

DR. GUBSER: Afif, let's bring it to a conclusion so –

MR. SAFIEH: I'm concluding, sir.

(Cross talk.)

MR. SAFIEH: I'm concluding, sir.

We used to have Islamic leaders or thinkers of Islamic inspiration more than in the Islamic party. When we made the mistake of shrinking and no more occupying the political-intellectual space, we allowed the emergence of a few parties.

I am in favor of Fatah and I – the Christian, secular, social democrat – I wouldn't mind that an Islamic-wing modernist within Fatah reemerges so that we can captivate and attract and politically seduce those we have who abandoned us in the last few years.

I'm sorry, sir. Thank you for your indulgence. But I believe in clarity and I'm happy you offered him the floor to say his opinion, and me much less time to discuss it.

(Laughter.)

DR. GUBSER: Okay, Afif. Thank you very much. And Daniel, you get to follow Afif once more.

MR. LEVY: Well, I woke up this morning with a stinking cold and a very stuffy head, but that was about it. And I thought I could continue with the day. I'm now thinking that a fever has kicked in and I'm getting delusional, because either that or I'm at the National Council on U.S.-Arab Relations and it's the PLO ambassador who is having to defend his corner, and it's the Israeli former official who can just play invisible. So clearly, my situation is deteriorating by the minute.

(Laughter.)

MR. SAFIEH: But I am enjoying every moment.

MR. LEVY: I didn't say I wasn't enjoying it. Let me say one thing and it will be short. I don't think it's an unreasonable point to make, Mark, that there is, has been, and is a driving motif in the Israeli establishment of destroying the Palestinian national movement. Sharon was the one though who had the strategy. I don't think it was an effective effort until the last years. I think it required a shifting U.S. narrative to really move that forward.

But I would say the following: 470,000 – approximately – Israelis living beyond the green line later, 45 billion shekels worth of investment in the occupied territories later, much of which or some of which already is redundant and has been reversed; not only because of the withdrawal from Gaza, but because as problematic as it is, especially given its route, the separation barrier sends a pretty damn clear signal as to where the Israeli footprint will no longer be in the future – and I’m someone who thinks you can have a hard border but it has to be in an agreed place, not unilaterally imposed.

In a reality in which the idea of an officer class that is increasingly a law unto itself because it’s no longer drawn from the more humanitarian kibbutz background, but it’s drawn from the national religious settler background. A reality in which Israelis of Central and Eastern European extraction as the EU enlarges to 27 members and Israelis of Romanian, Polish extraction now queue outside their embassies in Tel Aviv to take out a second European passport just in case. A reality where we have domestic crises that are endlessly swept under the carpet, a political logjam, a dysfunctional system, and an increasing question regarding our own values and moral system, and a reality in which the regimes surrounding us in our neighborhood that are most friendly with us are also those that probably rest on the least domestic political solid ground, I ain’t convinced that that’s a particularly healthy, successful reality for Israel and I would say that I’m not alone.

And therefore, much as I think that yes, one can argue that it’s a driving motif for many to destroy the Palestinian national movement, I also believe – and I’m not saying that we’re in the absolute majority or that we control all or even most of the levers of power in Israel – but there is very much an alternative narrative. And I would add to that that in the context of that narrative, we should draw no pleasure in the division that you see today on the Palestinian side. The worst possible response – not from the side that thinks we have to destroy the Palestinian national movement, but from the side that says this is going very, very, very pear-shaped for Israel – the worst possible response is to celebrate, is to turn one side into a side that would increasingly lose its domestic legitimacy as it is seen as being so close to the occupier – to celebrate the Palestinian division, I believe we missed a huge opportunity; not just as Israel, but as the West, as people interested in turning a page in the region and in stabilizing the Middle East when people took a regime change approach to the Palestinian national unity government.

So I would argue – and the conversation may continue about Palestinian division. But if I step back and look at it from an Israeli real interest perspective, I would argue that we should draw no pleasure whatsoever in this.

DR. GUBSER: Daniel, thank you. (Inaudible.) Sure, Mark, would you like to say anything in response to what these two gentlemen have said? And then we will move to two or three of the questions before our panel time is finished.

MR. PERRY: So I’m not here arguing for Hamas. I’m not a Hamas member. I’m not even a Palestinian. You know, but Hamas can’t be here. They’re not allowed to be here. They’re not even allowed to be on TV so far as I can tell. We don’t talk to

them. It's like going to the Middle East – it's like going to a party, a reception, and you go up to a person hoping – you know, you're kind of out of your depth. Maybe you're in Nantucket; you're from Alabama. (Laughter.) And you want to get in, I mean, you've met the requirements. You've had an election. There hasn't been a suicide bombing. You've rethought the whole thing. And you go up to them and they don't want to talk to you. They don't want to talk to you.

Listen, I never said that Hamas – the leadership of Hamas, I've met them. By the way, I was born and bred in Fatah. I love Fatah. I was whelped in Fatah. For me, Fatah was Palestine. But I met the leaders of Hamas. I know that they're not graduates of some American charm school. I know that. I never claimed they were. I never thought they were going to have utopia in Gaza or utopia in the West Bank.

Here's what I said. I said they won an election. They won an election. We said have an election. May 16<sup>th</sup>, 2005, George Bush stood in the International Republican Institute and said, we've had 60 years of failure in the Middle East and it's time to have elections. Well, they had an election and Hamas won and we didn't like it. And so, we recruited a party that didn't like it either. And who did that party happen to be? It happened to be Fatah.

That's the truth. They're not charm school graduates, but they won an election. And now, we're pushing them into the abyss. We're pushing them into the arms of the people who drove airplanes into our buildings, because the people that drove airplanes into our buildings said, don't ever believe the Americans in what they say about elections. You'll win an election and they'll strangle you in your crib. That's what al Qaeda says to Hamas and Hezbollah and the Muslim Brotherhood. This is a trick. They'll come and get you if you do an election, and they were right. They were right. That's my answer, and it's the truth.

(Applause.)

DR. GUBSER: Now, we're going to go to a couple questions in our remaining five minutes. The first one is for Afif, and please keep your answers short so that other people can have a share. In order for an effective peace conference to take place, a great deal of preliminary work must be done within the months preceding it to build a mutual basis of understanding – basic axiom of diplomacy. How much of this work has this U.S. administration done? Does it leave you feeling optimistic?

MR. AFIF: I'll be very brief. Let me tell you. I first personally, I believe that we can achieve peace even without negotiations. I have been involved before official negotiations started in every possible conference, symposium, seminar, because in the late '80s, early '90s, every country, every university, every think tank, every political party in Europe and in America wanted to have its own Israeli-Palestinian dialogue. Believe you me, ladies and gentlemen, every possible scenario, alternative, option, and their opposite has been studied, explored, ad nauseum. If there was a political

willingness here in Washington and in the Israeli political establishment, peace could be achieved extremely fast because of the fact of so much homework having been done.

And I'm known, Mr. Chairman, to have said – and I'm not joking – it's not rhetorical; it's not et cetera – if there was the political willingness, I believe that the territory that was occupied in six days can also be evacuated in six days so that the Israelis can rest on the seventh and we can engage in the fascinating journey of nation building, et cetera. The problem so far, sir, was you remember Kissinger once said, Israel doesn't have foreign policy; it's domestic politics? I believe America should help us, because the two parties, if left to their own devices, we won't achieve an acceptable compromise. We need third-party input.

And I've said it, and I can be undiplomatic – and I defended the results of our elections, making my life here uncomfortable because I am a man of principle, sir, and I'm not the only one in Fatah who happened to belong to the principled pragmatic school of thought – I personally believe, sir, and I've said it in newspapers and to the administration directly, we need third-party input. And I believe America and its dealings with us and the Arabs, it behaves as the only remaining superpower. But America, in its dealings with Israel, looks as though it has the political weight of Luxembourg or Lichtenstein.

Until America is assertive, decisive, vocal, visible, principled with the Israelis, telling the Israelis, hey, now it's enough, the world expects from you a, b, c, and d. And don't think that by choosing another different prime minister, by causing a coalition crisis, you can have a better peace deal. No, this is what we expect from you. So please, from now on, you Israelis, choose your prime ministers in function of their charisma or its absence, their experience or inexperience, their economic projects; but not on the basis of how much territory they are condescending to be ready to withdraw from. Until we reach that moment, sir, we do not have peace.

Now, Daniel, knows me – and that's my conclusion – knows me well to have heard me some two, three weeks ago repeating something I said 20 years ago. I'm a Palestinian Gaullist. De Gaulle, I believe, is a statesman like they make them no more. And De Gaulle, after '67, had his own formula. He called it *la concertation à quatre*, the coordination of the four major powers. China was not yet let into the Security Council. The idea never took off the ground. Why? America was not unhappy with the military Israeli victory. It compensated the humiliations of Vietnam. The Soviets, shortsighted like they frequently could be, preferred the bipolar constellation and didn't see why *concertation à quatre*, why give equal status to lesser countries like England and France? The English were unenthusiastic because the idea was French to begin with. And since then, instead of having durable peace, we are having a permanent lasting peace process.

I am in favor, ladies and gentlemen, of – imposed elegantly not arrogantly – an elegantly imposed solution that is mutually unacceptable. And I believe, Mr. Mark Perry, that the concept of mutual unacceptability, alas, carries more potential than the concept of

mutual acceptability, because I don't believe in the durability of human nature. That's another issue. Thank you very much, sir.

DR. GUBSER: Thank you, Afif. (Applause.) Last question, just to be fair, to keep it balanced, is for Daniel Levy. Some analysts of Israeli history see the generals as almost always being in charge. Given Olmert's going with the generals with respect to Lebanon, are you optimistic that Olmert can go above and beyond the generals at this time?

MR. LEVY: Sometimes I have problems with my hearing. So as Afif said in that meeting three weeks ago, when he said an elegantly imposed solution, I thought he said an arrogantly imposed solution. And just now, I'm not sure whether you said the generals or degenerates. (Laughter.)

Look, let me start by saying the following. I think Ehud Olmert comes into this with a far more serious realistic and constructive starting point than where we were last time we began negotiations seven, eight years ago. So whereas Ehud Barak, who ostensibly – A, he is a general; B, he came from the party ostensibly more dovish than Olmert's party and certainly than Olmert's background. I think Olmert has come into this without a lot of the baggage that Barak still carried with him, and also with a somewhat different negotiating way of conducting negotiations.

Barak was – very much saw this as a *souk* [a marketplace], and you started with 60 percent, then you went to 70, 80, 82, 89, 91. And each time when the Palestinians, it turns out, very accurately assess, well, next time around he is just going to change his position because at no stage has he come to us and said, let's talk about needs and interests, and what is going to make this workable and what not. It was a bizarre – it was a like the sketch out of Monty Python when they are haggling in the market.

So first of all, I think that says something about the movement in the dynamic inside Israeli, where the former Likudnik seven years on has a more realistic starting position. Unfortunately, things are out of sync because the negative developments on the ground – and this is why I say that we are structurally, I believe – as a fabulous book just out in English by (Idith Zertal and) Akiva Eldar called *Lords of the Land: The War for Israel's Settlements in the Occupied Territories, 1967-2007* suggests – it's a history of the occupied territories, the settlements. And it questions whether the state of Israel can win versus the state of the settlers.

And what I'm saying is that why we are out of sync is that the dynamic on the ground of entrenchment of occupation is asymmetrical to the Israeli appreciation of the understanding of the need for de-occupation. And that is why I would agree with Afif that this is a question of political will. And I would also agree with Afif that we may not be in a position to summon that political will domestically on either side.

Obviously there are real question marks as to the domestic political longevity of the Olmert government. I actually see Olmert as someone who could move us forward

significantly and who could play a positive role. I don't know if he'll have the courage. I don't know if he'll have the time, and I certainly don't know if he'll have the external encouragement.

I would say this: that the U.S. special relationship with Israel is not about turning it on its head and saying, Israel, you are the cause of all of our problems in the region and we abandon you over night. It gives you the opportunity for America to help deliver Israel. And although I said that the Fatah decision to buy into this Faustian bargain with America may have been mistaken, I still believe that it is the way one should go and that one can go in terms of how you deploy that special relationship in the current circumstances in terms of where the U.S. is at, where Israel is at, and where the region is at.

And if I can try and add a note of optimism, perhaps the state in which we find ourselves in the Middle East today gives some room for traction for that argument, that this is a priority American self-interest to deliver this deal. Personally, by the way, I think that if an executive leadership in the U.S. of any hue decides that it is going to give the narrative of why this is important for America, why this is actually doing our friend Israel a favor, then it's not that the domestic internal opposition will dissipate over night, but I don't think it will quite be the omnipotent counter that people sometimes assess that it would be.

Two closing comments in terms of – I mean, I think we need to win two arguments, but I'm not sure that, as this panel has in a way done, that they should come together and find the fullness of their expression on the Palestine issue. I think one argument we need to win here in the U.S. domestically is why this is so important, why this serves the American interest, and that it can be done, that this of course being resolving in a way that gives a viable and dignified two-state solution, to the Israeli Palestinian question.

The second question I think we need to win is disaggregating the Islamofascist label out there and broadening the scope of the people with whom we dialogue and the scope of the people with whom we begin to develop shared interests, and we outreach to, thereby ending this I think incredibly self-defeating notion whereby rather than saying X, which is a small X percent of the Muslim world is our adversary, we turn 70, 80, 60, whatever-it-is percent of the Muslim world into our adversary. Why – in any pushback strategy against an adversary, why you would want to magnify exponentially the strength of your adversary completely befuddles me. I think those are two arguments we need to win. I'm not sure that tactically it's always best to try and win them both on the backs of the Palestinians, but – (chuckles) – that would be my closing comment. Thank you.

DR. GUBSER: Well, thank you very much. I also want to thank the whole panel: Afif Safieh, Daniel Levy, Mark Perry for their very interesting comments. We started with Wes Clark. He woke us up. The second panel or the first panel kept us very much awake, and I assure you, we are still awake. We look forward to the noon speaker and a great afternoon.

I'll turn it back over to you, John.

DR. ANTHONY: We have a luncheon time at this moment. On the back of everyone's name tag is a sticker with the number of your table. Please abide by that. There are many reserved places for the conference sponsors and their invited guests. Senator Hagel will be here at 1:00, and he is in between voting situations there, but he has spoken to this conference before. He is very committed, dedicated to be here at that time. That is just a heads up in terms of what is ahead of us, and we'll go behind the curtains there for the luncheon. Thank you.

(End of session.)