

ENDOWMENT FOR MIDDLE EAST TRUTH

NEW THINKING FOR OLD PROBLEMS: THE CHALLENGES OF MIDDLE EAST PEACE MAKING UNDER THE SHADOW OF THE IRANIAN THREAT

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KEYNOTE:

SENATOR SAM BROWNBACK (R-KS)

SPEAKERS:

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JOHN HILBOLDT: Good morning. . I am John Hilboldt, director of lectures and seminars at Heritage. It is my privilege to welcome you to our Douglas and Sarah Allison Auditorium. .We will post the program within 24 hours on the Heritage and other Web sites for your future reference.

Opening our program this morning is James Phillips. Mr. Phillips is the senior research fellow for Middle Eastern affairs in the Douglas and Sarah Allison Center for Foreign Policy Studies here at Heritage. He has written extensively about Middle Eastern security issues and international terrorism since coming to Heritage in 1979. Before that, he was a research fellow at the Congressional Research Service of the Library of Congress. Mr. Phillips is a member of the Committee on the Present Danger, a bipartisan group dedicated to winning the war on terrorism. He is also a member of the Board of Editors of Middle East Quarterly, the leading conservative journal of Middle East policy studies. Please join me in welcoming our colleague, Jim Phillips. Jim?

(Applause.)

JAMES PHILLIPS: Thanks, John.

President Obama left Washington yesterday en route to Saudi Arabia today and Egypt tomorrow, where he is going to give his long promise address to the Muslim people. The Obama administration has placed a high priority on reviving the stalemated Arab-Israeli peace negotiations, which have become the holy grail of the American presidency. But conditions are not favorable to say the least. The Palestinians are brittlely divided. The Palestinian Authority is weak and cannot implement any agreement that it would decide to sign. And its archrival Hamas is brittlely opposed not only to the peace negotiations, but to Israel's very existence. Now, unfortunately, Hamas is in a position to torpedo any negotiations by reviving its rocket terrorism. And in fact, that terrorism continues on a lower level.

Until Hamas is decisively defeated and discredited, there is little chance for a genuine peace. It transformed Gaza into a launching pad for rockets after Israel's 2005 withdrawal. And it has been built up by Iran with sophisticated rockets and other arms and training. And Hezbollah to the north also has been a recipient of unstinting Iranian support.

We are fortunate to have with us today a distinguished group of experts to weigh in on the challenges of Middle East peacemaking in the shadow of the Iranian threat. I would like to thank our cosponsor, the Endowment for Middle East Truth, for helping to assemble this group and especially Sarah Stern, the president and founder of the endowment, who will moderate the first panel and the Q&A at the end.

Leading off is our keynote speaker, Senator Sam Brownback. Sam Brownback has spent his life in the service of others. He grew up on a farm in Parker, Texas – Parker, Kansas, where

his parents still live and farm. Over the years, Sam has been a radio broadcaster, an attorney, a teacher, a congressman and senator. In 1994, he was elected to Congress and in 1996, was elected to fill Bob Dole's Senate seat. Last year, Sam ran for the presidency of the United States. And I think there are many people in this building and probably in the audience that are sorry that his campaign did not go longer.

In the Senate, Sam is focused on economic growth for Kansas and he serves on the Appropriation Committee, Commerce Committee and the Energy Committee and the Joint Economic Committee, as well as the Helsinki Commission. But for our purposes today, the most important point is that he has previously served on the Foreign Relations Committee. And, in fact, he chaired the Middle East Subcommittee at one time and the South Asia Subcommittee. He has traveled to the Middle East many times. He studied the Torah with Ariel Sharon. And he has discussed theology and philosophy with Hamid Karzai, the president of Afghanistan.

They say that the Senate is a place where ideas go to die but I think Senator Brownback has brought new ideas and championed some very notable bills that I think most people in this room can strongly support, including the North Korean Human Rights Act, the Jerusalem Resolution, the Darfur Peace and Accountability Act, as well as the Iran Sanctions Enabling Act, Iran Human Rights Act and the Silk Road Strategy Act, which he worked on with one of our analysts here at Heritage, Ariel Cohen. The New York Times has reported that Senator Brownback is one of the most fascinating and, in many ways, admirable politicians in America today. And that is unbelievable for them to say about a conservative. And the Weekly Standard has called him an ardent humanitarian who is concentrated on the difficult situations in Iran, Afghanistan, Sudan, Uganda, the Congo, Pakistan, Ukraine, China, North Korea and Vietnam.

Ladies and gentlemen, Senator Brownback.

SENATOR SAM BROWNBACK (R-KS): Thank you, Jim. That is very kind. Thank you, Sarah, for all of the organizing, for Heritage Foundation for putting this together. I think you are in for a real treat today. And this is going to be a different set of thoughts than you are going to hear in the mass media today, tomorrow and over the next few days with President Obama moving to the Middle East.

But I would make a wager with you. And we don't do that often in Kansas. It is not particularly a wagering state. But my wager is that our ideas are a lot more likely to succeed than the ones you are going to hear the next few days on actually producing success and peace in the Middle East. And I think it is important that we look at what will actually work and what has not worked over the past 16 years and billions of dollars in investment and unlimited diplomatic support, what has not worked. And I hope you will look with an open mind at what we are proposing today that has a real possibility of working.

I have the great virtue of coming from the state of Kansas, wonderful state, wonderful people. They did a study – I am sure it is one of these wasteful government spending studies – where they were comparing the flatness of a pancake to the flatness of Kansas. And we won on this. Now, I only say it because it is a very practical people that I represent in the state of

Kansas. It is best identified by one story that recently happened within the last 10 years. We have a capitol in the state of Kansas. We have a dome. We had no statue on top of it. They put a statue of a Kansa Indian, one of the native Indians of Kansas, on top of it. And he has got a bow and arrow and he is shooting an arrow towards a north star. So it is pointing towards the future and that is the symbolism of it. And they asked a Kansan – they said, well, what do you think of the statue on top of the dome and the Kansa Indian shooting an arrow to the North Star? And the guy, very practical, says, well, it seems like the waste of a good arrow to me. (Laughter.)

And that is a Kansas philosophy from the standpoint of it is just very practical – what will work and what won't work? And what has been pursued over the last 16 years has not produced security, has not produced a better situation for the Palestinian people, has not produced security at all. It has not worked. That is what I think is the round that we should really take the assessment right now and appraise what has or hasn't worked. And I think if we rationally look at what has been tried, we have spent billions of dollars. You will hear speakers say the actual number that has spent on a two-state solution. You will see we have put unlimited global diplomatic support into a two-state solution. More diplomatic coverage and effort than you could have imagined or have seen for anything in the history of mankind. You have seen this huge amount of effort and support and no peace or security and no rational thought that you are going to see at any time in the near future.

When you do something like that, I think it is time to say that dog don't hunt, in the vernacular. It isn't working. This isn't happening this way. And the rational thing really for us to do right now is to appraise why has this not worked and what else could be tried. And that is what this conference is about here today.

I want to thank the panelists that have traveled, many of them, great distances from the Middle East to be here. Others have traveled a great distance of two blocks from the Senate Hart Building. And I thank them as well. But I think you are going to hear an interesting and distinguished panel and I think a provocative and interesting and an area of thought that has to be pursued if we are going to be rational and truly want peace and pursue it in the Middle East.

I want to start by outlining my approach to Middle East conflict. I always ask three questions about any peace proposal. First, does it provide security for Israel? Second, does it improve the lives of the Palestinians? And third, does it advance the national security interests of the United States? I think we have to be very clear-minded on what we are asking to do.

In my remarks, I will focus on the latter two questions. I know that some of the expert panelists will discuss the importance of having any peace proposal guarantee the protection and, indeed, the improvement of Israeli security. I associate myself in the strongest terms with this objective that Israel must maintain stable, secure and defensible borders in any final peace agreement. And indeed, without that, there is not going to be a final peace agreement. That is a requirement in this proposal. And the arrangement must guarantee that Israelis are free from rocket and suicide attacks and would leave Israel in a position to defend itself. But I will leave it to the other speakers, several of which who have firsthand experience to discuss that in depth.

Instead, I would like to focus first on the goal of improving the lives of Palestinians. And let me explain what I mean by this. I believe this objective has two elements that are critical to the fulfillment of hope for the Palestinian people. First and foremost, I strongly believe that the goal of peace process should be to ensure that every Palestinian possess civil and political rights. These rights are foundational to society, to any society. Exercised properly and they allow citizens to shape society in the form desired by the majority, but with the input and protection of the minority. Without such a process, individuals are unable to articulate their vision of self-determination on a personal or collective basis. In short, we cannot be sure of what the Palestinians truly want unless and until they have the chance to express it themselves openly and honestly, something that is never taken without fear or retribution by armed extremist groups.

We have seen in Gaza what happens when this objective is incorrectly distilled and to a premature call for elections. Without the basic rights of free assembly, press, religious expression and political representation guaranteed to each individual, there was no space in Palestinian society to counter the radical ideology of Hezbollah and Hamas furiously promoted by Iran, the Muslim Brotherhood and al-Qaida.

I reject any assertion that the election of Hamas, a rocket-firing, Iranian-backed militia represents the articulation of Palestinian self-determination. Hamas rules by the sword, not by the consent of the governed. With the objective of improving the lives of the Palestinians, therefore, any Middle East peace process must first and foremost provide for these basic freedoms to allow for the true articulation of Palestinian self-determination to blossom. To be sure this places a significant burden on the Palestinian people to purge themselves of the forces of violent Islamic extremists that seek the complete annihilation of any ideological opponents.

After clearing this mighty hurdle, Palestinian leaders would then have to institute reforms to promote, expand and institutionalize the basic freedoms. But such a goal also requires Israel, as the sovereign power, to actively promote a robust civil society in both the West Bank and Gaza. It is incumbent upon Israel to focus not only on short-term security measures, but also on long-term investment in the development and strengthening of Palestinian civil and political institutions.

The second element of the goal of improving the lives of Palestinians must be to ensure that the Palestinian economy is self-sufficient. While economic self-sufficiency grows out of a free society, any peace process should have an additional focus of weaning the Palestinians from their state of economic dependency. Such a condition exacerbates and augments the influence of Iran and other extremist actors, not to mention perpetuating the debilitating and counterproductive involvement of the United Nations relief work agency.

The Palestinians in Gaza, the West Bank and around the Middle East achieved the dream of peace; they all should be able to obtain both political rights and economic self-sufficiency. The importance of policy-makers viewing these goals from this perspective is that it confers flexibility upon the development of the peace process. Using this approach, the Palestinian goal of gaining political and economic freedom mirrors Israel's goal of achieving peace and security. The two sides present a sense of balance in the scope of their objectives, which allows them to pursue creative solutions to achieve a comprehensive peace.

What then has gone wrong, we must ask. What then has gone wrong to leave us in the terrible place that we are in today? I would suggest that the system has broke down when policy-makers in the U.S. and abroad decided to scrap the goal of improving Palestinian lives and replaced it with one particular proposal to achieve that objective – one proposal to achieve that objective: the creation of an independent Palestinian state. In other words, they conflated one possible means with the end itself and the results have been tragic.

After 16 years, billions of dollars spent, dozens of international summits and limitless diplomatic support, the grand experiment of pursuing statehood above all else has failed. Not only are the Palestinians no closer to obtaining independence than when the process began, but during that time, thousands of innocent people have died and the influence of radical ideology has never been greater.

The legacy of the 16-year two-state experiment is one of a lost opportunity. Rather than looking at the Israeli-Palestinian conflict and crafting solutions that served the humanitarian interests of the Palestinians and that reflected the facts on the ground, our policy-makers got too clever. They felt they knew the answer before studying the problem. They talked about creating two states side by side, but also contiguous, even though they are separate, subject to final status issues, et cetera. As time went on, the two-state plan grew more and more distance. But rather than causing a reevaluation or critical thinking or strategizing anew, it only caused two-state advocates to dig in their heels deeper and push forward with the same failed concept.

The recent attempts to breathe life into the two-state proposal – first, at Annapolis and now by the new administration – were aptly described by one scholar as quote, “trying to fit a square peg in a round hole.” It just doesn’t work. And it is time to move on. But beyond this approach is uncharted territory. We have been indoctrinated over time to this singular mindset of announcing two states first, figure out how it will work later. So if we dare hypothesize that the two-state proposal doesn’t work, then where else is there to go?

The first step is to recharacterize the end goal as improving the lives of Palestinians, as I discussed earlier. Let me suggest a couple of ideas that stand out as straightforward ways to achieve this goal by granting Palestinians political rights and promoting economic self-sufficiency. Looking at the sharp distinction between the fate of the Gaza Strip and the West Bank over the past years, one is hard-pressed to see how the two could fit together in a state-like arrangement. But enforcing a connection where it doesn’t exist, we should be exploring the possibility of treating the two territories as distinct entities, while still pursuing the broader political and economic goals I have articulated.

Indeed, polling of Palestinians just a few years ago suggested that almost half of the Palestinians support rethinking the goal of establishing an independent state. Simply making this one conceptual change would yield several promising proposals. For instance, each territory could pursue confederation with its respective, contiguous Arab neighbor, Egypt and Jordan. Or the two territories could try to form a federation that could associate with both Arab states. Either way, the conceptual shift would result in new regional proposals that depart from the false notion that the PA alone can provide security. Instead, this new paradigm would acknowledge

the reality that only Jordan and Egypt possess the kind of state apparatus that could protect Palestinians from the radical terrorist forces funded and equipped by Iran.

That is what we have got to keep our eye on of who is funding the other side of this. And it is Iran. And their objective is not peace in this area. Under such an arrangement, Palestinians could obtain autonomy to exercise local, political and economic rights, while the confederation partner could maintain authority over security matters. Palestinians would remove themselves from Israel's sovereignty, while Israel would gain legitimate partners to work with and to hold accountable for any security problems.

Another straightforward measure relates to the millions of Palestinians stuck in camps in surrounding Arab countries. Rather than pressuring neighboring Arab states to release these Palestinians from six decades of captivity and allowing them to voluntarily integrate or immigrate, we have allowed them to perpetuate as pawns of Arab regimes seeking to threaten Israel with the false concept of the right of return. And this is for 60 years this has been going on. I have been in a lot of refugee camps around the world. And our objective everywhere else around the world is to dismantle the refugee camps, to get them located in a permanent status. And here it is to keep them there as pawns. That is a tragedy. It is a wrongheaded policy. It is inhumane and should not be continued.

With the level of economic assistance that we provide to these Arab states, the time has come to request an end to the artificial refugee crisis they perpetuate. Doing so could instantly confer upon millions of Palestinians political and economic rights they otherwise have been denied for generations. And it would also benefit the American taxpayer by reducing the budgetary needs and, indeed, eliminating the purpose of UNRA.

I know that several of the expert panelists here today will go into detail in some of the alternative proposals, so I will leave it to them to discuss the specific mechanics of how each proposal could work. I want to return briefly to the third question I noted at the outset: how the peace process affects U.S. national security. And I know the president is going to address this and it is going to be one of his key points on his trip that he is on now.

I believe it is incumbent upon our officials, legislators and policy-makers to approach the Middle East peace process from the perspective of how we can advance our strategic interest. Put a different way, we simply should not be considering peace proposals that would have the perverse effects of strengthening Iran, emboldening extremists and undermining the security of our staunchest democratic ally. That makes no sense for the United States to do. If the sovereignty experiment in Gaza provides insight into what an independent Palestinian state would look like if Israel were to pull back too soon, then we should not be pursuing that path. That is not in our security interest. It is certainly not in Israel's security interest. And it is not in the future interest of the Palestinians.

That is why I would propose that the United States government and preferably the Department of Defense conduct an in-depth study on the impact that premature Palestinian independence would have on U.S. national security. Ideally, the study would go further and compare alternative proposals so that policy-makers would have all the information they need to

make informed decisions about the best way to advance the security interests of the American people.

I conclude by thanking our organizers and host and by simply asking, really pleading with the administration, with officialdom in this town, with the foreign policy community of let's think anew about this. Let's admit what has worked or has not worked and let's look anew at this. And it is fully time to do it. And that if we look anew, we can find true solutions that will actually work and for the betterment of all the people involved.

I want to thank you all for being here and for the host for being here. Thank you so much. God bless you all.

SARAH STERN: Thank you so much, Senator. It makes me want to move to Kansas to vote for you. It is absolutely refreshing in this town to hear some cogent, brilliant and intellectually honest remarks such as your own.

First of all, I would like to thank the Heritage Foundation and Jim Phillips for the co-sponsorship of this event. You have been an absolute pleasure to work with and I hope to be able to come together to do more such collaborative efforts with you for many years to come.

This event is part of the Dr. Miriam and Sheldon G. Adelson Policy Seminar Series. I would like to thank the Adelson Family Foundation for their generous grant, which has enabled me to fly in our dignitaries from Israel to enable this to happen.

This seminar could not come at a more propitious time. As President Barack Obama is in the region now and will be in Cairo tomorrow to meet with President Mubarak and to give a major policy address, two issues undoubtedly will be on the top of his agenda: how to revive the peace process between Israel and the Palestinians and the looming threat of an Iranian nuclear bomb. As you know, the emergence of Iran as a nuclear power threatens to be one of the most destabilizing factors in the region threatening not just Israel, but the Sunni Arab nations and the entire free Western world as we know it.

When President Obama emerged from his meeting with President Benjamin Netanyahu a few weeks ago, he spoke about a linkage between those issues. His exact words and I quote were, "If there is a linkage between Iran and the Israeli-Palestinian peace process, I personally believe it actually runs the other way. To the extent that we can make peace to the Palestinians and the Israelis, then I think that it actually strengthens our hand in the international community in dealing with the Iranian threat."

We are here today to examine this linkage. Before we begin, I would like to remind you of the words of James N. Rosenau in classic book, "Turbulence in World Politics." Abandoning existent assumptions, he wrote, is no easy matter. Students of world politics like politicians are prisoners of their paradigms, unwilling or unable to escape the premise of state predominance and constantly tempted to cling to familiar assumptions about hierarchy, authority and sovereignty. Or in the words of that eminent political philosopher, Paul Simon, all lies and jest; still a man hears what he wants to hear and disregards the rest.

The question is how willing are we in the foreign policy community to make the necessary paradigm shifts to acknowledge what is going on within the hearts and minds of the region. The linkage that President Obama pointed out assumes that allegiance to statehood and sovereignty are the primary issues of identification and affiliation and therefore, the primary compelling factors for behavior within the region, when in reality, the spirit that has captured the imagination of the youth in many parts of the Arab and Muslim world has been loyalty to fundamentalist Islamism.

There are many reasons for this. One is the advent of satellite television, which has brought romantic images of the shaheed, or martyr, into every Muslim and Arab living room. Yet, many uncertain foreign policy corridors of this town stubbornly adhere to an outmoded paradigm of allegiance to the state. A recent poll taken by Palestinians by the Palestinian Center for Policy and Polling Research of Palestinians indicates that if the Israeli defense forces were to leave the West Bank or Judea and Samaria, if you will, today and free and independent elections were to be held there, an overwhelming majority would elect the Iranian proxy Hamas over Fatah. It is only due to the finely honed skills of the IDF that Fatah is still in power today. There is a joke going around in Judea and Samaria that Abbas is very powerful among the Palestinians. His power extends all the way from his bedroom up to the door of his compound in Ramallah.

We cannot ignore the facts of what happened when Israel withdrew from Southern Lebanon in May of 2000 or when they withdrew from Gaza in the summer of 2005. After the Lebanese withdrawal in 2000, Sheikh Nasrallah of Hezbollah, an Iranian puppet, became a folk hero throughout the Shiite and the Sunni world for doing something that had never been done before on the battlefield. And that was for chasing the mighty Israeli army away.

When Israel made the internally gut-wrenching decision to uproot every last Jew from Gaza in the summer of 2005, we have to remember that the following January in free and independent elections, the Gazans went to the polls and elected Hamas, another Iranian proxy, to govern themselves. The greenhouses that have been left by Israel in order to give the fledgling Palestinian state an opportunity for an economic infrastructure were immediately destroyed in a chaotic manifestation of hatred, mayhem and anarchy.

Since then, over 10,000 Qassam rockets have been launched from Gaza making life for the residents of the neighboring Israeli town of Sderot a constant living hell. The people of Gaza selected the forces of hatred over an opportunity to make a better life for themselves and for their children. Four days from now on June 7th, the people of Lebanon will be going to the polls and I hope and I pray that they will elect the pro-Western March 14th movement over the pro-Iranian Hezbollah March 8th movement. But at this point, it does not look very good.

We have to remember that the mastermind of these dark forces in this region is Iran. Iran is the most destabilizing influence in the region. Both Hamas and Hezbollah get much of its training, money, equipment, weapons and commands directly from Iran. Tehran is using the Palestinian territories as the gymnasium with which to flex its muscles. In Iran, we are dealing

with a toxic amalgam of state-sanctioned incitement to commit genocide and a full-throttled technological exertion to do so.

Recent intelligence reports say that Iran now has enough enriched uranium for one nuclear bomb. And Israel lacks the strategic depths to absorb one nuclear attack, making this an existential issue for the Jewish state. We cannot ignore the empirical data that the land-for-peace paradigm, as lovely as it might sound on paper, in actuality has had the antithetical result of empowering precisely those enemies in the region, Hezbollah and Hamas, who despise both Israel, the minor Satan, and America, the great Satan, equally.

After decades of this land-for-peace formulation in which Israel has traded real tangible currency, land, for the ephemeral promise of peace, it is time that we had enough intellectual honesty and integrity to ask ourselves whether this paradigm has actually gotten us any closer to the goal post of peace.

The question now becomes will the Obama administration use the threat of an Iranian bomb as leverage to extract further concessions out of Israel in order to buy itself good will in the international community, as the Iranians use this valuable time as a smokescreen to make their talk of genocide come to fruition. Remember this is not simply about Israel anymore; it is about America, Europe and the preservation of the free Western world as we know it. There is a blowing wind of adherence to radical Islamism that is capturing the political imagination of Muslims stretching everywhere from Riyadh to the Balkans to Ramallah and many points in between.

It is time for people in certain foreign policy corridors of this city to wake up and smell the hummus. Or as another great political philosopher, the renowned Bob Dylan, once wrote, the answer, my friends, is blowing in the wind. In order to explore these issues, we have assembled here some of the greatest policy experts in the international arena today.

On the first panel, we have, of course, Senator Sam Brownback, Major General Giora Eiland, former head of Israel's National Security Council and former director of the strategic planning branch of the Israeli Defense Forces, Dr. Daniel Pipes, the director of the Middle East Forum and – I'm so sorry – the Taube distinguished visiting fellow of the Hoover Institution of Stanford University. Daniel is one of the most preeminent scholars in the field and has written dozens of books and hundreds of articles on the subject. And Jonathan Schanzer, the author of the new renowned book, "Hamas vs. Fatah: The Struggle for Palestine," a book that challenges the notion of Palestinian unity. Jonathan was a former counterterrorism analyst at the United States Department of Treasury and is now the director of the Jewish Policy Center and the editor of its journal, "InFocus."

Each speaker will make a 10- to 12-minute presentation and then we will open the panel for Q&A. Thank you very much.

MAJOR GENERAL GIORA EILAND: Good morning. Whenever we talk about the Israeli-Palestinian conflict, we can see a paradox. The paradox is this: on one hand, everybody wants to solve the Israeli-Palestinian conflict and we understand that the benefits are beyond the interest of both parties that are involved. There is original interest to solve the Israeli-Palestinian conflict and some people say there is a global interest to solve this conflict because apparently, this is one of the sources of tensions that have some impact on so many other places. Whether it is true or not, this is the perception. So it is important to solve this problem.

At the same time, the solution is apparently non-existent and acceptable. And this is the two-state solution that is supported globally from China to Canada, from Norway to South Africa. Everybody supports the two-state solution. Now, this two-state solution is acceptable not only by the general concept, but whenever we talk about the details, the details are very well-known. They are very well-known because nine years ago, President Clinton, when he tried to move forward and to reach the final settlement, put in the a very detailed plan in which he gave specific answers to all of the delegate questions of Jerusalem refugees, security, territory, whatever. No matter who is on the negotiation and who is going to participate on both sides and how long it will take, at the end of the day, if this is the concept, then the details are more or less consistent with what was proposed by Clinton nine years ago.

And it is very well-known to all the relevant parties. So it is important to solve the Israeli-Palestinian conflict. The concept is acceptable and supported and the details are well-known, so what is the problem? Why both sides don't sit together and reach the final settlement in a few weeks or a few months and implement a solution that is so widely supported? And here is the paradox. The paradox is that this solution is not desired by either side. And contrary to the image, the gap between the real Israeli positions and the real Palestinian positions is much wider than the way that it is perceived. And this gap become wider and wider rather than smaller, smaller along the years.

So we can say that the maximum that the government of Israel, any government of Israel, can offer the Palestinians and survive politically is less, much less, than the minimum that any Palestinian leader can accept and survive politically. And as long as this is situation, there is very little chance that both sides will be able to move forward and to reach this solution that is apparently so well and accepted.

Why the gap is so big? Why it is very hard to move forward and to solve the problem in accordance with these lines? There are many, of course, sensitive issues. But even if we ignore the more, let's say, emotional issues like Jerusalem refugees, the religious places, et cetera, and we try to see, to look at the more substantial elements, then there are two problems that this solution cannot provide. The first is the lack of trust from the Israeli side that the Palestinian leadership or the Palestinian Authority would be able to be accountable enough and to provide the security that is required. There is an assumption or there is a belief in Israel that if there is a Palestinian state established in the West Bank, then it is more than 50 percent that this Palestinian state sooner or later, probably sooner, will be controlled by Hamas. And if this is the situation and we will have to be more or less along the 67 line, which are not very defensible anyway, but especially when the entity on the other side is hostile entity, this is something that the state of Israel cannot – this is a risk that the state of Israel cannot take.

You know, many times when you make a deal, you know more or less what you get and you know more or less what you have to pay. Sometimes you have to accept very painful deals, but, you know, okay, maybe I give a lot, I get back a little, but at least I know what I am going to get back. Here the concern is that you are going to pay so much, and in the end of the day, you are not going to be given the minimum that has to be given because the other side cannot give you what he has to give. So this is a problem that the two-state solution cannot provide, even if nice announcements are made and nice promises are given by no matter whom.

The second fundamental problem is the territorial problem. The area in which this solution has to be provided, which is between the Jordan River and the Mediterranean Sea, is too small in order to create two viable states. Let's take Gaza, for example. The 1.5 million people who live in Gaza today – there will be 2.5 million people in 15 years. Suppose there is a peace agreement today between Israel and Palestinians. And even if we ignore who controls Gaza, Israel will hope that the 2.5 million people who will live in Gaza only 15 years from now will live happily and focus all their attention on the wellbeing and their economy only because there is a peace agreement. Their very fundamental needs cannot be provided in such a small area like Gaza.

So the territorial problem is a real problem. And there is a zero-sum game whenever we speak about territory because the more we give, the less, of course – the less we give them, the more – whatever we give the Palestinians, of course, we are going to miss it and vice versa. So these are the two fundamental problems.

Now, the problem with the process along all these not only 60 years, but I would even say along the past 70 years since '37 is that whenever people spoke about solutions, they spoke about the two-state solution. It was first proposed by the British Peel Commission of '37, later on in '47, later on, as everybody knows, in July 2000 by the Israeli Prime Minister Barak. And it did not work. And I could expect the new American administration to make a real reassessment not only in regard to how to move forward and to implement this solution, but to look wider and to try to see what are the basic assumptions that brought us to this solution on whether or not there could be other possible solutions to this problem.

I wrote a few days ago in the Israeli – newspaper an article in which I mentioned the seven false assumptions of the American administration whenever they decided to move forward with this existing two-state solution. I don't have time. I am not going to mention them. But those wrong assumptions bring the administration to be in a position where they are right now.

Now, speaking about alternative solutions, we can speak at least about two different other solutions that each of them, at least, can solve one of the problems that I mentioned. The first is the lack of trust of the Israeli side in the Palestinian capability to be accountable and to provide security. And the second can solve, at least, partially the territorial problem. And let me mention two of them very, very briefly.

The first, as Senator Brownback mentioned, is to give up the – from the Israeli perspective, to give up the West Bank, but not in order to establish another Arab state, but in

order to return to the real situation that existed prior to '67, not only to return to the borders of '67, but to return to the situation that existed there, where Jordan and Egypt were responsible to the West Bank and Gaza, respectively.

Now, if something like this is done, then the Palestinians can enjoy certain autonomy in the West Bank or if you want to speak in American terms, there even might be the United States of Jordan in which there will be two states. One of them is the West Bank and the other is the East Bank. But as far as security is concerned and as far as the foreign policy is concerned, this authority would be only in the hands of the federal government in Oman, if you want. Now, until three years ago, no one could speak about that because it was totally rejected by everyone. But surprisingly today there is more and more moderate Palestinians who live in the West Bank who support it and more and more Jordanians support it for their obvious reasons.

There are moderate Palestinians, secular Palestinians who live in the West Bank that support it because of two reasons. First, they say we know that the two-state solution is not going to be established. And since we do want to get rid of the Israeli occupation, then this solution is really an solution to return to be powerful Jordan. Number two, they know very well that if there is a Palestinian state, it would be controlled by Hamas. And those people say if I have to choose between Hamas and Jordan, I prefer to belong to Jordan rather than to be under Hamas.

Speaking about Jordan, the Jordanians know very well that if there is a Palestinian state in the West Bank, it will be controlled by Hamas – not to have an able state controlled by Hamas with 75 kilometers of shell border, this is the beginning of the end of the Jordanian kingdom. And to understand very well that only by being responsible for security they can secure their kingdom, meaning that they should be against the Palestinian state. So there is good reason to resume real discussions about that. And I am quite surprised that such a thought never occurred here in Washington – at least, not officially – before this campaign began.

The second alternative solution touches the problem of the territorial problem. I will do it very, very briefly. And it is only part of the, I would say, the rationale of this explanation. But let's try to imagine the following. Let's increase Gaza to the west to Sinai and make Gaza three times bigger than its original size. This additional 600 square kilometers, which is empty land along the coast, you can build a real big seaport. You can build a real big airport and you can build a real new 1-million city – a 1-million people city in which many of the refugees will be able to go to.

Now, this 600 square kilometers is equivalent, more or less, to 12 percent of the West Bank. So if this territory is added to the Palestinian state in Gaza, then it would be taken from them and given back to Israel. Now, why this 12 percent is so important? First I want to mention that when Ehud Barak came back – came, not this week, but when he came as a prime minister to Washington nine years ago, and he came with his proposal to solve the Israel-Palestinian conflict, he came with a map. And according to this map, Israel should annex at least 12 percent of the West Bank; that these are the real vital interests of the state of Israel in regard to strategic places, in regard to water sources, and in regard to the ability at least reduce dramatically the number of Israelis that have to be relocated that live in this 12 percent.

And to close the circle, Israel will give Egypt the same size of land down in the South Negev, where it is much easier for Israel to give to the Egyptians, the area that the Egyptians give to the Palestinians. So if you do something like this, no one loses. The Israelis and the Palestinians win a lot because this is the only way to make Gaza a viable state with real, I would say, prospect for prosperity. And Egypt can be given a lot of other compensation that I don't have time to elaborate right now. And for Israel it is essential to be given at least this 12 or 13 percent of the West Bank that makes certain change.

No one has discussed this option, as no one has discussed the other option that I mentioned and many other options. And here is the problem, and here is what can be done. And what I think – maybe it is today just too late when we speak about the current visit of President Obama in the Middle East. But I believe that sooner or later, when the real difficulties begin to be understood and when the administration will face a need to make an assessment of the situation, time might come to explore other alternatives rather than to obsessively return again and again to a concept that has failed so many times. Thank you.

DANIEL PIPES: Good morning, ladies and gentlemen. I'm Daniel Pipes and my gratitude also to the organizers of the event today. I apologize in advance for a cough I have.

I'd like to note that it's 25 years exactly since I worked here in the Heritage Foundation for the summer in 1984 and I've always had a warm spot for this institution.

I originally planned to talk about the two-state solution but Senator Brownback discussed it, General Eiland discussed it, Dan Diker will be talking about it later and I figured three people talking about this who know a great deal about it is plenty and I shall talk about something else. So since Iran and the areas where the conflict are on our mind I thought what I'd talk about is the tissue between them, what links them in the Middle East. And here I'd like to bring up a concept: the concept of the cold war.

Now, "cold war," according to the Merriam-Webster dictionary, is a conflict over ideological differences carried out – carried on by methods short of sustained overt military action and usually without breaking of diplomatic relations. Three elements: ideological differences, no actual fighting – hot war – and not breaking off diplomatic relations. The classic instance of a cold war, of course, is the United States and the Soviet Union between 1945 and 1991, global in nature, very ideological.

The second notable instance of this was between 1954 and 1970 in the Middle East – in the Arab Middle East. It was shorter. It was more localized. Had to do with Gamal Abdel Nasser, the revolutionary, trying to change the region and the Saudis in particular on the other side, the status quo of power trying to keep it as it was. This peaked in the Yemen War of 1962 to 1970, a vicious small war in the Middle East, and ended with the death of Abdel Nasser.

Now there is a new cold war in the Middle East, I suggest. I would call it the Middle East Cold War, not the Arab Cold War – Middle East Cold War. And I think it's useful to explain an increasingly hostile confrontation between two blocks of countries. On the one hand you have Iran as the leader, Syria, Qatar, Oman; and then two organizations: Hezbollah and Hamas; with Turkey, very importantly, as an auxiliary to this group and Lebanon presumably about to join it in a few more days.

On the other side you have the leader once again being Saudi Arabia. This time Egypt is on the non-revolutionary side – the status quo side; you have Jordan; you have Fatah, the Palestinian organization; and you have most of the Arab states joining in one way or another on this side.

Interestingly, there's some states that don't quite fit in, such as Libya and Iraq. Also of note is the fact that Egypt, which once was a leader, is now playing second fiddle to Saudi Arabia; points to its lesser importance in the region compared to 50 years ago.

I'm basing my thoughts somewhat on a study done in February of this year by Yugov Carmon and three of his colleagues of memory called "An Escalating Regional Cold War" in which they call this cold war, quote, "the key to understanding the Middle East in the 21st century," unquote. And I'll draw on this study in my remarks.

The cold war goes back to 1979 when Ayatollah Khomeini came to power with grand ambitions for the region: to destabilize a revolution in other states and to bring his own brand of revolutionary Islam. But it also has a deeper base in that Shiites of Iran see the leading Sunni state – the Wahhabis – as a radical apostate political sect that happens to have taken over the holy places of Islam; whereas in contrast the Wahhabis of Saudi Arabia see the Shiites as a political sect that's actually seceded from Islam and is no longer Muslim.

Despite the Sunni-Shia difference you'll note that the list of countries on the Iranian side also includes some arch-Sunni countries such as Turkey in particular. So while this is a dimension to it, it's not the entire explanation.

Tensions diminished after Ayatollah Khomeini's death in 1979 and then have resumed especially under Mahmoud Ahmadinejad since he was elected in 2005. Ahmadinejad reverted to Iran's previous policy of anti-Saudi hegemony by pushing the export of the revolution and promoting the Sainik Shiite vision that stresses the imminent appearance of the Mahdi and the re-establishment of the Persian Empire. There are Iranian actions that confirm its bellicosity: the building of weapons of mass destruction, the active engagement in Iraq and, for example, the claim to Bahrain that's been made here and there along the years but especially early 2009 when a senior Iranian official – Ali Akbar Nateq-Nuri – called Bahrain the 14th province of Iran.

The Saudi kingdom is in – monarchy – is in particular worried about this bellicose attitude coming from Iran. Let me quote you one columnist, Muhammad bin Ali Al-Mahmoud warning in the Saudi government daily Al-Riyadh about Iran's – what he called – "octopus-like expansion." He wrote that, "Iran wants to control the region not by spreading its ideology but by maintaining armed organizations in Arab countries. This violates their loyalty to their

homelands, replacing it with loyalty to Iran. This especially is important since Iran is a country that does not spread tolerance or a culture of moderation but a culture of one-sided hegemony as part of a racist effort to impose a kind of occupation.” This is a Saudi columnist talking about Iran.

There have been three significant manifestations I’d like to mention of this cold war. One was in 2006 when the – when Hezbollah was fighting the Israeli state. One would expect the Saudis to be fully behind Hezbollah; they were not. Here is an official Saudi statement about the war in July 2006: “Viewing with deep concern the bloody, painful events currently taking place in Palestine and Lebanon, the kingdom would like to clearly announce the difference should be drawn between legitimate resistance and rash adventures carried out by elements inside the state and those behind them without consultation with the legitimate authority of their state and without consultation or coordination with Arab countries –” i.e., they ignored Saudi Arabia “– thus creating a gravely dangerous situation exposing all Arab countries and their achievements to destruction with those countries having no say.” Thank you very much Iran for initiating this war with Israel, not including us in it.

At an emergency Arab League summit in Cairo that same month – July 2006 – the foreign minister of Saudi Arabia, Saud Al-Faisal, said of Hezbollah’s attacks on Israel, quote, “These acts will pull the whole region back to years ago and we simply cannot accept them,” unquote. Several Arab states explicitly and publicly condemned Hezbollah for its, quote, “unexpected, inappropriate and irresponsible acts.”

The Iranians of course responded in kind. A newspaper editorial in Iran said the muftis of the courts of Saudi Arabia and Egypt have carried out the most shameful act of all, meaning they issued a fatwa forbidding help to Hezbollah. Going on, “How miserable are these black faces who have polluted the holy seed of the clerics and of the muftis with the mark of disgrace of blind obedience to the heads of the Arab reaction. They have brought themselves – they have bought themselves a bad name in this world and torment in the world to come. An eternal curse – sorry – an eternal curse on the muftis of the Saudi court and the pharaoh of Egypt.” That is the kind of spirit that one finds between these two sides.

Another quick illustration would be that the Moroccan government recently, in March of this year, announced that it had broken diplomatic relations with Iran. And the reason it said – gave for this was intolerable interference in the internal affairs of the kingdom; namely, the efforts – according to the Moroccan state – that the Iranian government was endeavoring to convert Sunnis to Shia version of Islam. And the secretary-general of the Arab League, Amr Moussa, reacted to Morocco’s severing of diplomatic relations by saying he was deeply disturbed by Iran’s meddling in Arab affairs. And others also came to the Moroccan side.

A third illustration of this is the rupture in the close relations between the Turkish state and Israel. These do continue on in the military level, but so much else that was prospering a decade ago is now gone, with a Turkish state that is antagonistic, using hostile language, inviting the enemies of Israel and so forth to Ankara. And conversely, the Syrian state has developed warm relations with Syria and Iran; exchanging high-level visits with the Syrian government, increasing trade and even conducting joint military maneuvers.

In conclusion, this new cold war in the Middle East – this activated cold war in the Middle East – does not help to solve problems. It will not in any way end the Arab-Israeli conflict. And however venomous the relations may be between Fatah and Hamas, however they may be killing each other's operatives, they'll always join together against Israel. This is another reason to be doubtful of a two-state solution. It is also not much help, vis-à-vis Iran. I don't believe that the United States government will find significant support in Saudi Arabia or any of the other members of that bloc. The notion that one Muslim state will help a non-Muslim state against another Muslim state is too difficult to entertain. And that it has implications such as I just mentioned.

Looking more broadly, what this means – this cold war – is that conflicts which were once regional are now internationalized. What was local is now Middle Eastern. It connects Iran to the Arabs, or the conflict among other issues. It brings much of the region into this larger context. It makes the flashpoints more dangerous and adds yet more volatility to what is already the world's most volatile region. Thank you.

JONATHAN SCHANZER: Good morning. I too would like to thank the Heritage Foundation and thank Sarah and EMET for having me here today. It is an honor to be sitting among such distinguished panelists. Sarah asked me to talk a little bit about some of the issues that I discuss in my book, and I will do so, I suppose, for the next 10 minutes or so.

I'll start by saying on Monday, a very rare thing happened. On the front page of the Washington Post, above the fold, in a full-color photo, there was an image of a bullet-pocked door frame and a Palestinian Authority gunman, and the headline read, "Deadly Clash Between Rival Palestinian Factions." For more than two years, as we all know, the two largest Palestinian factions, Hamas and Fatah, have been at war. But this has not been front page news by any stretch of the imagination. The story gets scant attention. The media downplays it. The academics attempt to re-write the history of it. And the State Department largely ignores it.

The Obama administration insists on moving forward with the peace process as if this civil war did not exist, and this has been the way that I would characterize the state of affairs in terms of the way that outsiders have been looking at this conflict now, really since the war began in 2007 – in June of 2007.

Now, the Obama administration realizes that the Palestinian civil war is an impediment to the peace process. Since January, since Obama took office, the U.S. has urged Egypt to hold a series of unity talks. The talks have essentially been designed to create a polity that would be acceptable to the international community, that would be able to accept international aid and that would be an interlocutor with Israel in future negotiations. By my count, since the end of Operation Cast Lead in January, there have been five or perhaps six rounds of talks between the Palestinians under the aegis of the Egyptians, and each one of these rounds of discussions have failed miserably.

And we are now at a place that even if both Fatah and Hamas determine that they did not want to seek the destruction of Israel – both parties do. If you look at their charters, you can find it translated into English, and it's very clearly stated. But even if that were not the case, if Israel determined that tomorrow – and believe me, this is also not the case – but if Israel determined tomorrow that it wished to cede all of the West Bank or Judea and Samaria, would remove all checkpoints within the West Bank and around the Gaza Strip, would hand over all the Muslim holy sites in Jerusalem and would even allow refugees to live in Israel – Palestinians claiming to have refugee status – if Israel ceded all of these things, what I think has been lost on this administration is that there would be no one to ratify that agreement on the Palestinian side.

In other words, if Fatah were to ratify this agreement, Hamas would protest. And as we all know, Hamas is not interested in that agreement one way or the other. So essentially what we've come to a point – and I think this is a watershed in the Arab-Israeli conflict – is that the inter-Palestinian conflict – the inter-Nessai conflict between Hamas and Fatah has essentially superseded the Arab-Israeli conflict for the moment. It's not as if the Arab-Israeli conflict isn't relevant any longer. But we are now at a point where in order to even solve the Arab-Israeli conflict, we must figure out exactly how to solve the Hamas-Fatah conflict. And this is something very new and it is something that is irrespective of settlements, it's irrespective of Jerusalem; it's irrespective of all the things, in my opinion, that the Obama administration has been focusing on to date.

Now, I talk about the history of the conflict for some 250 pages in my book. I will, in about two minutes, try to sum up how we got here. But suffice it to say that this is not a new conflict. It has gone on under the radar for 20 years, and has been largely ignored as I have mentioned before. The conflict began in 1987, when an upstart organization, a splinter of the Muslim Brotherhood, challenged Fatah in the streets of the West Bank in Gaza during the First Intifada. Over time, the conflict has become increasingly bitter. The lines in the sand were drawn as Hamas opposed Fatah over the Oslo process, and the conflict steadily grew from there, as expressed largely by the suicide bombings that Hamas carried out throughout the 1990s.

The traditional narrative is that these bombings were simply an attempt to hurt Israelis, to kill as many Israelis or Jews as possible, and that is certainly part of the narrative. The other narrative that I think has been largely ignored is that this was a message that was being sent to the Palestinians themselves, as if to say, Fatah does not speak for all of the Palestinians and we are willing – this is Hamas speaking – we are willing to carry out violence – extreme violence – in order to prove a point; that the Fatah-sponsored peace process would fail.

By autumn of 2000, Yasser Arafat realizes that his strategy has not gained him popularity on the Palestinian street and he launches the Second Intifada; the so-called al-Aqsa Intifada, in which he attempts to adopt Islamic symbols and to essentially out-Hamas the Hamas organization. He failed in this respect, and in the next four years until his death in 2004, chaos enveloped the West Bank and Gaza to the point that there were different neighborhoods controlled by – different pockets of neighborhoods controlled by different factions. So Hamas would control one pocket and Fatah would control another. And it got to the point that no one really knew who was in charge of the West Bank and Gaza.

Then we saw the elections in '06, when Hamas won in a landslide victory that surprised people here, people in Israel. And then finally we saw everything culminated in a civil war in which hundreds of people were killed. Hamas members pushed Fatah members from tall buildings to their death; shot them at point blank in the limbs to ensure permanent disabilities. And this is now where we've gotten, to the point where Hamas and Fatah are openly at war with one another, and yet we continue here in the United States to push for a peace process with the Palestinians when we cannot even figure out who speaks for them on a political level.

This is one challenge. But the challenge gets even more difficult; as if we need – and we've already heard quite a bit about the challenges facing us today. But there's another layer that I'd like to discuss for the next few minutes. And this is something, actually, that I wrote when I was working for Daniel Pipes at the Middle East Forum. And that is the question of geography. There is more now separating the two territories than a chunk of the Israeli Negev desert.

Operation Cast Lead, I think, demonstrated something that we had not seen before. And that was Gaza was getting pummeled by the Israeli military while the West Bank watched silently. There were, yes, a few Fatah demonstrations. However, there were P.A. officials who were actually providing targeting information to the Israelis in order to hit Hamas targets. And there were even public statements that came out in favor of Israel.

It's interesting looking back prior to '67 that both the West Bank and Gaza were under, of course, Egyptian and Jordanian control. It was only after the Israeli conquest of these territories that there was really talk of uniting these two Palestinian areas in the context of peace. So in other words, this was a carrot that the Israelis dangled to the Palestinians, saying, well, if you sign a peace agreement with us, then we will talk about connecting these two territories together. And it was discussed throughout the Oslo process that the Gaza Strip and the West Bank would be joined, either by road or by bridge or by tunnel.

With the launch of the Intifada in 2000, this set the Palestinians back in ways that I don't think anybody would have realized at the time. It of course led to the building of the Israeli wall around the West Bank and Gaza. And again, when Arafat died, it seemed as if he had alone controlled or held together the two territories of the West Bank and Gaza. And again, we saw what observers now call fauda, or chaos that enveloped these two areas. And then finally, the coup of 2007 cemented the isolation of these two territories. The Israelis took measures to ensure that borders were sealed and that there was very little travel between these two territories.

So today, what we now see after looking back over the last several decades is we now see two drastically different territories. One smolders. One was completely beaten down by the Israelis during Operation Cast Lead and needs billions to rebuild to a place where it would properly function. The other one, the West Bank, is intact and getting U.S. aid and is getting Israeli aid and Israeli training and U.S. training. One is Islamist in character, sponsored by the Iranians. The other one is essentially secular. And this is a microcosm of some of the forces that Daniel was talking about. One is supported; the West Bank is supported by Sunni regimes. The other one is supported by an Iranian axis.

And there are subtle yet more important differences as well. Gaza has about 40 to 50 percent refugees, while the West Bank has something like 20 to 25 percent. So there's a difference there in the makeup of the population. The poverty in the Gaza Strip is also about at the same rate, 40 to 50 percent; while it's more like 12 to 15 percent in the West Bank. And the disparity is growing due to the sanctions that have been placed on the Gaza Strip. There is little to no intermarriage. There is little to no interaction. And in fact, if you go to these areas, you can even hear some subtle differences in the dialects spoken between the West Bank and the Gaza Strip.

So now we are looking at two different territories that are separated by Israel, with fences around them. They have different government structures. They have different police. They have different security apparati, intelligence apparati, and different funding sources. So in essence, these territories are now splitting apart at an alarming rate.

So when the Obama administration calls for diplomacy, I continue to ask — who with? Who should the negotiations be with? Should it be with Hamastan in the Gaza Strip? Should it be with Fatahland in the West Bank? If it is Hamas, you are of course dealing with an elected entity — about 1.5 million people in the Gaza Strip — that will not negotiate, will not recognize Israel. And it would be against U.S. policy. Dating back to the time of Richard Nixon, the United States does not negotiate with terrorist organizations.

If it is Fatah that Israel and the United States choose to negotiate with, this is an unelected government; and it is, of course, recognized as a moderate entity. But as I mentioned before, it still does call for the destruction of the state of Israel. There are more people, 2.5 million people in the West Bank, but this is a territory that teeters on collapse. We talk a lot right now in Washington economics about bank failure. The West Bank is in danger of failure right now. We are looking at if Israel and the United States were to pull out tomorrow, according to sources that I've talked to in the West Bank, maybe a few months ago it would have taken a few days for Hamas to take over. Now, according to what I hear, it could take maybe half a year. But this is not what we want to place our bets on.

So the bottom line is that this is not the right time for peace. And I say this with no glee. There is no one to talk to on the Palestinian side in order to move forward. And that we've got the political differences, we've got the geographic differences, and these are not reconcilable at this moment. What it means is that the United States should be counseling Israel to come up with its own plan of how it would like to move forward when things have settled on the Palestinian side. And on the Palestinian side, I believe it will be up to the Obama administration to get these factions to sit down and figure out exactly who speaks for the Palestinians. It is only at that point that we'll be able to move forward. Thank you.

MS. STERN: I think before we open up the floor for Q&A, I'm going to exercise the moderator's prerogative and just ask the panelists one question. And that is if ideally you could script-write President Obama's speech tomorrow in Cairo, what would you recommend him to say?

MAJ. GEN. EILAND: Sometimes when I've – when I get questions like this recommend, what should an Israeli leader say in specific event, I prefer to avoid it. But to give advice to the American president, what he should say, it is, I believe, above my capability. And I don't – but, no, seriously; I don't think that the Israeli-Palestinian conflict is going to be the essence of this dialogue or this speech. I think that he's going to talk about new era in the cooperation between the West and the Arab world; hopefully to be able to recruit the Arab leaders – the moderate Arab leaders to support the United States against the more, let's say, evil forces within Islam.

And in this respect, I think that's he's going to say something positive, if this is going to be the message. And if it is – if it is not beyond this thing – if he tries to please the audience beyond that statement, I think that he might make a mistake.

MR. PIPES: There's a fascinating document from 1796 – 1796 – in which the United States government reached an accord with the Dey of Algeria. And it's in the document – in the English version of that document it says that the United States is not at war with Islam. And what's so curious about the document is that this paragraph which this assertion is made does not exist in Arabic. The Arabic equivalent is full of phrase for the local dey. And so it's a unilateral statement by the U.S. government of that time that we're not at war with Islam.

And it's an interesting document because over 200 years ago, Americans thought it necessary to make this statement. I think that is a statement that needs re-statement – we're not at war with Islam. But I think it also needs updating. And my formulation is that radical Islam is the problem and moderate Islam is the solution; and that we're not at war with Islam but there are Muslims we're at war with. There are Muslims who are on our side. This is an ideological war that we are engaged in, comparable to our wars against fascism, World War II; and communism, the Cold War. We're now engaged in this war.

And just as there were Germans and Russians and others who fought with us against the Nazi and Communist apparati, so there are Muslims who fight now with us against the Iranian and other apparati that are against us. So it now what religion you are; it's what your politics are. Whose side are you on? I would put it differently from the way that President Bush did; either you're for us or against us. But I would keep the essence of the idea that we are fighting an ideological war against the new barbarians; against the new extremists; against the Islamists who would engage in totalitarian rule, for example, in Swat, in Pakistan or Afghanistan or in other parts of the Muslim world; who lead insurrections in Algeria with 100,000, 150,000 dead; who engage in the worst humanitarian crisis – who will provoke the worst humanitarian crisis in the world today in Darfur in Sudan.

This is our common enemy. Muslim and non-Muslim must work against the Islamist. And the solution to the Islamist program is what modern Muslims or anti-Islamist Muslims can offer by way of understanding what it means to be a Muslim and their interpretation of their sacred scriptures. We are allies with them; we are at war with radical Islam, with the Islamists. I don't think he'll be saying that, but that is what I would have him say.

MR. SCHANZER: Well, as I understand it, the speech will harp on the notion of mutual respect. In my opinion, if there is mutual respect, then there should be honesty. There should be a sense of candor between the two sides. And if that is the case, then I agree with Daniel. There needs to be frank discussion about radical Islam and the growth of it. It is a minority right now within the faith; 10 (percent), perhaps 20 percent of the faith adheres to this radical interpretation of Islam, and that this needs to be discussed openly because this is the fault line between the United States, between the West and the Muslim world.

And I think there should also be continued discussion of some of the Bush policies. I know that – and if anybody has read Rob Satloff’s piece, I think he published it in the Los Angeles Times yesterday – he mentioned that the president has essentially defined his policy as being anti-Bush; that there’s sort of a sense of throwing out the baby with the bath water. I would say that this is exactly the wrong way to go; perhaps things should be articulated differently. But the idea of democracy promotion and reform and ceasing to use the Arab-Israeli conflict as an excuse to not engage in those reforms and to now quell the forces of radical Islam is not the way to do it. And I think in an atmosphere of mutual respect, that should be articulated very clearly.

MS. STERN: All right. Richard Helman from CPAC.

Q: (Off mike.) General Eiland, I’d like to ask about your two proposed solutions; the first, that seems to call for a return to sovereignty over Judeo-Samaria to Jordan and over Gaza to Egypt, when each of these nations failed abysmally even to basically protect the rights or the holy sites of Jews, Christians, even Muslims; and the people lived in abject poverty and disease. And your second proposal, which calls for ceding land. As I understand it, Egypt and Israel ceding land and re-arranging the land so that we have a Gaza Strip on steroids.

These proposals are not the only ones that exist. So when I see the two that you propose, which seem rather unthinkable, particularly the latter, when nobody cedes land in the Middle East – witness Har Dov or Shaaba Farms, when even the U.N. could not lay out the border to the satisfaction of the neighbors of Israel. I wonder what your intent is. Are you trying to present such awful alternatives as to drive us back to the failed two-state solution that Dennis Ross called “stillborn” four years ago in the Senate foreign relations committee?

MS. STERN: Okay. Thanks very much.

MAJ. GEN. EILAND: I did say that the two proposals that I mention are not necessarily the only ones and I just give a very short explanation what they could be. Of course, if I had more time I could persuade that there is much more rationale behind each of them.

But to be more specific to your question. If we return the concept that existed before ’67, when no real new Arab state should be established, then you can say the following in regard to the Israeli-Jordanian relationship: there is Israel on one hand, there is Jordan on the other hand, and in between there is an area of territorial dispute. This is a kind of conflict that you can see tens if not hundreds of examples all over the world.

And I'm not saying that the final result of this negotiations should be that Israel have to return all the West Bank, because this is a different story and not the story of a new people who need their independence in the West Bank. And I believe that under these circumstances, the Jordanians could be much more moderate in their territorial demands and the ability to reach a reasonable solution that can even satisfy some of the points that you mention has a better chance to be – to succeed.

In regard to the second option with – that I spoke about, multilateral swaps rather than the lateral swaps between Israel and the Palestinians, we have to understand the following. The Arab states continue to say and to say again and again – they probably say to President Obama – that they want to solve the Israel-Palestinian conflict. They want to be helpful. Now, when you try to see what are the possible contributions of the Arab world, you can see that the only thing that they can give in large quantities is exactly what is missing to the Israelis and the Palestinians. And this is land.

And if you make certain changes in the way that you demark the borders, you can make a dramatic change to the Israelis and Palestinians which is almost irrelevant – not important to the Egyptians. Now I began to say that such an arrangement is made – and I can speak to you later if you want; I can show it to you – Egypt can be given eight compensations for this very minor gesture that can solve not only some of the economic problems of Egypt but also some of the real problems of national pride. I just mention one of them, if you want.

If Egypt gives, let's say, 1 percent of Sinai desert to Gaza, and let's suppose that Israel agrees to make changes in the peace – in the security annex to the peace agreement between Israel and Egypt that will enable more Egyptian forces to be in Sinai, contrary to the situation today. So the Egyptian leadership would be able to say the following: it is true that we gave up 1 percent of Sinai desert and we get back from the Israeli. Nevertheless, this 1 percent enable us to increase our sovereignty over the rest of the 99 percent of the Sinai desert. So the compensation can exceed by far, even from the point of view of national pride, what is given by the Egyptians. And there are many other compliments to this plan.

So it makes much more sense than the way that maybe I managed to present it in few sentences earlier.

MS. STERN: Could you please announce yourself in case I have a post-50 moment and can't remember your name and your affiliation? Thank you.

Q: Stanley Kroger with the Cato Institute. King Abdullah of Jordan recently gave an interview in the London Times. And he said there's a 12 to 18 month deadline. If there's no agreement on a two-state solution, he fears there will be another war. How seriously do you take this warning? And how do you assess the balance of power? This is primarily for General Eiland. If there were another war, how – in this timeframe – how would you assess the balance of power in such a war?

MAJ. GEN. EILAND: I think that there is no real basis for this assumption that within 18 months a new war should break out if a peace agreement is not achieved between Israel and

the Palestinians. And I don't know on what basis such a prediction was made or can be made. King Abdullah tried to present himself as the leading force that tried to push the administration to move forward in order to establish a Palestinian state. I'm not sure that this is Israel's intent, and I'm not sure that this is his – that the most desired result.

About a year ago I met a very important former foreign minister of one of the most important countries in Europe that just returned from a visit in Jordan. And we spoke about the Jordanian policy. And he said to me the following: if you ask the Jordanians what are their priorities, then they will say the following. The first priority is to keep the situation as it is right now. Why? Because the border – the Jordanian border from the Israeli side is well-protected by the Israeli side, and Jordan is in a position to blame Israel on the side. And whenever problems emerge, they can say, well, we want to solve it, but as long as the Israeli-Palestinian conflict is not solved, we have difficulties, we cannot do anything else.

This is the perfect situation for Jordan. The least desired result for the Jordanians is a Palestinian state. And in between, they're ready to discuss other alternatives. This is the impression of former foreign minister of Jordan who just – of former foreign minister of an important country in Europe who just returned from Jordan. So there is a big gap between what Abdullah says and what he really believes.

MS. STERN: Carol Greenwald?

Q: Carol Greenwald, Potomac Investment Company. We're going to make it worth your while to have come this far, Major General, since my question's for you, too.

You assume that in this confederation that you're proposing with the West Bank, that the Jordanians will moderate the Palestinians. Why isn't it just as fearful that the – what you're doing is giving the Palestinians, and possibly Hamas, access to a real army and an air force.

MAJ. GEN. EILAND: If there is such a confederation, of course there will be very clear limitations on the size of forces that can be in the West Bank. But when we talk about such a confederation, it is understood that all the armed forces would be under the Jordanian control.

Now, I'm not saying that there is not risk that some day those extremist Palestinians will take over the entire Jordanian kingdom; something that might happen whatsoever. But we found out – and there are a lot of examples in the Middle East – that the current regimes managed to be extremely effective when their unsolvability (ph) is the issue. You could see what is happening in Algeria, what happened in Morocco, in Tunisia; even Syria. All those regimes are very effective when their regime is in question. So we can take much bigger risk when we discuss certain security issues with Jordan than if we will do it with the Palestinian Authority that, as we could see, there is no real address; at least not in the moment.

MS. STERN: Yes. Could you please announce yourself?

Q: (Off mike.) In the next few weeks, or less than few weeks, they're going to be having elections in Iran. And from the media, it's very difficult to gage what's going to happen.

But it looks like there's a reasonable chance that Ahmadinejad could be out of office. And the Khatami people and the people – the more moderate forces – so-called – may be in a position of gaining power. What do you think this will do to the general dynamics in the Middle East if that really does take place?

MR. PIPES: If – first, it's highly unclear how the elections will turn out in nine days. There are – the polling techniques in Iran have – leave something to be desired

Let me note that the infamous NIE of 2007 that concluded that the Iranian government was no longer engaged in building nuclear weapons noted that the – indicated the weapon building had ended in 2003. Well, Ahmadinejad was elected in 2005. Two thousand three was the rule of Khatami. So implicitly what that's saying is that the real work was being done under Khatami. In other words, moderation of language and foreign policy is not terribly significant when it comes to building a nuclear weapon.

More broadly, there is a warring consensus in the Iranian leadership that building these weapons is something that's desirable. And there is no known dissent from that viewpoint.

Third point would be that the president of Iran, despite his title, is not the final arbiter in such matters. The president tends to have power in the areas – in the soft areas, having to do with culture and religion and education. And it is the Rahbar – the supreme guide of Iran – Khomeini at first, and now Khamenei who has control of the military, the law enforcement, the judiciary system, the intelligence agencies. So it's not clear that the president matters that much.

I'm sometimes asked who I would vote for if I were enfranchised in this election. And I think I would, with due hesitance, vote for Ahmadinejad; and that I would prefer to have an enemy who's forthright and blatant and obvious, who wakes people up by his outlandish statements, than a slyer version of that same policy as represented by, say, Rafsanjani or Khatami, or now, Moussavi.

So I don't think it makes that much difference, but it does make a difference in terms of how people perceive Iran, and if you get someone in a couple weeks who is saying the nice things that people want to see, then there will be relaxation, which would be the wrong step for us.

MS. STERN: This is one final question and then we have to go to our second panel. Carol?

Q: Hi, I'm Carol Silvermintz (sp), and the question I have for Mr. Piper is the Iranian connection with South America, the same model that you were talking about, the Cold War model and what they're doing in South America and how that affects the United States and Israel.

MR. PIPES: Yeah, important point to remember. The Iranians have been active in South America for a couple of decades now. The most obvious manifestation of that was the bombing

the double-bombing in Argentina in 1994 and '94 of a Jewish center in the Israeli embassy, but there's much more than that.

There is a steady connection to Argentina, to Brazil, to Uruguay in the triangle area. There is infiltration to the United States via Mexico, and of course the blossoming relationship with Venezuela. Do you know that there is a direct flight between Venezuela and Iran these days? There is presumable uranium going from Latin America to Iran. It is an important connection.

It is very much of mutual interest to those who hate the United States, and it also, beyond that, has a religious cultural dimension of bringing in a deeper basis for hating the United States. And the left is not what it used to be and the left never had as deep a basis for hating the United States as the Islamists do.

So it is bringing a whole new element into play in Latin America, one that might well last longer than the Iranian regime.

MS. STERN: Thank you. Before we go to our second panel, I have a public service message here. Any media present who would like to interview any of our speakers, please identify yourself to Suzanne Kurtz (sp), who will arrange for this to happen during lunch. Suzanne is this attractive women with the green dress sitting at my far left, your far right end of the room. Okay, thank you very much.

MR. PHILLIPS: Okay, will everyone join me in thanking the panelists for a great talk here? (Applause.) And I would like to ask you to stay in your seats. We're going to do a pit stop NASCAR change here and get our second panel up. And we'll be starting very shortly.

Once again, I'm Jim Phillips. I'm the senior research fellow for Middle Eastern Affairs here at Heritage. And our next panel will focus on the current security situation, prospects and prerequisites for a genuine peace – and, really, a genuine peace must be built on security or it will be washed away – and on Iran's growing role in undermining the possibility of peace.

Our first speaker will be Major General Yaakov Amidror. He's the program director of the Institute for Contemporary Affairs at the Jerusalem Center for Public Affairs. He's had a distinguished military career. He's the former commander of the IDF's National Defense College and the IDF Staff and Command College.

He also is the former head of the IDF's Research and Assessment Division, with special responsibility for preparing the National Intelligence Estimate. In addition, he served as the military secretary of the defense minister.

The second speaker is Dan Diker. He is the senior foreign policy analyst and director of the Institute for Contemporary Affairs at the Jerusalem Center for Public Affairs. Mr. Diker is the director of the Jerusalem Center's Defensible Border Initiative and is also editor and contributing author of "Iran's Race for Regional Supremacy: A New Conflict Paradigm for the Middle East."

General James Hutchens is our third speaker. He is the president of the Jerusalem Connection International and editor of the Jerusalem Connection. General Hutchens retired with the rank of brigadier general in 1994. After a distinguished military career in which he enlisted as a paratrooper, left the Army to go to college and later the seminary, and returned to the Army as a chaplain, where he rose through the ranks.

He was decorated for personal bravery in Vietnam, including receiving a Purple Heart. He served with the famous 173rd Airborne Brigade and later with the Green Berets. His book, "Beyond Combat," tells of his experience as a combat chaplain in Vietnam.

And later we will be joined by Ambassador James Woolsey, the former director of the CIA, who is now testifying before a Capitol Hill committee, and I'll introduce him later.

So, General?

MAJOR GENERAL YAAKOV AMIDROR: Good early noon. Thank you for being invited by both EMET and Heritage. It's a good opportunity. I think that the organizer didn't have prior knowledge about the visit tomorrow in Egypt and today in Saudi Arabia, but coincidentally it's happened together, and I think it's a good time to think about what is on the table now relating to the Palestinian-Israeli conflict and Iran.

In a way, I feel the same feeling that I had when I was the head of the Research and Assessment Division of the IDF intelligence in the beginning of the '90s when our prime minister and foreign minister spoke about the new Middle East.

And I look back at my papers, the intelligence pieces that I had in front of me, and so on and so forth, and I couldn't see the relation between what they have in mind about the new Middle East and the reality on the ground in the Arab countries around us and the Palestinian society.

And I have, in a way, the same feeling when I hear so many Americans so determined that this is the time to solve the Palestinian-Israeli conflict, and they have many arguments about it. In a way, it is going back to the '90s to hear our optimistic leaders speaking about the new Middle East. And, as you know, the new Middle East became new, but in the other direction than they had in their minds.

I think that it was a half a year before the unilateral retreat of Israel from Gaza. It was a convention near Tel Aviv, what we call Teliatim (ph), and the idea of unilateral retreat from Gaza represented there by Mr. Wislas (ph), who was part of the staff of Prime Minister Sharon. And I asked questions about the logic of this step.

It was a very tough conversation between two sides. We were not so polite. It was not Washington; it was Tel Aviv. And at the end, when I went down after the hot argument, I met your ambassador in Israel. It was – now it's professor Dan Kurtzer, and he said, you know,

General, I'm very surprised that I didn't hear answers to the question that you asked. And my immediate reaction was, believe me or not, Mr. Ambassador, they don't have the answers.

And if you look back and see what were the assumptions before the unilateral retreat and what are the results now on the ground in Gaza, you can understand what does it mean to go to a solution that at the end you don't have the answers for the question emerged from the steps that you are taking. And I want to focus on the questions about the plan that is now on the table, and then to say one sentence about Iran.

First – and it was mentioned here – with whom we are going to have an agreement? Is it with Abu Mazen in the West Bank, the Hamas in Gaza? It will be two agreements; one with Hamas and one with Abu Mazen. Who will guarantee this? If Abu Mazen is going to sign a agreement it would be ratified by Hamas members of the parliament. If it's not the parliament, who will ratify it, and so on and so forth.

So with whom we are going to make an agreement? And let's put aside all the differences and the gaps which are wider than ever between us and the Palestinians. Let's assume that an agreement can be achieved at the end of the day. Who will sign it on the other side? In Israel it's very clear. The government, and then it will go to our parliament, to the Knesset and will be ratified by the Knesset and that's all.

Who will be the other side on the Palestinian side? If Hamas is in the government – it's a unity government. We know what Hamas has in mind about the existence of the state of Israel. Can we – and it will be clever to sign an agreement with Hamas, knowing for sure that Hamas does not have even one hesitation to violate the agreement, and at the end of the day to go back to the holy war against the existence of the state of Israel.

What will be the logic of signing an agreement with someone that you know for sure – and they don't even try to hide behind the new words to sign an agreement with a side which you know for sure will violate it the first time that they'll feel it is strong enough to do it?

If it is a unity government, which whom we are signing the agreement? With the Fatah faction of the government or with the Hamas faction of the government? Who will guarantee that both sides will fulfill it?

Let's assume that you have an agreement and it was signed and ratified, I don't know by whom. How long it will take the Hamas to control the West Bank? It will be the first election immediately after the agreement will be ratified by the parliament which does not exist formally. Will the Palestinians go to election immediately after that or before ratifying it and Hamas will win? Who can stop it?

And if Hamas is not going to an election because we will find with the Palestinians a way to postpone it, who will stop Hamas from taking the control on the ground by force, as it did in Gaza? Do you see the battalions which were trained by you and the Jordanians stopping Hamas, the same story that we heard so many times from de Hlan (ph) in Gaza?

When I was the secretary of the minister of defense, Hommadi (ph) de Hlan used to tell me, don't worry; when we make the decision it will take days and they will not exist. "They" means Hamas. First of all, they didn't make the decision, and when they made the decision it was Hamas who made the decision. And they couldn't stop them.

And it's the same situation in the West Bank. Don't make any mistake. The ability of the Palestinian Authority to control Hamas in the West Bank now, based on only one important factor: the fact that the whole area is controlled by the IDF.

Let's assume that at the end of the day we will find a way how to ratify and we'll have a very peaceful government – doesn't matter Hamas in, Hamas out – on the ground. Who can guarantee that the missiles which are going now from Egypt into Gaza will not come into the West Bank? And, remember, it will be an independent state with an airport, with the port in the Mediterranean. Who will stop it bringing in, not smuggling, formally to bring in missiles and other working systems?

Can we trust the Europeans to make the control on the ground? Who will do it for the benefit for making us in a position that we will feel that we are not building a new Hezbollah capability in Gaza and more danger than Gaza in Ramallah and Qalqilia?

Who will do the control on the borders between the West Bank and Jordan? Do you see the Jordanians doing the job to stop the smuggling of weapons into Israel? Why should we trust that the Jordanians will do a better job than the Egyptians?

And if, and the end of the day, we will find these capabilities in the West Bank, what can be our reaction? Who will let us go back in to claim the area? Do you see the administration, which was behind the agreement would forcefully impose it on the region, letting Israel to go in to fight the terrorists who will control Ramallah, Nablus, Qalqilia, 700 meters from – (unintelligible), zero meters from Jerusalem?

Who will do the job on the ground when it will be – and, remember, it will be an independent state with the port in Gaza, an airport near Ramallah. More than that. When the Iranians begin to come in, at the beginning only experts, few experts, to help the Palestinians to build some capability which are needed by the Palestinians, who will say no? Who will stop them?

And when the Iranians' planes will begin to land and to bring in to the West Bank and even Gaza what they're bringing now into Damascus International, who will stop the planes? Who will say no?

And when we will find that we have anti-aircraft missiles network in the West Bank and Gaza, what will be the reaction around the world when we will say it endangers our capability to defend the state of Israel?

We have to preempt and to attack before we will be attacked by the Palestinians. Who will let us do it? Who will be the one which will fight the terrorists in those places which, at the

end of the day, will be under the Palestinian control? One of your ex-ambassadors in Israel, which I met some months ago, told me, you know, I understand that there is no solution without you leaving the West Bank for the Palestinians, totally.

And I asked him, leave alone the ideology. Leave alone all the emotional connection between Jews and holy places in the West Bank. Leave alone everything which is, you know, part of our heritage, our legacy, our history, our religion. Leave it alone – only pure, very cold questions about security. Do you have any idea who will fight the terrorists in Nablus or in Hebron or Hillel?

He said, international forces. That was his reaction. I said, you can save money; bring the international forces from Lebanon to do the job in the West Bank. .They're doing nothing in Lebanon and they will do nothing in the West Bank.

He said, no, it will be more practical, effective forces. I asked him immediately, do you see the 82nd Division fighting on the streets of Shrem (ph), fighting terrorists that try to attack the state of Israel? Do you see American soldiers sacrificing their life fighting terrorists in the West Bank or in Gaza?

He was not honest. He said yes. And I know that it is not the honest answer to the question, and I know that you are not going to invest the life of your soldiers, and rightly so. I don't see the Europeans doing it. So who will do it?

What are the assumptions of those who think about finding a solution when the circumstances are leading to almost everyone who is familiar with the circumstances on the ground to assess that it is between 80 to 100 percent that within three to 12 months, the whole area would be controlled by Hamas.

And it is known by everybody. Nobody says it will not happen. Nobody says, no, we have a solution how to stop it. Nobody says, no, even if it will happen, we know how to demilitarize the area and to be sure that the missiles and rockets are not coming in. And I think one of the greatest mistakes that any administration – either in Israel or in the United States of America – can make is to go to a political solution without questioning itself and answering it honestly what happens if – and to think about the downside of the action that you are going to take. And I am sorry to say I don't see the American doing it in this case.

Two words about the surrounding: one was mentioned here. What will be the reaction of this administration when it will be revealed that the Muslim Brotherhood in Egypt – or worse, in Jordan – are getting a lot of help from their colleagues – what we call Hamas, but it is an extension of the Muslim Brotherhood – in both from Gaza or the West Bank. What will be the reaction? Then it will be clear that it is a huge mistake; that we are going to lose both the moderates in Jordan and Egypt. What will be that?

And one word about Iran: I looked for historical equivalent about Iran. It will be easier for us to deal with Iran if we solve the Israel-Palestinian problem, and so on and so forth. In a way, it's the domino-effect syndrome in reverse. What was said during the Cold War if – right

now we'll – at the end of the day we will find ourselves in a domino effect that everything will fall apart. That was something which was not connected to reality in those days, and I am sorry to say what has been said about Iran is not connected to reality.

Let's assume that we have an agreement; it was ratified. It's everything is okay. Nothing from the pessimistic assumption that they did occur – nothing; it's very good, working marvelously. How it will help to stop Iran? I really don't understand. Someone believes that the Iranians will volunteer to stop their procedures to have a nuclear capability because the Palestinian-Israeli conflict was resolved.

Do you see the Europeans are more ready to fight and to be more tough towards the Iranians because there is no – any Palestinian-Israeli conflict? Do you see your own commanders are more ready to be involved in war in Iran because there is no – any more friction between Palestinians and Israelis? How it is connectable? In a way, it's like the domino effect: something which innovated somewhere in the academic – or helping politicians to say something that they don't have to give any real evidence about. It's a slogan which, at the end of the day, will be as empty as the domino effect. And we will find ourselves with both problems if nothing was done to solve the Iranian problem, and Iran will be a nuclear superpower, and at the same time, Israel will find itself in a situation in which it cannot defend itself, and that is not anything which will help to make more stabilization in the Middle East.

Thank you very much.

MR. PHILLIPS: Our next speaker is Dan Diker. I'd note that Ambassador Woolsey is here from testifying, and I'll introduce him last.

DAN DIKER: Jim, thank you. Sarah Stern, thank you so much for inviting us from Israel.

I don't think there has been a time – certainly in the last 17 years – where a free, open, robust exchange of ideas, especially on this issue of the Palestinian-Israeli conflict or the Middle East peace process in the shadow of Iran, has been so important to exchange new ideas because, look, let's face it. What's rather ironic about today's session is that it is considered the alternative session. After nearly 17 years, \$11 billion, \$7 billion promised at the 2007 Paris Donors Conference, another \$3 billion promised in January of this year to rebuild Gaza and to further fund the West Bank, this is – ironically or strangely – the Middle East peace process is the most successful, failed, ongoing American diplomatic project probably in modern diplomatic history. And it is extraordinary that after Oslo I, Oslo II, the Roadmap, Camp David, Taba, the Roadmap, Annapolis that one has failed more profoundly than the other, leaving Palestinians and Israelis in a much worse situation today – much by far, by multiples – than it was during the Israeli military administration of Judea, Samaria, the West Bank and Gaza until 1993.

And still that that doesn't spark a profound internal organic need in western capitals per new thinking is breathtaking. So the onus really should be on those that said, in 1993, that they have a new concept of a bilateral agreement that will be the key to resolving all other grievances

in the Arab and Muslim world. That has not been the case, to put it mildly. So the opportunity to be able to think – some people say – outside the box or to think creatively – and there are many ideas – is very welcome.

What I'm going to do in the next very few minutes that have been budgeted to me is to be the eyes and ears of conversations that I have heard and participated with with Arab friends on the Jordanian side and the Palestinian side because what you may be very surprised – and I was very surprised to learn, frankly, over the 60 months – but what you may be very surprised to learn is that there has been a very robust, pointed discussion in Palestinian circles and in Jordanian circles about the fact that it's not working. And one of the major dangers of – let's call it – the public domain discussion in Washington as a microcosm of the United States discussion is that you are not exposed to the internal political discussions on the Palestinian side. You are not exposed to the internal debates on the Jordanian side. You might be if you went to the Internet and looked at some of the better websites – most of them are in Arabic, though. But the point of reference of the mainstream media in this country is the Palestinian-Israeli conflict, and the sources of information, certainly on the Palestinian side, are the very few diplomats that speak on behalf of all the Palestinians, which is not the case.

What we are in need of, and what is happening on the Palestinian side, is an ongoing, alternative discussion based on the fact that the region – as Major General Amidror has said, and as Major General Eiland has said – is fundamentally today than it was in 1993. It is a new Middle East; far more dangerous to everyone in the region, and requires a regional approach to a regional problem. You have Iran and its proxies Hamas – Sunni Hamas even – Hezbollah, Palestinian-Islamic Jihad, Al Aqsa Martyrs Brigade. Even across the Sunni divide, you have the warlords in Afghanistan, you have obviously the organizations in Iraq, and we've reached all the way down now to the African continent and Somalia.

And it is clear in Palestinian and Jordanian circles that that reality – the regional reality of Iran's race for regional supremacy and its ability to subvert, almost every single country in the Arab world has to be taken as a point of departure in understanding the Palestinian issue, so that when the president goes to the United Arab Emirates, and they say, Mr. President, what does the Palestinian-Israeli conflict have to do with the fact that Iran is claiming the islands of Abu Musa and the Greater and Lesser Tunb as their property and therefore creating a direct threat to our sovereignty. What does the Palestinian-Israeli threat – it is said in other capitals in the Gulf – have to do with the fact that Iran – we fear that Iran is going to – is going to destroy us, which, by the way, Kuwaitis have said publicly? What does it have – you know, as Lebanon goes to elections, the fact that Hezbollah could become the ruling coalition in Lebanon – they are already the blocking third, but the ruling coalition – what does that have to do with creating a Palestinian-Israeli state, the central government of Lebanon will say.

So clearly we are – this conflict is one of a multitude of conflicts, but clearly the Sunni-Shia, the Persian-Arab conflict, the moderate-extremist conflict, and the Palestinian-Israeli as a subset of all of that – clearly we have to create more context, and the discussions in the Jordanian and Palestinian circles reflect that.

I want to share something with you. Three years ago, almost to the day, in this town there was an unprecedented discussion along these lines. There were Palestinians – the former Interior minister of the Palestinian Authority, General Nasser Youssef, the former prime minister of Jordan, Abdel Salaam al-Majali – Professor Bernard Lewis were at AEI for a discussion about this specific point. And it was in June 2006. It was somewhat little reported in Washington, this meeting – perhaps because it was at AEI and not some of the other policy institutes that might have attracted a little bit more mainstream attention on this point.

But let's look at the timing of that event. It was an extraordinary event. It was the first time since July 31st, 1988, that a senior Palestinian official and a former Jordanian prime minister – who you may remember was the signatory on the 1994 treaty of peace between Israel and the Hashemite Kingdom. And they were talking about some rather far-reaching ideas. I would even like to footnote what Major General Eiland said about his observations that in Jordan, and in conversations he had perhaps with Arab colleagues, that they are really talking about federal-confederal ideas.

I happen to have with me a transcript of both what Prime Minister Majali said and what Nasser Youssef said. You'll be interested to hear that it very much supports, Major General Eiland, what you said about the concept of the United Arab States of Jordan-Palestine or other types of ideas. Prime Minister Majali said, "This would be the Kingdom of Jordan. It would join together into what I call the United Arab States or the United Hashemite State – or whatever the name may be – but in some sort of confederate-federate type. It's not a federation; it's not a confederation alone. It's both because in this formula I try to treat all the aspirations of all the parties."

And then, just a few minutes later, the former interior minister of the Palestinian Authority Nasser Yousef, gets up and he shares his ideas and he says, well, I believe that to improve the Palestinian-Jordanian relationship, for many reasons, is critical. The geographical extensions and cultural relationship will enable us to move forward as two sides together. This relationship might be on two tracks: the political and the security track. On the political, it might be confederate; on the security track, it might be a federal relationship for the Jordanian army.

So this is not – these types of ideas are not sort of, you know, conservative American Jewish neo-con, Israeli military-general ideas; these ideas are being treated very seriously in backroom discussions and even in the public domain, both in the Palestinian areas and in Jordan.

And the reason that those discussions took place were actually not new; in fact, if we understood those were June 2006, it was just six months before in January 2006 that Hamas, the Iranian-backed Hamas, with great support of the Islamic Republic of Iran, won the Palestinian parliamentary elections. And, therefore, for the first time, the Muslim Brotherhood had a formal government in Gaza, with borders, it was essentially the first Islamic emirate in the Middle East – that is, was centrally sovereign – and Palestinians understand this point.

And Palestinian fears that led to the discussion at AEI were such that they understood who the Hamas was in opposition or I would say in contradistinction to the enthusiasm in Western capitals for sort of putting – you remember President Clinton's hug of Arafat and Rabin

at the White House on September the 13th, 1993; there is this same sense. There have been American delegations that have gone to Gaza, met with Hamas, Europeans who have met with Hamas to try to get everyone together. There was a big Saban Center report about how the United States should consider engaging the Hamas whether or not they adhere to the three Quarter preconditions.

Well, the Palestinians are far more pessimistic about the Hamas than past U.S. governments and past Western governments. In fact, they understand that the Hamas is the ideological precursor to al-Qaida. You have Abdullah Azam, who was a Jenin cleric, who was a mentor to Osama bin Laden, who essentially was the organizer in 1989 of the Arab mujahedeen on behalf of the global jihad.

And you have Khalid Sheikh Mohammed, mastermind of 9/11, who came out of the Kuwaiti Muslim Brotherhood. The Palestinians understand what the Hamas really is and that the Hamas today is not a primarily Palestinian organization, per se; it is an Islamic organization. It is a regional organization with a global profile and, you know, from a Palestinian point of view, the possibility of a reconciliation between Hamas and Fatah is very, very, very low.

As you may know, according to the Palestinian ministry of the interior, there have been hundreds – there were hundreds of Palestinians that were killed and 1500 who were shot through both legs in Gaza during and after the last war. The one Palestinian observer, actually, Khalid Abu Toameh, noted that the hatred between Hamas and Fatah is greater than the problematics or the rejection of the PA towards Israel.

And it is this internal dynamic that is not understood in Western circles, but that resulted in the thinking, certainly in certain Fatah circles, that Nasser Youssef is a member of the founding generation of Fatah, that a new regional discussion must take place because the notion of a full-fledged Palestinian state with Gaza and the West Bank and safe passage between the two, in many Palestinian circles, absolutely has passed from the agenda.

It has passed from the agenda. In fact, Palestinian sources told me as recently as February, just a few months ago, that in their view the Palestinians are looking either at what they call a one-state solution, which is a pretext; I mean, it's a threat, a pretext in which Israel and the Palestinians would be – one area would be a democratic state; there would be no more Jewish state; it would be sort of the super state – or a confederate-type relationship which they are, you know, which they are considering.

The fears on the Palestinian side of the collapse of the Palestinian national project came as Hamas won those elections and also are reflected in the fact that there has been massive corruption on the Palestinian side which has been a feeder to terrorism.

This issue has not been taken seriously by the West. The fact that billions of dollars have disappeared that have been given to the Palestinian Authority and that even the current Washington favorite, Dr. Salam Fayyad, it is not known in the West largely that he is uniquely rejected by both the Fatah and Hamas.

There is one issue that the Fatah and the Hamas agree on: Salam Fayyad will not continue, ultimately, as the prime minister of the Palestinian Authority and, yet, in Western circles, he is really a favorite – thinking that he can implement reforms and it is he who will lead the Palestinians to some sort of a secular, modern nation-state that has absolutely no basis in reality in the Palestinian political reality.

On the Jordanian side, very quickly, what led to those types of discussions in 2006 and what has led to additional discussions – in Rome and in other places since then – has been that the Jordanians look around; they see instability in Iraq to the East; they see what's happening in Syria; they see that Syria has become a transit point, still, for mujahedeen into Iraq. They look at what's happening in Lebanon and then they look westward to the West Bank, the former west bank of Jordan, they say, my goodness, is this becoming another Islamic emirate? Could this become another Islamic emirate?

Well, in many circles in the Hashemite Kingdom, the answer is yes; they are very concerned about what they see as rampant chaos, warlords, Iranian-sponsored groups in the West Bank and al-Qaida cells in the West Bank. The Iranian-sponsored groups, for example, of the Palestinian Islamic jihad, a unit of the Iranian revolutionary guards, the al-Aksa Martyrs' Brigade, a Fatah offshoot, who admitted two weeks ago that they were openly supported by the revolutionary guards and you have Hamas.

And so, from a Jordanian point of view, this creates great concern. So the thinking there is, well, how can we create a situation in which we have stability in the West Bank, stability on the East Bank in the kingdom as we move forward and that the Palestinians will be able to have an independent nation-state in that context, very quickly.

This is not the Jordanian option. There is no Jordanian option today. Let me be very clear. We've talked a lot about Jordan. If there were a Jordanian here, he would need like 10 Advils because they would be terrified about this discussion because they would think, oh, my goodness, they're now discussing in a prominent policy institute in Washington the alternative homeland solution, the nightmare to the Hashemite Kingdom.

So I'd like to say for the record, this is not the Jordanian option; we are not talking about King Hussein's offer of a United Arab Kingdom of 1972; we are not talking about the London agreement between Israel and King Hussein in '87; we are talking about a new animal. And the animal is, I would call it, a combination of federal-confederal cooperation and involvement between the Hashemite Kingdom, the Palestinian Authority and Israel.

It's really been called, in Jordan, it's been called the Jordanian-Palestinian-Israeli triangle. That's the new concept where the Palestinian Authority would be able to become a federal entity almost like New Jersey is to the United States or New York is to the United States. The Palestinian Authority could become to the Hashemite Kingdom of Jordan as a state with limited powers, free, independent, but that the security anchor would be both the Hashemite Kingdom and Israel on both sides and the Palestinian Authority themselves.

The cooperation would be economic; it would be also based on security. The security component has already begun. There was an agreement between King Abdullah as well as Mahmoud Abbas about bringing the Palestinian Badr Brigades from Jordan. That was already in agreement in principle, in which a trained Jordanian army under the Palestinian flag would come back and secure major West Bank cities from all of this chaos. The Dayton forces have done fairly well; there's a lot more to do in terms of fighting terror and securing those areas.

Let me say, in conclusion, there are four conditions that would have to be met in order for Jordan to be comfortable enough to cooperate because there's a great sensitivity factor in Jordan and we in Israel and we in the West must be very considerate and sensitive to those factors while, at the same time, suggesting that the only way to approach a very serious regional problem driven by Iran as well as Sunni jihadis is a regional approach.

And these are the four conditions. First of all, it has to be very clear that the Hashemite Kingdom must be strengthened and in no way threatened; this is not the Jordanian option; this is not a proposal for Jordan to come and re-annex the West Bank. This is a security-based cooperation based on new regional realities that will require a real outreach on all three sides.

Number two, the second condition would be that the Hashemite Kingdom of Jordan would have to be given billions of dollars for the 2 million Palestinians they have already absorbed through past events since 1948 for which they haven't received any kind of – they haven't received any kind of subsidy in order to absorb those refugees and they should be offered additional major financial subsidies in order to cooperate.

And the third cooperation is that this really has to have the – the United States must play a major role in driving this new regional approach – not using a regional approach, such as the Arab League initiative, to force Israel into bilateral concessions, which is currently the misnomer which is called the Arab League initiative regional approach; it's not a regional approach.

And fourth, and finally, this is going to have to have cooperation of the Sunni establishment including, of course, Egypt and the Saudis and the Arab League, which I believe is a strong possibility. So, in a sense, the final message is, there is a possibility for real regional outreach. We're in a new, very dangerous reality. It requires goodwill on all sides; it requires calming Jordanian fears, re-asserting to the Palestinians that they can have independence, but that we've all got to compromise, reach out in goodwill in order to stabilize a very, very troubled region at a very troubled time. Thank you.

MR. PHILLIPS: Thank you, Dan. Our next speaker is General Hutchens.

BRIGADIER GENERAL JAMES HUTCHENS: Thank you very much. Thank you, Sarah, for your initiative in this. This is very helpful; it's very – shows great foresight on your part and thank you for including a Christian Zionist in this presentation.

And I think it might be well for this group to understand what a Christian Zionist is. We are tossed about sometimes famously and sometimes infamously. But a Christian Zionist is

basically one who supports the modern state of Israel as a partial fulfillment of what God has promised in his covenants regarding a national homeland for the Jewish people. I say “partial.” There’s more to come. The sages, the prophets, the rabbis all look to a time of redemption – and do, too.

But I think, for our purposes here, it’s good to know where we stand on this and, as a Christian Zionist, I’m also on the board of the National Association of Evangelicals. And they claim to have representation of some 60 million evangelicals in this country.

Last year, there was a survey that was conducted by the Pew Center for Religious Understanding and they noted that 26 percent of Americans identify themselves as evangelicals. They also noted that that’s roughly 80 million people in this country. They also noted that some 69 percent of those, which would be 55 million, believe God gave Israel to the Jewish people. Some 59 percent of those believe – and that would amount of about 47 million – believe that Israel is a fulfillment of biblical prophecy.

Now, I think it’s important to know the context from which I’m speaking. We base our support not on some kind of an end times, eschatological scenario because they are mutually exclusive end-time scenarios among Christians, but we base it on what the Scripture says with regard to the covenants, the eternal, everlasting covenants. And so we have an affinity with – more of an affinity, I should say, probably – with the orthodox community who reads the Scriptures in a literal way, takes them in a literal fashion and we do, too; and we come out with the same conclusion.

And I should say we come out with the same conclusion because of the input that we have received from the prophets and from the sages. So you ask why we are supportive of Israel? It’s because we read the same scriptures and we come out with the same conclusions. I think that’s very important and I think it will be increasingly important as we search for a solution to the Palestinian-Israeli issue because there is a monumental support from this country for what happens in Israel, pro-Israel. And it has not been tapped, as yet; only the tip of the iceberg has been tapped. Christians United for Israel, Dr. John Hagee spoke at AIPAC a year ago, two years ago now.

But that’s only the tip of the iceberg and I would suggest to you that there are millions out there that are available to be in support of a solution that does not violate what the scriptures say. And I think that’s very important. Christian Zionists have looked very dimly on a two-state solution for reasons more biblically based, perhaps than diplomat or militarily.

I do think, militarily, that there has to be that input as far as any kind of a solution with regard to the Palestinians and the Israelis, and it will ultimately be up to the Israelis to do that. I think there’s a – a necessity, an absolute necessity that the jihadists with whom Israel has to deal with must be defeated, they must be disarmed, and their infrastructure must be dismantled. They’re not open to negotiations; they’re not open to deterrence, but they can be contained, and I do believe that the Israeli army has that capacity.

Now, will we support that in this country? I think increasingly this administration is taking a dimmer view of that. I think that the present administration is involved in what I would describe as a progressive disassociation with Israel. I think the fact that the president is making this trip and what he is planning to say is not helpful to Israel; it's not going to be helpful to Israel.

On Monday, he said in an interview with the National Public Radio, he said we're going to continue to support Israel certainly, but there has to be tough love. And at the present, there is a direction, there is a trajectory that is profoundly negative. That is exactly what he said. And he was referring to Israel and their actions. I think the fact that he said yesterday that in dealing with Iran that Iran has a legitimate right for nuclear energy. Now, it's a short step from having a right to nuclear energy to having a nuclear weapon, and that must not be allowed, and I'm not sure that this administration is prepared to take the kind of action that's necessary to preclude that. It may be Israel's requirement to actually do that.

But I simply want to say that there is an army, if you will, of Christian Zionists out there who are locked at the hip with Jewish people, and I mean that sincerely. You know, we had just gone through Shavu'ot, Pentecost among Christians. And I love that holiday for a number of reasons, but one is that there is the reading of the book of Ruth. And Ruth is one that we very much identify with because it was the Ruth commitment that we especially identify with. Ruth says, where you go I will go, where you stay I will stay. Your people will be my people. Your god will be my god. Where you die I will die, and may the Lord deal with me, be it ever so severely if anything but death separates you and me.

Now, you must know, those of you who are not Christian, you must know that there is that kind of commitment out there, and it's a commitment, as I've stated earlier, that's based initially on the scriptures. But when we come to the New Testament, I would urge you to read the definitive statement – the definitive statement in the New Testament that spells out the proper relationship between Christians and Jews. It's Romans chapter nine through 11. And we believe that we have been engrafted into that. There is the olive tree metaphor that's used there: Israel is the olive tree, and the non-Jew who is a Bible believer is brought into that. The Christian is brought into that. He is engrafted into that olive tree.

So I say we are locked at the hip spiritually and I think more and more in the days ahead it will be politically and diplomatically as well. There is a great groundswell of support out there on behalf of Israel and the Jewish people. I would say this: Well, I won't go into that. I don't want to be an alarmist here, but you just simply need to know that and recognize that there is the Ruth commitment on the part of the Christian Zionists. And we realize, we recognize, that Israel is the strategic – most strategic state in the region for America's security and that we're locked there as well, and that it transcends this administration and any past administrations and any future administrations, but the administrations that are here and will be in the future, they need to hear not only from Jews, but they need to hear from Christians. And we're standing – we're not marshaled together; we're all over the country, but we're awaiting marching orders.

And as I say, there are some organizations that have been very helpful in doing this, but they do not – they do not exhaust the possibilities, and we're available and we support you. And I just want to thank you once again for allowing us to be a part of this.

MR. PHILLIPS: Thank you, General. Our final speaker is Ambassador Jim Woolsey. He's a former director of the CIA. He's currently the co-chair of the committee on the present danger, which is a prestigious bipartisan organization dedicated to winning the war on terrorism. I'm proud to say I'm a member of that organization. He's also vice president of Booz Allen Hamilton. He previously was a partner of the law firm of Shea and Gardner in Washington, D.C., where he practiced for 22 years. During the 12 years he has served in the U.S. government, Ambassador Woolsey has held presidential appointments in two Democratic and two Republican administrations and he served very ably.

He was director of the CIA in 1993, '95. He has served as ambassador to the negotiation of Conventional Armed Forces in Europe from '89 to 1991. He was undersecretary of the navy from 1977 to '79, general counsel of the U.S. Senate Committee on armed services, '70 to '74, and was appointed as a delegate at large to the U.S.-Soviet strategic arms talks. Currently he's the chairman of the board of Freedom House which is another great organization here in Washington, chairman of the advisory boards of the Clean Fuels Foundation and the New Uses Council, and a trustee of the Center for Strategic and International Studies.

Ambassador Woolsey.

JAMES WOOLSEY: I too am honored to be asked to be here today. I just do whatever Sarah tells me. I guess by way of self-definition, I'd say I'm basically an old Scoop Jackson Democrat, but these days I suppose I'd say Joe Lieberman Democrat. There aren't an awful lot of us, but we are good friends of Israel.

Let me say just a brief word about the role of historical thinking in what we are trying to deal with here. Senator Mitchell was recently in the Middle East and an older Israeli gentleman came up to him at a reception, he related, and said you settled that business in Northern Ireland. How long had that been going on? Mitchell said, well, about 800 years. The older gentleman said, such a recent dispute; no wonder you settled it.

We have a long history in the Middle East of conflict between religion and groups, and I want to say just a word about the role of evenhandedness and the role of idealism. In '47, '48 when Israel was recognized in a United Nations resolution – Harry Truman, bless him, recognized its right to exist, and then it was attacked by all of its neighbors – fought them off remarkably, extraordinarily. Hundreds of thousands of Arabs who were in what became Israel left in one way or another. And hundreds of thousands of Jews in Damascus and Iraq and Lebanon left and came to Israel. It was the result of the war of independence, a war that Israel did not ask for but they fought and won. And as a result of that crossing immigration, one ended up with a situation in which hundreds of thousands of people had been displaced from their homes and effectively couldn't or didn't want to live there because of the risk anymore.

Over the decades, as a result of the policies, particularly the United Nations and UNRA, those once hundreds of thousands of Palestinians, have dwindled down of course through the passage of time to being a few thousand since one is over – if one is under 60, one was not there in 1947, '48. So it's the children and grandchildren almost entirely of Palestinian refugees who are claiming a right of return and claiming the right either to be compensated for not being able to live in Israel or to be able to live in Israel. And in this they are supported by the Arab governments and by some other governments around the world, and they are supported particularly and it is a key part of the Arab peace initiative which some American figures mention positively, that the Palestinian right of return into Israel should be recognized or compensated for.

One rarely hears about the other set of hundreds of thousands of the Jews who were driven, largely, from the Arab world, ended up in Israel, and over the years they too now have children and grandchildren, many of them are deceased. Evenhandedness would be a reasonable principle in the Middle East, as in many historical circumstances. And I would suggest that an evenhanded approach to the notion of the displacements of 1947, '48 should suggest that either both Arabs and Jews from that part of the world deserve compensation and some recognition of a right of return or neither does. Either both or neither.

That of course is not the position in the Arab peace proposal. But if one does depart from evenhandedness, there is a price. There is no reason why we should, as Pat Monahan used to put it, define deviancy down for non-Jews, and particularly not for anti-Semites. So those who simultaneously trumpet their desire to kill Jews and to exercise their right of return are, to put it mildly, not dealing with the situation in an evenhanded matter, nor are those who support them.

A second point about evenhandedness has to do with the Palestinian or rather the Israeli Arabs. The Israeli Arabs now total about a million people, about a sixth of the population of Israel. They have chosen to live in Israel, some because of historical associations with a town such as Jaffa, some for personal and family reasons, but they have chosen to live there. Indeed, part of the difficulty of redrawing even in a minor way the border back during the Clinton discussions in January of '01 was that there were a large number of Israeli Arabs who under no circumstances wanted to have a borderline redrawn in such a way that they would end up in a Palestinian state rather than living where they did.

Why are Israeli Arabs, on the whole, reasonably satisfied with living in Israel? First of all, they have freedom of religion. Probably everybody here in the room has walked around the streets of Tel Aviv and heard the calling from the muezzin calling from the Minaret in Jaffa. They have freedom of speech. They can publish newspapers. They have schools. They vote for real representatives in a real legislature, the Knesset. They have a cabinet member now. They have a supreme court judge, and most importantly, although their existence is not perfect, and relations between them and Jewish Israelis is not ideal, nonetheless, they all go to sleep at night not worrying that anybody, any Jewish group is going to kick down the doors of their home and kill them.

If we look at a parallel situation under an imagined two-state solution some day, there are approaching 300,000 Jewish settlers in the West Bank. If most of the West Bank ended up

someday being a Palestinian state, and there were a sense of evenhandedness about who got to live where, instead of approaching 300,000, there would be 400,000 or more Jewish settlers – could be – within the West Bank because that would be a share of the population that is parallel to the Israeli Arab share of the Israeli population.

And if there were evenhandedness in that two-state solution, those 400,000 or so Jews who had chosen through recent historical attraction – Hebron – whatever – have chosen to live in the Palestinian state, those 400,000 or so Jews would be free to have their synagogues, would be free to teach their schools, would be free to vote for real representatives in a real Palestinian legislature, would have a cabinet member, would have a Supreme Court justice, and would be able to go to sleep at night as Jewish citizens of the Palestinian state with no fear that any Palestinian group or anyone was going to kick in their doors and kill them.

We are, to put it mildly, very far from those circumstances. But if one asks in approaching historical conflict what is evenhanded and what is not, clearly the evenhanded solution is certainly not to restrict settlement growth, especially organic settlement growth while it is still well short of the share of the population that would be suggested by evenhandedness, and while certainly the behavior of those who are governing the West Bank, and especially Gaza, is very, very far from the way Israelis treat Israeli Arabs.

Now, if one doesn't observe a sense of evenhandedness – for some reason if politics and diplomacy – and sometimes that's necessary. One cuts corners in diplomacy; one cuts corners in politics. But what is important to keep in mind? I would say the most important thing to keep in mind is not to believe that one can solve these problems of a lack of evenhandedness by idealism.

In the 1920s, the world had suffered terribly from World War I. Germany was of course a republic, but restive, and the Soviet revolution had occurred, so the Europeans and the Americans, all having seen the terrible devastation of World War I decided that they needed to find some way to ensure that a resurgent Germany or an aggressive Bolshevik government, particularly – any other government – was not going to arm itself with all modern weapons, chemical weapons of the sort that had been used in World War I, and yet again bring upon the world the terrible millions of deaths that had occurred in World War I.

And they decided under the leadership of a French and American – French foreign minister and American secretary of state – to draft a treaty to outlaw war, the Kellogg-Briand Pact. And in 1928, negotiations were concluded, and everyone who worked on that felt very good about having come up with a solution to the problem of war. Agreement to outlaw war, a wonderful thing. The Kellogg-Briand Pact was not put together by silly fuzzy-minded; it was put together by the leading statesmen of its time.

But a very few years later, one of the countries they were worried about put Adolf Hitler into office. And as his power grew and as his commitment to aggressiveness and war grew, he took a gamble. In '35, '36 moved into the Rhineland against the provisions of the treaty that had ended World War I. The West had a chance. Britain, America, France, had a chance to move in immediately and stop him. He was not heavily armed. And although there was suspicion then,

we know now that there were major restive elements within his own growing armed forces, especially, ironically, the Prussian military class, particularly some of whom later joined the plot to assassinate Hitler.

Nonetheless the West did not act. He succeeded; he got past the point in which things could have been stopped, and from then through Munich, the Hitler-Stalin pact, World War II and the Holocaust – the rest is of course a terrible history. So idealism played a role in the late 1920s, in the late 1930s in constraining effective action. Today we have another regional power growing adding to its weapons capability, adding to its ability to produce the most devastating of weapons, a nuclear weapon. The question is whether Iran is three months, six months, nine months, a year, or so away, but not much more than months to a year or so.

And we have a number of people in the United States who believe that some combination of the deterrent approach we serve – we dealt – we used in dealing with the Soviet Union – an idealism will suffice. With respect to deterrence, it is a new experience for many Americans since the last time we had to deal with a religiously motivated enemy really was the Japanese in World War II. It's a new experience for many Americans, particularly those of us who went through the Cold War to deal with a religiously motivated theocratic, totalitarian, genocidal fanaticism of the sort that Hamas and al-Qaida and now, the Iranian government, particularly Ahmadinejad sponsor.

People tend to believe that if you just think the best and hope for the best, contain and deter, that worked for us over a 45-year period during the Cold War, that it probably would work with an Iranian regime. But the theocratic totalitarianism is a very different and new thing. And some believe that we can deal with that by idealism, by agreeing that the world will never turn to nuclear weapons, that we should abolish them, that we should abolish them, and that if that happens, things will work out.

I hold very high regard for the four senior statesmen – all of them friends of mine – who have endorsed the so-called gang of four approach toward ending reliance on nuclear weapons. But I have to say, it feels to me very like the Kellogg-Briand Pact. It is sometimes described as a joint effort to move to a base camp on the mountain and get all organized so that one may all together climb up to the summit, the end of nuclear weapons some day.

Einstein used to say – (in German). “God may be sophisticated, but he's not plain mean.” And what I think he meant by that, since for Einstein God and nature were pretty much the same thing – was that you have two kinds of problems you deal with in life. One is against – playing against nature in which there's nobody evil on the other side trying to defeat you. It may be hard, it may be sophisticated, but there's no enemy. Another set of problems when you do have an enemy.

By imagining the effort to end nuclear weapons as a common move to the base camp, one suggests that all 192 nations of the world are in one way or another committing themselves to a common conquest of nature in an important way. In fact there are some other problems. Several of those – three, four, five, six, seven, eight of those countries want to kill the other climbers.

They are not part of a common effort; they are at war not only with us but with our existence. That creates a very different situation.

Maybe someday politics and the world is transformed in some fundamental ways – 192 nations will be liberal democracies guaranteeing human rights and will in some common effort find a way to end reliance on nuclear weapons. In the meantime, relying on that sort of solution, that sort of idealistic solution to deal with a situation in which we are not willing to be evenhanded about Israel and the Palestinians, about Jews and Arabs in which we are willing to define deviancy down for those who are not Jews, if the diplomatic community does that, that's bad enough, but the worse thing it could possibly do would be like the statesmen of the 1920s and '30s to count on idealism to triumph. Thank you.

MR. PHILLIPS: Thank you, Ambassador Woolsey. We're running a little late so I'm going to give up my prerogative to ask the first question. But before I go to the audience and while the interns get ready with the microphones, I would like to acknowledge the presence of Representative Doug Lamborn of Colorado. Thank you for coming.

Okay, and with that, let's open with this man right here. Would you wait – just wait for the microphone. And please ID yourself, and if you have any affiliation or you could just say private citizen.

Q: My name is Andrew Lustig and I'm interning in the U.S. Senate.

You said that the Jewish state in Israel was, with regard to your religious convictions, a partial fulfillment of the Lord's policy. With regard to that same – you know, to your religious conviction, what would be a complete fulfillment of that prophecy?

BRIG. GEN. HUTCHENS: I think complete fulfillment of the prophecy is spoken of by the prophets where they see the redemption of Israel, they see the Messiah coming. Now, of course as a Christian, I believe that Jesus is the Messiah, but for us he's coming back; for the Jew he's coming. But I think the ultimate fulfillment of those covenant promises are fulfilled when Israel reaches and experiences its own redemption, its own peace, its own salvation. But that's – so it's only partial at this point.

MR. WOOLSEY: I hope I don't offend anybody by this, but Ed Koch has a wonderful formulation here. He says the reason he gets along so well with his Christian friends is they just work on everything together. And they agree someday somebody is going to show up, and if he has scars, Koch converts; if he doesn't have the scars, they convert.

BRIG. GEN. HUTCHENS: Mayor Teddy Colic had a famous saying, that he hoped that he would be mayor when the Messiah comes because the first question he would ask him is, by the way, have you been here before

MR. PHILLIPS: Could I guess go with this woman right here. Right there.

Q: My question is for Mr. Woolsey. I'm Chalra Sadidi (ph) from Voice of America, Persian News Network. The panel believes that the subjects – they think that with interference of Iran in the Middle East, peace process is not going to succeed. And groups like Hezbollah and Hamas are in control of Iran regime. But the point is that Iran has got no friend in the region. Even the feelings of Arabs toward Iran is the same – mutual as, you know, toward the Israelis. So how do you propose that President Obama and the administration deal with the Iran situation?

MR. WOOLSEY: I think probably Mr. Ahmadinejad prefers subservience to friendship, and if the Syrians do what he says, and Hezbollah and Hamas and portions of the groupings in Lebanon, and increasingly if he throws his weight around, other states in the region, if they do what he wants, I don't think he wants to be liked or cares that much frankly.

I think that it is a mistake for the United States to acquiesce in nuclear power for Iran. As Iran and North Korea have shown, and other countries before them, once one has the light-water reactor, using it for electrical power purposes, if one gets into the fuel cycle – enriching uranium or reprocessing plutonium and it's – there's nothing in the treaties that keep you from doing that, you, by enriching the uranium lightly to 5 percent or so for its fuel use, you have gone a very long distance to being able to enrich it up to 90-plus percent for fissile material for bombs.

And the numbers are a little deceptive because if you've got enough 5 percent enriched uranium to make a bomb – and the Iranians do we now know – turning that in to 90 percent enriched, you're way – way more than halfway to having solved the problem; you're not 5 percent of the way toward solving a problem. And you may do it covertly. You may withdraw from the treaty and finish it up. The design of the bomb itself is a pretty simple matter. So it's the fissile material that matters, and once you have a nuclear reactor and are into the fuel cycle, you are well on the way to that.

I think that any Iranian government, whether under Ahmadinejad or not – that is, under the influence of the theocracy, is under the influence of the Hojatieh, the cult under Ayatollah Mesbah Yazdi that is so influential with the – with Ahmadinejad and senior members of the Revolutionary Guard and so on. I think as long as that structure stays in place, one cannot trust the Iranian government any further than we can throw it.

Q: So what can be done while they are in power?

MR. WOOLSEY: While they are in power, I think that there are a couple of things that we haven't done yet that we should. One is to cut off all of their imports of gasoline and refined petroleum products. Iran has run out of – only has built one or two small refineries since 1979, and although they produce a lot of oil, they don't produce their own gasoline and diesel. I think we should take action through economic sanctions otherwise unilaterally if necessary to crack down very hard particularly on the Swiss and Swiss/Dutch companies that supply Iran with its refined petroleum products.

The other thing I think we ought to do is crack down very hard – again, unilaterally if necessary because time is of the essence now – crack down very hard on all correspondent banking relationships. An Iranian bank or a Western European bank that does business with Iran

should not be able to have correspondent relationships with American banks. We are past the time for consultation; we are past the time for engagement; we are past the time for discussion; we are past the time for month after month multilateralism. We are possibly months away from Iran having a nuclear weapon, and we need to break the regime economically if we possibly can.

MR. PHILLIPS: Thank you. This man up here.

Q: I have two questions. First is that from Israel is another member of the panel. Oh long or how many more years Israel intends to kill and destroy Palestinian children, families, and hold out their future and expect to have peace in the Middle East?

The other issue is with regarding Iran. Iran did not have any problem with the Jews before. It has started when the whole problem – even before this religion system come in, they started to take all of the money from the country. They started to act irrationally. I don't want to go too, I mean, I mean, in detail on it, but that was – I wanted to know how – when are – when are the – Israel is –

MR. PHILLIPS: Okay, thank you.

Q: Israel is not going to look at their actions too rather than looking only at the other side.

MR. PHILLIPS: Thank you, sir.

Q: Thank you.

MAJ. GEN. AMIDROR: I don't understand the second question. Israel didn't act against Iran even once in its whole history. On the country, we had very good relations with Iran, and it's only after Khomeini to control of Iran that Iran change its attitude with the state of Israel so the question doesn't have any sense or roots in history.

The first question is the more important one. And let's go a little to be history. In '47, the United Nations decided upon two states to both the Palestinians and the Israelis. The Israelis accepted it and the Palestinians did not. And since then, the war is not about the who will take more but about the existence of the state of Israel because what happened in '47 that immediately both the Palestinians and Arab states said no, there will not be a Jewish state in the Middle East. And that will be agreed by the Palestinians, and all of the leaders would be much easier to agree upon.

But as you remember, when Ehud Barack offered the Palestinians a very generous offer, he said there is one very important decision that you have to take to agree this is end of conflict, no more claims. Arafat was not ready to give it – Abu Mazen is not ready to give it. Of course Hamas is not ready to give it. Until the Palestinians will agree that the Jews have the right to have an independent sovereign Jewish state in the Middle East, this conflict will not be ended, and both sides will suffer.

MR. PHILLIPS: I think we have time for one more question. Right here.

Q: My name is –I was born in Jerusalem to a refugee from – (inaudible). The Jews in their entire history were never treated evenhandedly. The Jews especially in the last 60 years were always treated – (inaudible) – a higher standard than anybody else. How can you change that attitude by the West? Thank you.

BRIG. GEN. HUTCHENS: Well, I would call to your attention a letter that George Washington wrote to the first Jewish congregation in the United States when they wrote and asked whether they could expect tolerance. He wrote back and said, no; tolerance is not nearly good enough. I think the history of Jews in the United States is far from perfect. There has been anti-Semitism, but the far and away guiding spirit of relationship between Jews and non-Jews in this country I think is far more along the lines of what the fine gentleman on my right spoke about.

MR. PHILLIPS: Well, thank you. And I would like to ask you to join me in thanking the panel for a great talk. And we can go out into the lobby where we have food provided, and thank you all for coming here.

(END)