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PROCEEDINGS

MR. PASCUAL: Good afternoon. My name is Carlos Pascual. I'm the Vice President of Brookings and Director of the Foreign Policy Studies Program here.

It is a great pleasure to welcome you to this event that was focusing on After Annapolis: Where it Goes Next, What the Prospects are for Peacemaking?

It certainly is quite stunning after a period of seven years of diplomacy lying dormant on the Middle East to get the kind of movement that we've seen in the past weeks and days.

In part, it's been brought together by the interests of the Israeli and the Palestinian parties. It's been brought together in part by a rediscovery or reemergence of American diplomacy about fears and interests related to Iran.

Yet, at the same time, there are real challenges that are being confronted. Both the Israeli and the Palestinian parties have internal political weaknesses that they're coping with. There's the limited institutional, administrative capacity of the PLO. There are questions about the region and how the region is going to be playing into these questions. There are questions about spoilers and how Iran and Hamas will play into this.

And, hence, we have to look at very carefully having created this base that has been established at Annapolis what can go forward.

And it's a pleasure to introduce this panel today that will be discussing these questions.

We'll begin today with Saeb Erekat. I think, as everybody here knows, he was the head of the PLO Steering and Monitoring Committee which negotiated with Israel the Oslo Accords from 1995. He had resigned for a period in May 2003 and then was reappointed in September of 2003, and he's currently part of the Israeli Fatah Negotiating Team.

He had part of his education here in the United States, part of it in the U.K., and after that returned to be an academic, an analyst, and writer in the Palestinian Territories, and we're extremely pleased for him to be with us tonight, and he'll be leading off the discussion on the panel.

After him will be Nahum Barnea. I think, as everybody again knows, Nahum is the leading political columnist with Yedioth Ahronoth, which is Israel's largest circulation daily newspaper.

Before joining that newspaper, he was with one of the leading weeklies. He has served as a columnist and a Washington Bureau chief here as well. He also served as the Deputy spokesman for the Israeli Ministry, and was one of the Brookings Institution's Saban Center's initial visiting fellows under the Creet's Visiting Fellowship Program.

Following Nahum, we will have Tamara Wittes. Tamara is Senior Fellow here at the Brookings Institution. She previously had worked at the U.S. Institute of Peace and the Middle East Institute.

She is one of our leading specialists on development and democracy in the Middle East. She runs a project focused on these issues. She's got a forthcoming book, which will be coming out, and I've

been in the process of reading it. It's absolutely terrific. It's called Freedom's Unsteady March: America's Role in Building Arab Democracy; and that will be coming out soon from the Brookings Institution Press.

And finally we'll have Martin Indyk. Martin is a Senior Fellow and the Director of the Saban Center for Middle East Studies. Many of you have probably been watching Martin on the television screen the last few days. It's been where I've seen him most recently.

MR. INDYK: Because (inaudible) was busy.

MR. PASCUAL: I think everybody again knows that Martin has served two tours as the American Ambassador in Israel. He was President Clinton's Special Assistant and Senior Director for the Middle East and the Near East. He was Assistant Secretary for the Near East. He's written widely on the subject, and so we have a team of people here who are uniquely qualified to comment on it from a Palestinian perspective, an Israeli perspective, and different aspects of an American foreign policy and an American foreign policy perspective of how we play into the developments and dynamics of the region.

So without further adieu, let me ask Saeb Erekat to come up to the podium.

MR. EREKAT: Thank you. Thank you very much and my privilege to be amongst this distinguished group -- Martin, Tamara, Nahum.

You know, people may ask if Palestinians and Israelis have been negotiating all these years, and they don't need to reinvent the wheel

and they don't need to eat the apple from the start. You know, it can be a two-state solution.

And in Martin's deep academic research, I'm sure he found out that Christian and Muslims, Palestinians will not convert to Judaism and become Israelis. And Jews are not about to convert to Christianity and Islam and become Palestinians. Why can't we have this solution?

This reminds me of a joke. A Palestinian and Israeli, you know, go to a western American movie. And the star is really riding his horse so fast. And as usually, the Israeli, provocative, looks at the Palestinian. I bet you \$20 he will fall from the back of the horse in one minute.

And as usual, without thinking, the Palestinian takes the challenge. You're on.

So in one minute, the star is down. The Palestinian takes the \$20 and tries to give it to the Israeli, and the Israeli conscience, feeling guilty, says, no, no, no. I can't take your money.

The Palestinian says what? Why? You won.

He says no, no, no. I don't want to cheat you. I've seen this movie before.

So the Palestinian looks at him and says, what do you think? I also saw it, but I thought he would learn from his mistakes.

(Laughter)

MR. EREKAT: And that's where we are. I think it's about learning from our mistakes. I think there are things that were done in Annapolis yesterday that showed that we can learn from our mistakes.

Number one, unlike, you know, in Camp David, here we had all the Arab countries on board, because the issues that make Palestinians and Israeli (inaudible)-- Jerusalem borders, settlements, refugees, security -- cannot be done in the regional connotation without the Arabs. They were there.

They have the Arab Peace Initiative this time, which is the most strategic development in Arab political decision-making since 1948 in my opinion.

We have the international community. I think who's who in international relations, countries, economics where there.

And thirdly is that we were told, without them telling this to us, look, we're not going to negotiate for you. That's good. We're not going to make the decisions for you, but if you, Palestinians and Israelis, can get to the end game, can produce the treaty, we will stand shoulder to shoulder with you. We will not let you down. We'll support you as possible. But the decisions are required from Palestinians and Israelis.

This is bilateral Israeli-Palestinian negotiations.

We know as Palestinians that since Eve negotiated Adam, I could be the most disadvantaged negotiator in the history of mankind. I have no army, no navy, no air force, no economy. My people are fragmented. We have many, many questions about what we will do and so on.

But at the end of the day, that's why we need to have peace. That's why we need to have a Palestinian state. I'm no match to the Israelis.

In terms of my word in the Congress and the Senate, I don't stand a chance. And who said life is about fairness?

The U.S. borders are no longer with Canada and Mexico anymore. Your borders today stretch from Turkey, Iran, Tajikistan, Uzbekistan, parts of China, Afghanistan, the Gulf, Saudi, Syria, Iran.

You don't need anyone to protect your interests there. There is no room for functional and proxy nations in the region.

And interests -- the U.S. have a lot of interests in this peace process today because it's not going to be solved by Marines and gun ships.

We stand today at a critical juncture, just as individual nations also go through critical junctures.

This region cannot be maintained on the status quo. That's impossible anymore. This region will either go through the path of peace, stability, moderation or in the path of extremism, violence, and counter-violence.

The key is number one, Palestinian-Israeli peace. Number two, democracy in the Arab world, and anybody who says Arabs are not ready for democracy is a racist. That's the truth.

The challenges ahead of us are enormous. Nablus was yesterday. Today we want to see strategy of three parallel things.

Number one, if you look in the document that we managed to produce at 9:20 yesterday, for the seven days, I can tell you this document should have been done in 17 minutes -- 17 minutes. But Israeli-Palestinian negotiating behavior, it took us 47 days not because we

don't know what should be done, because we tried to get the results from negotiations before they began.

They will wake up one day find Saeb Erekat putting a line so benign it should be accepted, and then they introduce a line of their own, trying to deal with the refugees, Jerusalem without even mentioning the issues; okay?

A document is done because we both realized that we will leave the issues of negotiations to the negotiations. We're not going to get the results today in Annapolis or before Annapolis. So it was done.

We have a trilateral committee if you noticed in the communiqué or a statement or the document. It took us three weeks to decide whether it's a statement or a document for God's sakes.

I cannot be Israel's judge. If I violate agreements, Israel has (inaudible). They can close towns, villages, and stop movement. And if they violate, what do I do? I used to write Martin Indyk letters and the Europeans and whoever. Today, we have the U.S., on behalf of the quartet leading the trilateral committee on the implementation of the first phase of the roadmap.

We have obligations. The Israelis have their obligations. And I'm glad that the Americans today appointed the head of the committee, General Jones I heard, and hope we can go with this track immediately.

The second track is the Palestinian-Israeli permanent status negotiations. I hope we will not waste another six months deciding in which committees we're going to work. I hope that we understand that we

have been there before. These issues were negotiated. In Camp David, I don't think any stone was left unturned for Palestinians and Israelis after Camp David and Taba. We know the issues very well.

Sometimes as Palestinians and Israelis, we don't say the truth. If I'm asked a question about something that happens in Israel, my classical answer is this is an internal Israeli matter. I lie.

If somebody sneezes in Tel Aviv, I get the flu in Jericho and vice versa. So I really hope that once the steering committee meets, we don't start from the beginning. We have a lot of things behind us. Today, it's about decisions and not negotiations.

It's about a package. It's about common grounds. It's about a win-win situation. It's not -- I'm not going to say it's enormously difficult. I'm not going to say it's enormously easy to do it. These negotiations are not negotiations on the Ecuador-Peru border or Jordan-Saudi Arabia.

You know one day between Jordan and Saudi Arabia in 1965 they swapped 27,000 square kilometers. They (inaudible) of historic Palestine in one day. Nobody knows about it. And I really hope that we can get our act together and begin the seriousness of what, by the way, Abu Mazen and Mr. Olmert did.

President Abbas and Prime Minister Olmert met for eight meetings. The rules of engagement were different. No minutes. No records. No briefing. Brainstorming. Blah, blah, blah, blah. Just to exchange ideas about the core issues, which they did. And when they found out, after exchanging their -- I'm not saying that they produced

agreement. No. I'm just saying they tested each other and found out that it's time to form their teams to negotiate the end game.

This is up to us and the Israelis. And I hope that we can move in this direction immediately, because Annapolis managed to break a deadlock, a seven-year-old deadlock. For seven years, we did not negotiate. That's the truth. We did not negotiate. We talked every day, and we like to talk.

In my region, there are people who have been going to places of their worship, synagogues for 5,700 years. I'm afraid I cannot negotiate any word they say in their synagogues every Saturday. They keep repeating (inaudible) for 5,700 years. I can't negotiate any of their system of beliefs.

And we have people in my region that have been going to churches for 2,000 years, saying the same thing every Sunday. None of what they say is negotiable.

And we have people who have been going to mosques for 1,430 years, every Friday. And none of what they say is negotiable.

Today, negotiation is not about positions. It's not beliefs. It's not about trying to convince them. It's my system of beliefs. I am what I am.

I was born in Jerusalem. I was raised all my life in city called Jericho, the oldest on earth. I live in the home I was born in up to today. And through the window of my bedroom, I see the Mount of Temptation, where Jesus did his fast for 40 days. Five-minute walk from my house, literally. I -- there are the walls that came crumbling when one of our

ladies in Jericho opened the gates for somebody who came from Egypt. Dead Sea. Lots of territory. You know, we have it.

So a person like me is, you know, I cannot -- I see yesterday in historical perspective. I talk to you today. I can't help it. Something inside me is insinuating history around me. I see you in historical terms. And tomorrow for me is also in a way another -- is modeled into historical terms. This is me.

And if you are raised in a house where your mother taught me how to feel guilty when I was 15 days old. I swear to God I don't know why 'til now. This is me, and I'm sure that my neighbors, 10 kilometer neighbors in Israel, they have the same, the same DNA.

And it's up to us. Is it doable? Yes. Can peace treaty be reached in -- by only one year? It can be done in three months if the decisions are taken by the leaders on both sides. We know the end game. We're good at a lot of talk. Our internal complexities as Palestinians are enormous, and people may ask me how -- what do you do with Hamas taking over Gaza. They defeated you in Gaza; throw you out. What do you do? That's a good question.

It's my problem. I don't have a military solution for it. Israel will not reoccupy Gaza. Egypt will not become to the (inaudible) of Gaza. I can return Gaza through showing a peace treaty with Israel of two-state solution. If I fail to do this, I'm going to have to be worried about the West Bank.

That's what's in it for me. It's my interests.

And for Israelis, I'm here. I did not vanish. I live in Jericho. That's the River Jordan. Some things will never change. 63 kilometers between the River Jordan and the Mediterranean.

What do you want to do with me, Israelis? Close your eyes and walk me through this land in the year 2025. What do you see?

You have three options. Two-state solution and the '67 borders, minus, plus swaps agreed upon formulas which we have discussed, and we know how to engineer an agreement.

Number two, if you don't want, then we can say from the River Jordan to the Mediterranean one nation. You want to call it Israel. Fine. I want to be equal to you now.

Once I say this, they say look at these evil Palestinians. They want to undermine the Jewish nature of Israel. It's true. Because with things that are changing, again change the name of the Knesset by voting one day maybe. You never know. Some of their options. You can call us anything as Palestinians, but we don't have neon saying stupid.

Number three is what's happening in the West Bank today. There are roads in the West Bank I cannot use because I'm a Palestinian, under security.

I don't think anybody has the stomach for this -- walls, settlements, and all these things. It's not an answer. Twenty-first and 22nd century politics in my opinion will witness the decline of the so-called renaissance of nationalism flags. Today, there are flags that fly with 27 stars on them. Things are merging.

So these are your options. To me, I'm very limited. I don't have many options. I have one option: two states. Two states, and I want to make the two-state solution.

And we know how to do it. So the day after Annapolis, three tracks, parallel. I mentioned two. The third one is the economic recovery program.

And we need a major economic recovery program. We just cannot continue dealing with Martin Indyk going to Hebron to open a road. It's still closed -- Shuhada. You remember?

I hope that they can come out with a program for action that will transfer our economy from labor-oriented to goods-oriented. We don't need to think sequentially. We don't need to work sequentially. Things can be done in parallel. The first phase roadmap implementation; secondly, the political track on the core issues, and thirdly, the economic development track. That's what the work plan for after Annapolis. People want to see deeds. They don't want to hear words.

The voices of the bulldozers and tanks are much higher than any communiqué that comes out of conferences. And we need to regain the confidence of our people. We need to restore the credibility through the peace process. How long do I have? Finish. Martin is telling me to -- my last sentence I think Annapolis, President Bush provided an opportunity for us. The international community that came provided an opportunity for us.

Today, as Palestinians and Israelis, it's up to us to make the decisions required to deliver the long, long, long awaited peace treaty.

And today I can tell you the one development from Camp David 'til now in the darkest hours of Israeli and Palestinian relations, in the killing fields out there, today there are 70 plus percent of Israelis who have been consistently in each public opinion poll saying two-state solution.

And in Palestine 70 percent plus of Palestinians are saying two-state solution. I hope we can do it. And that requires the decisions more than negotiations. Thank you very much.

(Applause)

MR. PASCUAL: Now if you would pick up from there, and interesting points that we're left with that when we've learned from mistakes that a two-state solution is doable and it's doable potentially in three months if decisions are taken. I'd be interested in your perspectives.

MR. BARNEA: Okay. First, I agree with 90 percent of what Saeb said, so I'll try to focus on the 10 percent.

First of all, I only now learned that Moses was an illegal immigrant.

MR. EREKAT: He was not (inaudible) into Jericho. It was the --

MR. BARNEA: Yeah, this is the reason he was not allowed to come. But let me remind you what was the profession of the lady who helped us conquer Jericho at the time.

MR. EREKAT: One of (inaudible).

MR. BARNEA: I'm not sure. Okay.

Annapolis was first and foremost an American success, an American diplomatic victory. And since I don't believe the Americans had

a lot of victories in recent years, especially in the diplomatic arena, one has to mention it. You know, we, Palestinians and Israelis, tend to forget the third guy when it comes to success. This is not the right occasion.

I believe that it was an American success, and the success was first and foremost by the fact that almost all the members of the Arab League showed up and the Saudis who are very shy when Israelis present, the Saudi Foreign Minister even presented his flag on the table.

Now these achievements can sound a minor or even ridiculous. I don't think so. The real test for these rich oil countries will probably come next month on December 15th in Paris when they will be asked to contribute billions of dollars to the new emerging Palestinian state. There is no way, I mean, you know, Saeb mentioned a lot of problems on the way to establish a state. But there is no way such a state can succeed without money, and I'm not sure the Arab countries were generous enough so far.

I hope you don't dispute this argument, but this is important.

An American success, and first and foremost a Rice success. The idea to have an international conference which will initiate or reinstate negotiations on the overall agreement was generated by Condoleezza Rice in November and December 2006. Why November, December? Because in November, she said it to Ehud Olmert. In December, she recruited Tsipy Livney. It depends who is the biographer of Condoleezza Rice because the two versions somehow collide. I mean, you know, Olmert give the credit to Rice. Tsipy give the credit to Rice. But both of them remember different occasions when the idea was

generated. Livney was here for the Saban Forum -- I'm sorry for mentioning it -- in December 2006, and she moved from the Ritz Hotel to the Watergate Hotel in order to have this kind of plot between her. The two female foreign ministers had a plot.

Without the consent of Olmert, I don't believe it would have become such an event, but there is no doubt that at least from the Israeli and the American side, Rice and Livney were the architects, if you wish, the construction worker of this event.

And I'm saying event because it was, first of all, as you read in the papers today, a photo op. The photo op was typical to Americans. It was an overstatement by far. I mean, you know, I was -- I had the -- I was unfortunate enough to chase the three leaders from one maple tree to another. There was -- in order to take photos of the three walking, hugging each other, smiling. The whole idea was to take the picture, to show a picture.

The contents were I'm afraid not as important. At the same time, Annapolis is very important. Annapolis is important because it opens the door for I would say at least two Middle Eastern processes or Middle Eastern options and may be two plus one.

When I mean two, I mean first of all the Palestinian-Israeli track; secondly, the Syrian-Israeli, track the third is a building of a new coalition against Iran, against Islamic extremism, against terrorism.

The words should be -- every player in this game uses a different word. But the basic idea is the same: to build a coalition.

It's not the United States of 1991, when it was the sole power on earth and the victorious after the first Gulf War. It's not the same United States, but, still, the United States managed to get this very impressive group of foreign ministers under these three options.

It's also -- and this is the irony -- I'm not sure it could have happened if the three major players involved were strong and popular in their own countries. Now it sounds stupid and maybe it is stupid. I don't know.

But maybe not. The fact that Olmert has very little to lose in terms of popularity in the Israeli public opinion. Abu Mazen has very little to loose in terms of power in his own West Bank, not to mention Gaza. And Bush is on his -- you know, on the verge of his last year in office and very unpopular here gave them maybe the kind of liberty, the kind of freedom which allows people to emerge on an adventure.

And let me tell you, at least Olmert sounds as if he is really anxious to mount on the rollercoaster to get on this process.

By the way, Saeb, he said to me this morning, our Prime Minister Olmert said to me don't worry. In the near future, Saeb Erekat is going to complain about Israel a lot in every channel, every TV station. So I felt that it's a kind of compliment, because he didn't mention Nabil Shaath at the same time.

(Laughter)

MR. BARNEA: All of us are too veterans in this kind of adventure. I mean, you know, I had the fortune to talk to Condoleezza Rice several weeks ago in El Salia, and I said to her for 40 years I cover

the failures of the Middle East peace process, so she didn't smile. She didn't smile.

Now the fact is that in Israel and in the territories, suspicion toward not only toward the process but toward their own governments is the word of the day. I mean, you know, if you talk about a public opinion, Saeb mentioned the fact that 70 percent of the Israelis and 70 percent of the Palestinians all the polls support a two-state solution.

It's true, but there is very little they support in general. Say if you asked the Israeli, the people who attend polls, I don't know, if you ask them whether they are -- they believe that a Palestinian state is or the Palestinian Authority is -- can function, they say no. If you ask them if they are willing to have -- to give major concessions to the Palestinian Authority, they say no.

It's a very, very confused -- we have a very, very confused public opinion. I believe the impact of recent years not only the wave of terrorism, but also our own blunders -- the war in Lebanon, which was not a great success. The suspicion or the investigations of criminal suspicions toward most of the people who are -- who hold high offices in government, including the former president of Israel and the current prime minister. All these things add up to a kind of very, very cynical public opinion, which is not willing to be mobilized to anything.

One of the insults to the current Israeli government in my opinion is the fact that so few people are willing to demonstrate against Annapolis. The -- I can only imagine what would have happened if

Yitzhak Rabin was alive today and went to Annapolis with this kind of agenda.

One -- two minutes. I believe people would have -- or at least people who are right of center would have gone to the streets and demonstrated really violently because they see it as a matter of survival.

Almost half a million Israelis are living behind the green line. So they -- an agreement with the Palestinians can cause either transfer of them or a very, very uneasy existence under a Palestinian flag.

They don't demonstrate, not because they support it, but because they don't believe it's going to happen.

So in a way, what normally is a problem now is a kind of temporary advantage I would say to the people who deal with it. They have this kind of freedom which people who, you know, who lose whatever they have in Las Vegas have when they play on the machines, you know. Only quarters are now at stake.

One word about timing. There is a word, you know, whatever happens in the Middle East, people say the timing is not right. One of the -- and the special official which I had the opportunity to talk with this week said to me that there is an office in the federal government which has the title of never the right timing office, and this is the office which deals with the Near East affairs.

It's not true. Because when -- if any timing is bad, every- any timing is good. Israelis and Palestinians, answering to your question, tend to not only to extend negotiations for years, but also to solve negotiations at the last minute. Even the joint session, which is let's say

has less substance than decaffeinated coffee, even the joint statement was agreed upon only 10 minutes before the President -- President Bush read it to the media when it was yesterday.

So even this kind of minor thing. So it will take years -- and unfortunately. And I agree with you, Saeb, that the end game is more or less known. It never bothered the people who participate in the negotiations, the fact that the end game is known. It's like going to the movie. Even if you know the end of the movie, you would like to watch all the movie, all this.

And another word about -- we deal, as you said, (inaudible) with two different issues, which link together. Three. Okay. You said three. Right. But okay. I have another two. Okay?

One, you know, when you give an Israeli a solution, he always thinks about the problem. One, no, is the question in the negotiations about the overall agreement. Another issue, completely separate is the question of what happens on the ground. And here, as Saeb mentioned rightly I believe, the fact that the Palestinians suffer from the -- from occupation. The individual Palestinians suffer from the occupation every day and suffer a lot.

What the Israeli authorities will do on the ground has a tremendous effect on the overall negotiations, because it goes either way, because if they allow more movement, more freedom, it's a very, very good sign.

At the same time, if these decisions will lead to terrorist attacks, it will ruin both negotiations. So we face a dilemma, and I believe

that Ehud Barak, our defense minister at the moment, is sincere when he expressed a lot of caution regarding it. I'm sorry. It will take another minute.

Why and why?

MR. INDYK: We're used to that.

MR. BARNEA: And why? Because at the moment, Hamas and other terrorist organizations succeed in launching terrorist attacks will be the moment when Israel, any government of Israel, will have to stop any serious negotiations on the one hand, and we'll have to go further in the security measures which are done.

And also the Palestinian government is not -- again -- is not very, very successful in building its own security force. I'll give you an example.

It took (inaudible) Fayyad told me it took three months to get from Israel permission to transfer 500 policemen from Jericho to Nabulus in order to keep quiet -- to keep the law or security in Nabulus. Yes, it's true.

But it took, according to Barak, two weeks for Barak to give the approval, but the additional time was spent in preparing these policemen and at the end, they didn't manage to get 500, only 300.

So both sides are in trouble here.

Last remark. Only for the fun of it. You know I was sitting behind the Saudi foreign minister yesterday in Annapolis, and I pay attention to his ears, because while -- when Ehud Olmert talked in Hebrew

while everybody had earphones, he -- his ears were naked. He didn't have an earphone.

I opened the Washington Post today. I believe the Washington Post. And I saw a very enthusiastic report by the -- by a journalist who was there saying that the Saudi foreign minister wrote notes all the time when Olmert was speaking. Maybe he wrote notes. I wonder does he speak Hebrew? Why he?

(Laughter)

MR. PASCUAL: Tammy, the movie projector is running. We know the end of the movie can we actually get there?

MS. WITTES: Thanks, Carlos. I'm going to speak from here because I'm not as tall as my two friends, and I think it will be easier for you to see me from here in my chair.

But I think you probably heard from both of these gentlemen enough about the obstacles on the ground and you've probably heard a lot in the last couple of days about the extent to which the nations that came together yesterday in Annapolis were driven more by the fear of failure than by any great prospects for success.

The result is that a lot of people are describing what happened yesterday as a mere photo opportunity, and it's true that this summit, like most such occasions, was mainly symbolic. But that symbolism was not insignificant.

And I want to just spend a couple of minutes talking less about the narrow Palestinian-Israeli symbolism, but the broader regional

symbolism of the conference and what it means for the U.S. role as we look forward.

Obviously, Annapolis symbolized, as Saeb noted, a formal launch to these final status talks, an end of seven years of deadlock in Israeli-Palestinian negotiations, an end to seven years of relative neglect by the United States of this conflict, and a concrete representation of a major change in the conflict since 2000, since the last time we had substantive negotiations. And that is the presence and the active support of Arab states for Palestinian-Israeli peacemaking.

That's really something we shouldn't under emphasize. It was a major missing ingredient at the Camp David Summit in 2000.

But more important in some ways and I don't know if the microphone is working.

MR. INDYK: It is.

MS. WITTES: It is. Good. More important in some ways is the symbolism of this meeting as sort of coming out party for this new coalition of states, this new coalition of forces in the region and the United States that are wishing to contain the influence of Iran and its revisionist allies.

This is a shift in the American position in the Middle East from the last several years after several years of being sort of set back on its heels by the debacle in Iraq. This meeting represents the U.S. trying to take back the initiative in the region, trying to create something new and force these opponents to respond. And the rhetorical outrage emanating from Teheran and from Gaza City over the last two days I think pleased

the Bush Administration very much because it represented this shift in the game, whereby Iran and its allies now have to work to block an American initiative rather than the other way around.

And in these terms, the Syrian participation yesterday was very significant. Whether it leads to Syrian-Israeli bilateral negotiations or not, it creates a degree of tension in the relationship between Syria and Iran, and Syria is Iran's link to the Lebanon. It's Iran's direct link to Lebanon, to the Palestinian arena.

So creating some tension, some distance in that relationship was a key American goal and a success.

But all of this highlights the extent to which for the U.S. this summit and the peace process it launched are really a means to other ends. This makes this peace process very different, a very different American effort from the last one seven years ago under President Clinton.

Martin and I argued in an article in this month's American Interest, an article called "Back to Balancing," that the United States is returning to a balance of power policy in the Middle East. And just as during the Cold War, the Arab-Israeli peace process is a servant now for the U.S. of this broader balance of power agenda, this time balancing against Iran and its revisionist coalition.

Now what does that mean in terms of the prospects for peace?

It means that while all the parties in Annapolis had a strong interest and have a strong interest in seeing a Middle East peace process

that is viable, that's continuous, they don't have all the same strong interest in seeing results from that process.

I think the only party that really needs to see swift, substantive progress is Mahmoud Abbas. But the rest are probably happy just to have something they can point to and call a viable process.

The past seven years of violence on the ground has left a legacy between Israelis and Palestinians that makes real progress very hard to envision even if everyone was motivated to get there, and, of course, have you've already heard, the lack of Palestinian capacity is probably the Achilles heel of these new negotiations.

So if yesterday's symbolic fresh start is indeed going to produce a new beginning for the people in the region, it seems to me there are two key questions that have to be—that have yet to be addressed.

The first is the relationship between this high-level diplomacy and the very negative situation on the ground between Israelis and Palestinians. And that gets to the most contentious issue in yesterday's joint statement, which is the relationship between the roadmap and the final status negotiations.

How can the roadmap's first phase, which both sides recommitted to yesterday, how can that be used to create a positive dynamic for the Israeli and Palestinian public and be used to improve trust and cooperation between the Israelis and Palestinians whose job it will be to implement any agreements that might be reached?

Finding a way to make the roadmap a help to the process rather than an obstacle I think is an urgent priority. The roadmap spells

out clear Israeli and Palestinian obligations that, if they're fulfilled, could really help to shift the relationship onto stronger ground.

But in the past, as you know, it's been not much more than an excuse for the two sides to engage in a steering contest.

Now there was some language specifically dealing with this question. Saeb referred to it in yesterday's statement. The Palestinians I think got a concession out of the Israelis by getting them to agree that the United States would act as an arbiter over the fulfillment of roadmap obligations, and certainly the swift appointment of General Jones is a signal that the U.S. recognizes its need to focus in on this question and especially on the security aspect of the roadmap in order to achieve progress.

But this I think brings us quickly to the second question that has to be answered in determining what Annapolis' long-term impact will be, and that question is what will the American role be now?

President Bush, for his part I think, made clear in the language of his speech his own intention to keep a distance from these talks. He refrained from presenting anything by way of American ideas on how to advance the negotiations. There were no Bush parameters presented. He consistently used the word "they" to refer to the peacemakers or sometimes "you," but never "we," signaling that he's not going to get down in the weeds like his predecessor Bill Clinton did.

And I think Bush really drove this point home by leaving the conference immediately after the opening session and not even staying for the speeches of the other world leaders there.

At the same time, the White House seems eager to claim credit for a successful conference, with one account of the day that came out of the White House suggesting that Bush intervened personally to get final agreement between Olmert and Abbas on the joint statement that Bush read out at the opening session.

Basically, I think his speech clarifies that -- let them say what they want. But this clarifies I think that for Bush the key achievement was simply to have the summit with Arab state participation, this coming out party for an anti-Iranian coalition, for this new phase of America taking back the initiative in the Middle East.

What happens afterwards between Israelis and Palestinians is really not so much his concern.

Bush still has a vision of two states living side by side in peace, but the performance suggests that as much as ever Israeli-Palestinian negotiations are going to be Condoleezza Rice's show. She'll get the blame if it fails. And he'll be content to take some of the credit if it succeeds.

So what then is Rice's intention for the coming year? I think there are conflicting indicators.

We've seen her M.O. over the last few months leading up to the summit. She doesn't have a style of intensive engagement, long bouts of shuttle diplomacy. She tends to leave the negotiating to the parties, coming in every now and then to talk to them separately, fluff them up, push them along, and then leave the scene again.

There's no U.S. presence in the room while the two sides are hammering out the wording.

On the other hand, she has in some ways cleared the decks at the State Department so that she can focus more time and attention on this issue.

She's delegated the Iran portfolio pretty effectively to Nick Burns, the North Korea portfolio to Chris Hill. She's managed to keep shoving off Iraq on the Pentagon and the White House. And, therefore, she does have the space in her agenda to give time to this issue if she wants to.

She's emphasized repeatedly that the previous Administration had its own way of doing things. There's a lot of criticism, but with all due respect, she's going to do it her own way, and I think the question is will this way, this hands-off approach be enough? Thanks.

MR. PASCUAL: Tammy. Okay.

(Applause)

MR. PASCUAL: And it's a great transition to Martin, and you've been down that road and watched the movie a number of times. It would be fascinating to get your reflections on whether we really do know what the final outcome is and what the chances of finally actually getting there to the end of the movie.

MR. INDYK: Well, I think the answer lies in something that Saeb said, you know. If it took 47 days to produce a document that is all about procedure and not about substance, how long is going to take, even

though we know what the substance should be for the parties themselves to reach agreement on the substance.

And I think that the reality is that left to their own devices, Israelis and Palestinians who have the will now to make peace and I thought just parenthetically what was remarkable about yesterday's event, and in a way what's remarkable about what we're all watching here today is that Israelis and Palestinians are -- as represented by Abu Mazen and Ehud Olmert yesterday, have a warmth in their relationship, a commitment to try to resolve their differences, a sense that they're in the same boat together and that they sink or swim together as well.

And that is very positive. But as I said, left to their own devices, they're not going to be able to resolve their differences.

And that's where the United States comes in, and, as Tammy suggested, the other thing that was remarkable in my view about yesterday was the way in which George Bush's embrace of this process was arms length. In a way that's not surprising. He didn't come to the party I think with any great enthusiasm.

It's no coincidence that for seven years he's talked about his vision, but has done precious little to implement it.

And it's -- there's a variety of reasons, but at heart, from my own experience with him, which was admittedly very limited, but quite relevant in this case, he came into office with the strongly held view, which I don't think has changed that it was a huge mistake of Bill Clinton to try to devote his last year in office to achieving a final status agreement between the Israelis and the Palestinians.

And yet, it's one of the multiple ironies of the Middle East that George Bush in his last year, going into his last year, is now committed to achieving a final status agreement between the Israelis and the Palestinians. How did this happen? It wasn't because he changed his mind in my view.

It was because the parties brought him to this together with his Secretary of State, Condoleezza Rice. And I think the way to understand this is, on the one hand, the desire of Israelis and Palestinians to resolve their conflict, and, on the other hand, Condoleezza Rice's recognition that the particular circumstances of Iran's bid for hegemony in the Middle East heartland, creating a common thread for Sunni Arab states and Israel - that particular circumstance created an opportunity for the United States to put together an Arab-Israeli alliance against Iran.

And so Annapolis can be understood not as a change of mind on the part of President Bush, but as a tactical move for a strategic purpose, which is much more focused on what President Bush sees his real concern in his last year in office, which is to counter the Iranian threat in the region, in Iraq, in its nuclear program, and Annapolis makes sense in that context.

Bringing Syria to the table, even though that contradicts his policy toward Syria of isolation and pressure is also in the service of that -- a tactical move in the service of that strategic objective.

If you bring Syria into the -- to the peace table, you create friction with Iran. You increase the isolation of Iran.

So if that's the case, and if I'm right that the Israelis and Palestinians in a sense want this more than George Bush wants it, well, that's probably a good thing in itself, but it may be the key to bringing him in the end around to active engagement, because the only reason I think that the deadline of the end of his Administration was set was because the Palestinians insisted on a timeline, and Ehud Olmert said better to do it in this Administration than in the next.

It wasn't because George Bush said let's finish it in my term. And so what I'm trying to suggest is there is an interaction here between the interests of the Israelis and the Palestinians to try to resolve their conflict and a very different interest of George Bush to try to counter Iran. And in the overlap of those two interests lies the potential to bring the United States with the active encouragement of Condoleezza Rice, who I believe is committed to trying to move this process forward, to bring the United States to play the role that Israelis and Palestinians are going to need us to play if we're actually going to get a final status agreement.

MR. PASQULE: Martin, thank you.

(Applause)

MR. PASQULE: I'm going to turn to the audience for questions in one second.

Saeb, I just want to ask you one thing before we go out. On the question of Hamas, how do you bring them on board or how do you at least prevent them from being a spoiler in a process like this?

What is the strategy that you have?

MR. EREKAT: I just want to --

MR. PASQULE: Let me put your microphone on here.

MR. EREKAT: We have a serious problem as Palestinians. Maybe this is the most serious problem we've had in the case. Hamas won the election. And the transfer to power -- the transfer of power on our side took place wonderfully. In three weeks, they were speaker of the parliament. In five weeks, they were the government.

And we have no problem with this. I won the seat in my constituency Jericho, while my party was defeated all over. I remember in the first session of confidence to this government, I said to Mr. Haniyeh in my speech before I gave my vote of no confidence, of course, I said, sir, you are now the prime minister of all Palestinians. You're not the prime minister of Hamas. You are my prime minister. Governments honor obligations -- financial, political, security obligations of the previous government.

I said to him when Imam Khomeini came to power not through elections, through a revolution in Iran, he issued a statement committing himself to every obligation Iran has, so did Nelson Mandela. So did everybody who came to power. The problem is that Hamas won the elections, and they said we want to change international relations.

Because we won the elections, we don't accept this, and they were selective, and that is the serious problem we have. Not only that, the prime minister and the interior minister they lead a coup d'etat against themselves, taking over power.

And this is a Palestinian problem. If we don't help ourselves, nobody else will.

The question here is not the balance of power, military power between us and Hamas. The balance here is between someone like me who's telling Palestinians you have only the path of peace and reconciliation and a solution by peaceful means with the Israelis in order to bring a Palestinian state, an independent Palestinian state.

The others see me and then start joking about me, you know, settlement activities, walls, incursions, closures, seizures, the day life that Nahum mentioned of Palestinians as the way that was used.

I studied the Hamas election campaign. These people, if they run the country the way they run their election campaign, we'll be in good shape. They did not tell anyone how many children are born in Palestine so how many classrooms they will add, how many hospitals, how many roads, how many water. All they said was ask Saeb Erekat. Did the Israelis leave Gaza because of his negotiations? No. Because of our Qassams. That's number one.

Number two was corruption in our government and so on. These are the two elements. So today, we're asking them to rescind their coup d'etat and to go back to the legitimacy of our elections and our system and our basic law.

The problem wasn't in the elections. No, we should be proud that we have these elections. We should be proud that we are planting the seeds for democracy. We're going to be a nation one day. Unlike you, unlike many other nations, we're going to be different. I'm not going to specify the differences today; okay?

But we'll be different, and I think democracy, accountability, and transparency will be the key to our society. And I hope that the Americans and the Israelis have learned this lesson about accountable governments, transparent governments. But the challenge today, if we have an agreement, and I agree with Tammy, with Tamara a hundred percent when she says that Mahmoud Abbas needs an agreement. It's our survival. That's the truth. You said it.

You know, Olmert may go. This may come. Israel is nation. This happened. Syria here. Of course, their presence is significant and we appreciate this very much for all the Arabs who came to support us, but for us, it's classified as not as, you know, vital interests, not as strategic interests, not as tactical interests, but a (inaudible).

MR. INDYK: That last statement was what?

MR. EREKAT: Our existence. If we produce an agreement, we could get them back without a single shot. And the 700,000 people were in the streets of Gaza a few weeks ago had a message. And if we fail to produce an agreement, I'm worried about the West Bank.

So to Abu Mazen, to me, failure is not an option. We really need a partner on the other side this time to deliver an agreement on the permanent status issues once and for all. And I hope we can do it.

MR. PASQULE: Thank you. All right. We'll start right here. Hold on one second. It will get to you --

MR. EREKAT: How much time? I need to.

MR. PASCUAL: We'll take 15 minutes.

MR. EREKAT: Five? Ten?

MS. COKER: Is it on? I'm Margaret Coker, and I'm the Middle East correspondent for Cox Newspapers.

Saeb, I'd like to ask you a question. Please can you let us know over the last three days what guarantees or assurances you have had from the Americans or the Israelis that both are ready to work in parallel and not sequentially as before on the roadmap first?

MR. PASQULE: And let's -- Dr. Erekat is going to have leave, as you just heard, in about five minutes. So let me take one other question from somewhere in the back of the room. In the back. All right.

SPEAKER: Well, actually my question was more for Martin Indyk, but it's given the diversity of Israel's government, given the complex nature of public opinion that Mr. Barnea pointed out, could you really expect an Israeli prime minister and Mahmoud Abbas to be able to negotiate an agreement and sell it to the respective publics without some visibility of the United States in terms of offering perhaps bridging proposals and the prime minister of Israel having to go to the Israeli people or the Knesset and saying look, you know, our close and great ally has put forward these proposals. The onus will be on us if we don't accept it, much as the onus was on Yassir Arafat at Camp David.

In other words, can an agreement really be done on the basis that the President laid out where the parties will have to do it, and, you know, we'll facilitate it and support it in any way we can.

MR. PASQULE: Saeb, you have to leave us. So let me ask you actually if you wouldn't mind to in fact, actually address both of the questions. What kinds of assurances did you get on the kind of

cooperation that might be possible? And but also how important is it to you from your perspective of a proactive American role? Is it -- do you need this?

MR. EREKAT: I think we have a very thin (inaudible) here. I don't think -- I don't know if anybody can make the decision for me as a Palestinian on the issues of negotiation. And I don't know if anybody can make the decision for the Israelis. It's really up to us now.

And, you know, I heard you saying -- I don't know who said Abu Mazen, Olmert -- weak strong and so on. If these two gentlemen deliver this NDM agreement, they will become the most important people throughout this land since Jesus Christ walked the streets of Jerusalem.

That's the truth, because -- I mean the argument weak, no percentages so and so on. So what do they have to lose? They have to gain if they can deliver this agreement.

I think the role here is a Palestinian-Israeli role. I'm not saying that because I don't want someone to sit with me in the third-in a room, but the worst thing that will happen to me as a Palestinian is to go outside and give a body language, which I'm good at, to say that we were forced to accept this agreement. This is bad.

I want to go out and say to the Palestinian people look I did not get everything, but this is the story. This is fair. This is a win-win situation. You're going to have your own state, and you're going to have your own state before the end of 2008. Don't despair.

And to be honest with you, people ask me why you're doing this? I'm a university professor by training. It's not a job for me. I'm doing

this because I don't want my son to be a suicide bomber. I tell him don't despair. I just want him to be like any of your children, and I'm sure that every Palestinian father and mother seek this, and that is the truth.

So I really believe the role is Palestinian and Israeli, and I'm reflecting on this my own personal opinion. Maybe my leaders have different opinion about third party roles and so on.

But I really believe that every time you provide Palestinians and Israelis with a third party, they tend -- they're masters at -- they're masters at getting around things and just waiting for not to do things -- delaying things.

The time is for decisions. And I believe Palestinians and Israelis should know this from all parties.

And I think the message from Annapolis, from President Bush was a good one. Hey guys, I'm not going to negotiate for you. But look I brought you the world. If you deliver, we will not let you down. We stand shoulder to shoulder with you and that's a good message. That's a good message. Honestly.

And as far as Palestinians and Israelis being locked in one room, we have to learn that the decisions required it's our decision. Nobody else will make it for us.

As far as the guarantees and so on, you know, I don't know if the realpolitik if we speak about guarantees and so on. We have (inaudible) before and we had a record of no sacred (inaudible). We were promised so many things before and look, the Palestinians were confident.

You can blame me. You can slug me. You can put everything on me in Camp David. I became, you know, the failure of failures. I'm the one who rejected.

I was lecturing in Natanya University a few months ago, and Mr. Barak was there sitting there, and so I asked him to look me in the eye and tell him to him please show the Israelis here what is the offer that you give me in Camp David which we said no to.

But who said, you know, who listened to me. People asked me why don't you say what happened. Who would listen to me? Who? And it's not an issue of anything. Israel is part of America's political life. It's a strategic ally and so on, and I know that agreements between nations and peoples is not about that Saeb Erekat woke up one morning and felt his conscience aching for the Jewish people and the Israeli suffering.

And believe me (inaudible) did that. They did not wake up one morning and felt their conscience aching for my suffering as a Palestinian.

There is a genuine need that's developing between Palestinians and Israelis, and I believe the need will be the mother of this agreement. If we have a need, we'll have an agreement. If they have a need, we'll have an agreement. (inaudible).

The guarantee is us. The fact that the Americans are putting someone to this to oversee the administration of the roadmap I think instead of saying you personally (inaudible) the roadmap and then we start doing the (inaudible), because if somebody say something in the

remote hamlet of Jenin, you're not doing your duties right. You know, that is the argument.

Today, I believe (inaudible) that mechanism, that mechanism, and the roadmap I hope we can turn it into something that will help us to get to the end game.

And our performance on the ground, our responsibilities of establishing one authority, one gun, the rule of law, we're not doing it for the Americans and the Israelis.

We're doing it for ourselves and if Gaza did not teach us the lesson, I don't know what will. We're there. But multiple authorities would produce chaos. We don't want that.

We know that we cannot be a state without establishing our own authority, the one gun and the rule of law, and as Palestinians we have to do it for our own sake, for our own social fabric, for our own economic fabric. In order to get to be state one day, we have to do this and we're determined to do it.

It's going to take a long time. That's where we need the third party. That's where we need the Europeans, the Arabs, the Americans, the money, the finances, the payments, and (inaudible) being a change in Jericho, and I know what we have and what we don't have. I don't want to talk about it.

All I can say is that the day after Annapolis is today and tomorrow, and I believe we have a chance. I don't like to say the last chance, because there will always be chances.

But if we want to do it, it's doable. And we know what (inaudible)Israelis and Palestinians, and I think we're going to give it our best shot as Palestinians and we hope that the Israelis (inaudible)also.

I can't speak for them, but sometimes I allow myself to do that. I always do that.

I hope they will look into themselves and realize that they are not doing me a favor in this peace process; that reaching the end game, they are not doing me a favor.

They are not being nice to me. In the long run, that's also relates to their survival. That's what (inaudible)existentialist interest as well, and I hope they would realize this as much as we realize it.

Thank you very much. I have to be flying.

(Applause)

MR. PASQULE: Dr. Erekat, thank you.

(Applause)

MR. PASQULE: Thank you again for taking the time.

MR. EREKAT: Thank you.

MR. PASQULE: Martin, do you want to pick up on the question that started out to you, but I'm glad I asked Dr. Erekat to answer it as well.

MR. INDYK: Well, I'm going to ask Nahum to answer it. The reason I say that is because the -- it requires an Israeli answer. What role do you need the United States to play in order to overcome the difficulties of a fractious coalition government which inevitably starts to fall apart as soon as it -- the prime minister heads towards a critical decision?

MR. BARNEA: I don't know how many people here are ready to get into this subject, you know, in depth, but a Israel -- the whole picture is much less I would say bright than the way we discussed it here under the impression of the beautiful colors of the (inaudible) in Annapolis.

In order -- I mean many people -- Israelis and Palestinians alike wish that the United States will come with what is called imposed solution. How to impose solution? The fact is that even Henry Kissinger and Jim Baker who managed to confront the Israeli government at the time, or Jimmy Carter didn't impose solutions in the sense that, you know, they threatened to send American troops to conquer Israel if the prime minister of Israel says no. The United States has more than one problem when it comes to a decision to initiate a peace initiative.

One problem you know is domestic. Israel has a lot of friends here and when the government of Israel is very -- is reluctant to join such or to support such a proposal, naturally the government here feels that vulnerable and is not very enthusiastic about it.

But it's not the only problem. We -- if you Americans want to -- or when you make this kind of Martin Indyk proposal or whatever or plan, you A, you face the chances that it will fail, and Reagan did his best to distance himself from the Reagan Plan; right? You know, Rogers Plan failed. Rogers was proud of the failure. And unlike Saeb Erekat, I don't believe that failure is a virtue, you know. Sometimes failure is a failure.

More than that, a plan carries a danger that if you don't have enough exit plans or emergency or for (inaudible) positions and so on, you can face a situation when everything breaks like it did in 2000. In 2000,

President Clinton came with his plan or whatever you call it, and it failed. And I'm not blaming him for the terrible wave of terror which we faced between 2000 and 2004 or '05, but there is no doubt that the fact that both Israel and the United States invested in one agenda served to leave the Palestinians with the other option, which is always violence, and it works.

So I'm not sure this is the solution. I believe that Saeb was right when he said that the end game is clear. But what happened and this is another irony. What happened in the last seven years was that most people lost any confidence that any end game can succeed in implementation.

So everybody wants something to happen. But the powers on the ground don't allow it to happen. So let's assume that the United States, for example, presents a plan which will (inaudible)the end game more or less, the Palestinians will have a state which will have the same size of territory, and so on and so forth. Gaza will still remain Hamas territory. Palestinians delude themselves when they believe that when there is an agreement, the people of Gaza will revolt against Hamas. There is no evidence that this is what will happen.

What is more likely to happen is that in the next few months, Israel will have to get into Gaza with a huge force trying to stop the Qassam missile launching from Gaza and trying to stop the smuggling of more serious, dangerous weapons from the Sinai desert, from Egypt to Gaza. And the result will be I don't know.

Option one is that Israel will be entangled in Gaza in the same way the United States is entangled in Iraq. I'm not sure. I don't believe that we want it to happen. But it can happen.

Option B: Israel will hand Gaza to Abu Mazen, and Abu Mazen will be the ruler of Gaza and a traitor in the eyes of most of the Palestinians. It's not -- this -- I'm sorry. I add some pessimistic I would say undertone or remarks, notes to the euphoric discussion we have here. But this is the reality.

So what we have now on the horizon is not an imposed American solution, but the question whether there is a solution.

MR. INDYK: Okay. Let's take some other questions quickly. Sam?

MR. LEWIS: Sam Lewis. A little farther on this question of the U.S. role both for the two of you.

This idea that the U.S. now, for the first time, formally is to be acknowledged as the arbiter or how implementation is being carried out that was a surprise that came out in the statement actually. And we've had little experiences as trying to be a little arbiter without using the word.

When the roadmap was first put out, we sent out an assistant secretary to monitor it and give the reports to Washington and not to release them to the public. And nothing happened. He was useless. He admitted himself.

So the question is if we are to be the arbiter on the implementation of phase one carrying out things like that road blocks and settlements and the rest, do you really think that President Bush has the

authority, has the power or would use the power vis-à-vis the Israelis in particular to force after arbitrating a failure something to change.

Do you think so? Either of you?

MR. INDYK: I doubt it. And the reason I say that is even though he's -- he declared yesterday that the United States would be the judge.

MR. LEWIS: He didn't say it would be the sheriff?

MR. INDYK: What he also did was to change the obligations that were spelled out in the roadmap. I mean the roadmap is very clear. It says a settlements freeze, including natural growth. Whereas President Bush yesterday talked about no enlargement of settlements.

But it's not going to -- just going to be on the Israeli side. On the Palestinian side, they have to begin the process of dismantling the infrastructure of terror, but, you know, are we going to judge that they didn't do it for sure because they don't have the capability to do it. So what does it mean to judge that?

So I see this particular task that the United States has taken on, General Jones has taken on, as fraught, difficult. It's going to be a -- what they say in Arabic a yani (?) judgment. You know, it's kind of they're more or less on both sides, and so in the end, I don't think it's going to be critical.

What's going to be critical is the effort to build up the Palestinian capabilities on the security front. That's really essential. And that's going to take time. I don't see how that could be done in one year.

You know, Nahum pointed out the fact that (inaudible) Fayyad I think he has 50,000 security, Palestinian security forces on his payroll. He's got 300 he can put into Nabulus and I suggest you go to Nabulus and see what conditions they're operating in. They don't have the equipment. They don't have the trucks. They don't have the ability to move around. And every challenge -- they don't have the right type of firing range. The Israelis won't let them -- the Israeli Army won't let them have a firing range to practice shooting.

So, you know, everything you already said it, Nahum, but everything is fraught now. So that part is going to be very difficult.

But nevertheless, it's essential work. I personally don't think it's -- it can actually function without third party forces in there to take control of the territory because there's a disconnect between the amount of time that we have available given the urgency of the challenge from Hamas and Iran and the amount of time it would take to build up, to rebuild Palestinian capabilities on the security front, without which nothing else can happen.

MR. SMITH: Martin, may I follow up on that? (inaudible) you raised the issue of, for example, the definition of what constitutes a settlement freeze. Would the arbiter, would General Jones be the one to decide whether it is the Palestinian definition of a settlement freeze or an Israeli definition of a settlement freeze?

MR. INDYK: Well, it's going to be an American definition; that we are the judge, not the Israelis or the Palestinians. But we're going

to judge a settlements freeze now according to the Presidents' words on whether there's any enlargement of settlements.

MS. WITTES: These judgments can change. I mean American language can change. I think the problem here is that this is in a lot of ways the wrong model for Israelis and Palestinians. If the goal of these incremental steps, this roadmap phase one, is confidence building between the two sides, then the key should be that it's enough for them.

In other words, the Israelis need to treat settlements in a way that gives the Palestinians something they can take home. And the Palestinians have to end incitement in a way that gives the Israelis something to take home.

And so, you know, wordsmithing it isn't the answer. The answer is for the two leaders to have an understanding that they're going to work that out between them, and so this model of having an American arbiter is really just backwards.

MR. INDYK: On that --

MR. BARNEA: Can I comment on that? Please. First of all, first of all, if you look at the history of American-Israeli relations regarding the peace process, time and again when the United States demanded to do something to the settlements, to evacuate unauthorized settlements, to freeze settlement activity and so on, an Israeli prime minister came to the Americans and said look. We have now -- you have to choose.

There are two options. We can deal with evacuating this settlement, the other settlement, and fight with the settlers day and night. Or we can embark on a real serious initiative. What do you choose? I'm

talking about Yitzhak Rabin and the 1993 Oslo agreement. I'm talking about Netanyahu and the Y agreement. The Hebron Y agreement. I'm talking about Sharon and the evacuation of Gaza. All these prime ministers -- and Barak, too, at Camp David in 2000, all these people came to the Americans with the big historical initiative, and the small police action which was demanded by the Americans.

In every occasion, and you have here people who dealt with it one day or another, in every occasion, the Americans said let's choose the drama and forget about the settlements, which is why we have so many settlements and so many of them are unauthorized. Okay. Point one. I'm sorry. Let me continue if I can.

MR. INDYK: No wait a minute. I thought that --

MR. BARNEA: No I don't say it, but one has to -- I mean, you know, let's -- you can hear as a -- go to judge or to try to analyze the state.

Secondly, the so-called American arbiter is a very, very old job. Here I have to differ with Tammy.

First of all, as Sam mentioned, it is in the roadmap and not American. The quartet had to be the arbiter.

Now Israel managed, the government of Israel managed to somehow to bypass the quartet, which is less sympathetic than Americans and to have an American and to freeze him more or less. He became useless, as you said, and it wasn't only Wolf. General Zinni, General I don't know long list of people.

Now it's not clear what will be the role of Mr. -- or General retired Jones. And it is not clear because I didn't come to this point. But again, let me remind you that the issue -- we mix up two issues. The issue of aggression of unauthorized settlement. There are 21 at least -- so it is an American-Israeli issue. And Ehud Olmert is committed to do it.

The Minister of Defense, who will have the uneasy job of doing it, is saying, you know, why should I -- you know, when Ehud Barak came to Camp David in 2000, he said to us why should we deal with these small settlements. So he is now saying the same thing again. Why should I bother with this headache?

So what you are going to face is again a very, very ambiguous and a let's say -- I would say -- it will -- I don't see a success here. Maybe the government of Israel will embark on a real campaign to evacuate settlements. But not because of General Jones. This is what I mean.

MR. INDYK: We are well beyond our time. But okay, look. Let's -- obviously people still want to engage. So let's just take three questions, and we'll try to --

MR. BARNEA: Three questions?

MR. INDYK: -- answer them.

MR. INDYK: Altogether, please. Microphone.

SPEAKER: A lot of you have referred to General Jones' role as an arbiter of the roadmap. The State Department announcement this afternoon didn't say that; that that's what his role is. Do you know something I don't know about he's really going to do?

MR. INDYK: Wait a minute. Wait a minute. Yep.

MR. BARNEA: Okay.

SPEAKER: (inaudible)Jerusalem Report. I have a question about the settlements. I understand that the Israeli point of view is that major settlements and Jerusalem, East Jerusalem, that are going to be part of Israeli -- to be -- are not part of the freeze. Is that something the Americans have accepted or have the Israelis changed their mind?

MR. INDYK: And last one, here.

MS. NEWBERG: **Sigrid Newberg** from the Hudson Institute. I want to talk a little bit or ask a question about Annapolis in specific and about the international participation there about Syria and about Saudi Arabia participating, because only a couple of months ago, we heard about how the Israelis went into Syria and bombed an alleged nuclear plant there.

And now the Israelis insisted on the Syrians coming to Annapolis and we also know that the Syrians -- the Syrian position was not new and neither was the Saudi's.

So what happened? Could you elaborate on that?

MR. INDYK: Okay.

MR. BARNEA: A good question.

MR. INDYK: I'll answer that one. Then you can answer the others.

What happened was that the -- having bombed what appears to have been a nuclear facility, the Israelis did not want to put the Syrians in a corner. That's why they didn't publicize what they had

actually done. And they felt that in order to avoid the situation which the Syrians would feel it necessary to retaliate, it was better to bring them to the peace table.

In addition, the Israelis had succeeded in reestablishing after the Lebanon War debacle that they could do a lot of damage to Syria, and Syria couldn't do much about it. So better to negotiate from a position of strength if the Syrians prepared to engage than to wait until the Syrians are left with no option but to launch war. So it was -- I think it was the national security establishment drove this out of a judgment that it's better to give them an alternative to talk peace than war.

You want to answer the other questions?

MR. BARNEA: There is very, very strong school of thought in Israel, especially in the IDF, which support negotiating with Syria because Syria is credible, not because Syria is nice, not because Syria is - - has a -- bears some sympathy towards Israel, but because our experience shows that the Syrian government was -- or stood by whatever was agreed upon in the 1973 cease fire agreement between them and us and this is -- and let's not get further, but there is -- and I believe the prime minister, the defense minister, the foreign minister of Israel currently Olmert, Livney, and Barak support at least examining or studying what are the intentions of Syria and if they are positive enough, they are willing to negotiate.

Now regarding the arbiter. There's no arbiter. The whole idea was -- the Palestinians wanted to have a trilateral committee which

will discuss security matters and it will be composed by Israeli presenter, American, and Palestinian, and the American will make the decision.

It is the framework -- the old framework of the cease fire committees which we had in 1967. The Israelis rejected it under a very, very simple argument. Look, let's assume that the Israeli security authorities have now information which is not approved, you know, only a kind of an intelligence that a certain officer of the police -- the Palestinian police participated in the murder of a settler two weeks ago in Dulin. They have the intelligence, but they don't have any approval and they didn't catch me yet. They are not going to tell it, to give the information to the Palestinians under these circumstances. They can give it to the American general in order to, you know, under the assumptions that he will no pass it to the Palestinians.

So the idea of the Israeli security branches objected the idea of committees and at the end there was a compromise. The American general will be there and will listen to the Israelis, listen to the Palestinians, and make his own conclusions. That's it.

It is not clear yet how he can implement whatever he believes is true; okay?

SPEAKER: I understand that, but --

MR. BARNEA: It was short question, a long answer, and let's put it --

MR. INDYK: You can talk to him afterward.

MR. BARNEA: Okay. What was the third question?

MS. WITTES: Settlements in Jerusalem, and, you know --

MR. INDYK: Settlement blocks.

MS. WITTES: Right the settlement blocks. I don't know if there's an understanding now between the U.S. government and Israel, but this is precisely the problem when you put the U.S. in this position that the Israelis always want to go side channel and they don't deal with the Palestinians.

MR. BARNEA: But it's in the President's letter of June 2004.

MR. INDYK: Yeah. I think that Prime Minister Olmert has announced in the cabinet that there will be no expropriation of Palestinian land, not new expropriations --

MR. BARNEA: Except for roads.

MR. INDYK: Yeah. No, he didn't say that. He said no expropriation of Palestinian land, which includes roads, and they're always inching. And no --

MR. BARNEA: Always look for the exception.

MR. INDYK: -- new settlements. No, that was the basic commitment. I think that's what-

MS. WITTES: But that still leaves a lot of room.

MR. INDYK: Of course. Okay. Thank you all very much for coming.

(Applause)

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