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THE NEXT U.S. PRESIDENT AND THE MIDDLE EAST?

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P R O C E E D I N G S

MR. AMR: Ambassadors, ladies and gentlemen. Good evening, thank you for coming salaam alaikum. I want to -- first of all before we get started. I just want to ask you to silence your cell phones, particularly because we will be covered by al Jazeera, and also to apologize to you for some of the lighting. Our electricity went out about an hour and a half ago and was just restored.

Welcome to this first policy discussion of the Brookings Doha Center in the post Ramadan season, which, we begin our season every year after Ramadan. My name is Hady Amr, I'm the Director of the Brookings Doha Center and, which is a project of the Saban Center Middle East Policy at the Brookings Institution.

I'm especially pleased to welcome today Ambassador Martin Indyk, the founding director of the Saban Center for Middle East Policy at Brookings, the parent institution of Brookings Doha. Martin is a

friend, a dear colleague, and also my boss. And so I'm particularly pleased to have him here today.

Just a bit, for everyone, particularly the audience on Jazeera. Brookings is the oldest, largest think tank in the U.S., born in 1916. The Saban Center For Middle East Policy at Brookings was established in May 2002, with an inaugural address of King Abdullah of Jordan.

Brookings Doha Center was established in 2007, between an agreement between Brookings and the Prime Minister of the State of Qatar, and we do research programming on the socio-economic and geopolitical issues facing the region.

The purpose of the Saban Center at Brookings, and Brookings Doha is to convene government business, media, the private sector, academia, and NGO's to discuss pressing polity issues. Like Brookings Washington, Brookings Doha is open to a broad range of views, and that's the Brookings tradition and we're please to continue it here at Doha.

Our event today is entitled the Next U.S. President and the Middle East. It will conclude in under 90 minutes, and before I turn over to Ambassador Indyk to speak, I just want to say from a personal prospective, I've never seen the U.S. elections be of such interest in the Arab world, in the Muslim world. Everywhere I go -- in bookstores I see you know, from Malaysia to Morocco, I see books about Hillary Clinton, Barack Obama, and John McCain. It's discussed widely; it's on the news constantly. And America's role in the region is significant, from Iraq to Israel, Palestine, to Afghanistan, Darfur. The next U.S. President is going to have a big portfolio. So with that said, I'd like to turn it over to Ambassador Indyk, who'll talk 15-20 minutes, and then we'll hopefully have a lively question and answer period. Thank you. Martin.

MR. INDYK: Thank you Hady. Good evening ladies and gentlemen. I'm delighted to have the opportunity to speak here at Brookings Doha Center. This is a project that is very close to my heart.

It's been a long time in the genesis, and I have to thank Hady and the staff here for making it -- turning it into a reality. That has been, in some ways a rather difficult, and frustrating challenge to overcome all of that. And so, here we are today, and I have just been with Hady in a regional forum by U.S. Islamic World Project in Kuala Lumpur and I hope it (inaudible) and take advantage of the opportunity to speak here at the Brookings Doha Center. It's something that some of my colleagues have already done from Brookings and (inaudible).

I hope it will be done regularly, through the year, as part of our purpose here at the BDC, is to be the regional partner for Brookings. To give our scholars an opportunity to air their work, and get a reaction from the region, through the Brookings Doha Center.

And that's particularly what I wanted to do, this evening by talking about the next U.S. President, and the Middle East. We've got an election in the United States in three weeks and the amount of

attention that Americans are paying to this election and the attention the rest of the world is paying to this election is unprecedented.

Where we stand today is that Barack Obama is amazingly some 14 points ahead in the polls and his lead is growing. Importantly he's ahead in every battleground state. The only problem is to win one, maybe two of those states to win the election but he's ahead in five of them now. But what I want to talk about tonight is not Obama specific. And it is rather the results of an 18-month long project that the Saban Center for Policy at Brookings and the Council on Foreign Relations have undertaken together.

18 months ago, we concluded that the next president was going to need a new policy, a new strategy for the Middle East. That the one pursued by the Bush administration is essentially broken or dysfunctional and that's something I think that President Bush himself has recognized in his last year in office. He has basically jettisoned most of what he had pursued in the previous (inaudible).

But from our prospective it was really an opportunity with a new President in the White House, to set a new course in the Middle East. And what we decided to do was to have joint forces. Take our Middle East experts at the Brookings Institution and the Council on Foreign Relations' Middle East experts and team them up into teams that would develop policy planning packages for the next administration on six key topics; Iraq, Iran, the Arab-Israeli conflict, proliferation, terrorism and democracy in the government.

And we sent these teams out to the region to talk to people that needed to get some (inaudible). We subjected their drafts to the scrutiny of a distinguished Board of Advisors. And with people like Brzezinski, Scowcroft, and Sandy Berger, and Strobe Talbott, people who have long experience in foreign policy to critique those papers. And we will finally bring them out in a book that we will present to the President elect at the beginning of December.

The lead chapter will become a strategic chapeau for all of these policy planning packages. So, that paper has been written by Richard Haass president of the Council on Foreign Relations and myself.

And that's what I want to preview this evening and I would welcome your reactions to it.

First of all the contents, in terms of what the next president is likely to face. When he comes into the Oval Office for the first time on January 20th of next year, there is likely to be a more adverse context than any time in recent history. I think one would have to go back a long way to imagine the circumstances that he is going to face.

More generally he -- he is going to have to deal with a global recession brought on by a financial crisis generated in the United States. A ballooning budget deficit. A situation where our hard and our soft power have both been seriously diminished as a result of the misadventures of the last eight years.

Obviously our economic power has been severely affected by the global crisis. The fact is that our economy will be, what's predicted to be, a long recession. Our army's tied down in Iraq fighting for the time being, they are losing the war in Afghanistan. So both economically and militarily there are hard priorities now that will be severely constraining for the next president.

And in terms of soft power he will inherit a situation in which reputation abroad has been seriously damaged and that has resulted in an American in terms of public opinion around the world, especially in this part of the world, this you are more familiar with, but it's certainly true of other parts of the world as well.

And on top of that there is the vast transfer of wealth that has occurred from the United States to petroleum producing countries, again this is a subject that you're very familiar with here, it would be hard to miss it. In fact I noticed a headline the other day in the Doha press that

(inaudible) that Qatar is going to be experiencing 26 percent growth next year. I took a double take; I could not believe that kind of figure.

But that's not the power shifting world that he's going to have to worry about. What he's going to have to be worried about is the way in which that shifting wealth has empowered countries that can create some real difficulties for the United States. Venezuela and Iran are prime examples, but also of course Russia. And he's going to inherit a very problematic and difficult relationship with Russia.

MR. INDYK: (inaudible) probably to revert to the adversarial competition that they look more like the Cold War of the past.

In the Middle East arena he's going to inherit -- an Israeli Palestinian peace negotiation that has been stalled by the resignation of Prime Minister Olmert. And may be stalled further by the political crisis on the Palestinian side, revolving around the issue of whether there will be a presidential election in January next year or not.

In Iran, that is fast approaching a break out capability, which will likely put it on the threshold of a nuclear option by the end of the next President's first year in office. What I mean by that is that Iran is now producing and stockpiling low-enriched uranium at such a rate that according to (inaudible) report it will have stockpiled, by the middle of next year, by the 2009, enough low-enriched uranium to be able to produce weapons grade material for one to three bombs in short order, that's what we mean by break out capacity.

It could run the low-enriched uranium through the centrifuges and then probably in a few months, stockpile enough material for one to three nuclear bombs. And that puts the rest of the world by the end of 2009, puts this whole region on an edge.

With Israel in particular placed in a situation where there's going to be a great deal of pressure to take (inaudible) actions, this time in Syria and Iraq. But in the Arab world as well, there will be intense pressure to respond by developing

their own nuclear options and that has the potential to create a nuclear arms race in this region which would be highly decentralizing, particularly in this (inaudible).

Iran's a challenge for the United States also; it will come in other ways, it's already in the process of trying to serve it's a challenge to our forces in Iraq it's a challenge to our allies in the Sunni Arab world and Jerusalem.

On top of Iran, of course comes Iraq. The situation there has stabilized somewhat, but it is at best a fragile situation and with many challenges, in terms of political reconciliation and the need to absorb The Sons of Iraq into armed forces and the police and work out wealth sharing revenues (inaudible) etcetera, etcetera, etcetera.

As I said (inaudible) Afghanistan, replacing the rules of war there and it's not all clear that the recipe that both candidates who have now endorsed putting more troops in this is going to be adequate to the task in this situation.

And just as in the broader world, America's image has been tarnished. Anti-American attitudes in the Arab world in particular, generated by the previous administration's neglect of the Council will be an issue. For its first seven years its approach to democratization and the war in Iraq which has really alienated a lot of people there which has made it harder for the leaders in this part of the world to cooperate with the United States. So it's difficult to imagine a bleaker and more challenging environment for our next President.

The context of diminished influence and looming challenges makes for a very difficult situation that it is starting to become. And of course all these issues need attention. But this attention is inevitably going to be diverted by the demands of the coming recession, both the financial occurring and the initiatives that he has promised the American people, whether it be stimulating the American economy, or reducing healthcare initiative, or pursuing alternative energy projects.

So, what's a President to do in these circumstances? We think that first of all, it's very important to reshape the strategic context, in ways that would benefit the initiatives that we mean that the next president needs to take in this part of the world. By reshaping the strategic context we think that, number one he needs to reprioritize Iraq. For the past six years Iraq has been very much a priority in the Middle East and that should no longer be the case, and need no longer be the case.

Secondly, he needs to focus on two other priorities. Providing a comprehensive settlement of the Arab Israeli conflict, by comprehensive of course I mean not just Palestinian, you should all know that's a very important component of the refocusing, but also to try to achieve, an Israeli Syrian peace, an Israeli Lebanese peace and (inaudible).

Thirdly, in order to achieve some traction the Council (inaudible) Iran and peacemaking he'll need to rebuild an international consensus that starts, of course, in this part of the world with

repairing our relations with our key Arab allies; Egypt, Saudi Arabia who've been constants and Qatar particularly in terms repair the relationships.

Beyond Turkey and Israel and beyond that to rebuild the consensus to Russia and China and we need, precisely because of our diminished influence but we need to be able to work together with these two players in the region and keep key factors from outside the region who have influence. And we need to have a common agenda with them.

Fourth, he needs to find a way to regain the moral high ground for America. If Barack Obama's elected, half the job will be done merely by virtue of his election in the sense that many around the world, in particular in this part of the world, I think, will see in the historic election of an African American to the post of President of the United States. Particularly Barack Obama, with his -- now his story of struggles and identity.

It will be seen, I believe as a reaffirmation of the values, democratic values that

America holds dear, that have been much tarnished in recent years.

But given there are things that can be done to regain moral high ground quite quickly and that we think are very important.

The first is to close Guantanamo Bay, and make clear that we will respect international conventions when it comes to torture, treatment of prisoners etcetera. And the second is to make clear the Palestinian issues will be a priority for the next president. I was interested to hear, and I don't know if you noticed, but Sarah Palin was speaking on behalf of John McCain in the Vice-Presidential debate is (inaudible) with solving the Palestinian issue would be a priority for John McCain as well. And Barack Obama has already made it clear that it's really important for him.

The big thing that needs to be done in terms of reshaping strategic context is to promote a sensible and effective alternative energy policy which will reduce America's consumption of gasoline in

particular and (inaudible) the pressure on oil supplies and America's dependence on them. I think (inaudible). Once this, well I shouldn't say once, because I think that for reasons that I'll explain in a moment, it's important to do all of that, while at the same time launch three initiatives in the Middle East.

The first is on the Israeli Palestinian front. Here we have a situation, which ironically the next President will inherit an architecture, a framework for resolving the issue, which has a logic. It's a framework that has been built since the Annapolis process was launched and which I think is logical. Final status negotiations to resolve all the issues in dispute, borders, refugees, Jerusalem, (inaudible). And those final stage negotiations have been going on for almost a year now and have made some progress that needs to be moved to an early agreement.

Second though, is in terms of what's called roadmap commitments, in which Israel is required to freeze all settlement activity and dismantle

(inaudible) southern outposts and the Palestinians are required to dismantle in Sinai. Both sides took some steps in this direction, but it's very much one step forward and two steps back, particularly when it comes to a settlement policy, and the next President is going to need to focus on these two dimensions. One is to get the Israeli government to fulfill its commitment to (inaudible) and the other is to work to rebuild -- complete the task of rebuilding Palestinian security services, so that the Palestinian Authority has the capability to (inaudible) in order to control the territory that it's responsible for and so then both sides come to have really confidence and in the intentions of the other (inaudible).

The third level is in terms of moving the economy of the West Bank forward in a way that really demonstrates the Palestinians efforts at peacemaking. This is an effort that Salam Fayyad, the Palestinian Prime Minister and Tony Blair (inaudible) begun by the force (inaudible) to get some traction have but it needs to be pushed forward in a more dramatic way.

And the fourth level is the involvement of Arab States through Arab League Initiative, a process that started with Tony Blair up in Annapolis, Palestine has been stalling (inaudible) The course of the settlement activities has led them to pull back out of concern for their own exposure. As I said, the challenge for the next president is to keep this process up and moving forward in a serious way. One thing you have going for the relationship, two things really, he's going to have to find. There needs to be a fifth level of this architecture that was missing because of the misplaced approach of the Bush administration towards -- the fifth level needs to be Israeli Syrian negotiations.

That too is something that has been started in the absence of the Palestines by the Turkish and the Israeli's Syrian's are now in a position once there's a new government in Israel which should be the case in another few weeks. They will be in a position, I think to resume those negotiations and move them to direct negotiations.

The -- those negotiations with American involvement have the potential to complement and reinforce the effort to resolve the Palestinian (inaudible). The contrast here between the way in which we pursue comprehensive peace during the Clinton administration in which the Syrian track, and the Palestinian track tended to be in competition with each other whereas now because of the range of developments that (inaudible) But now we have a situation where movement on the Syrian track would actually help and complement movement on the Palestinian track, would give cover for (inaudible) Arab States involvement. It would help Abu Mazen in terms of the challenge he faces from Hamas because of Syria's influence in Palestine. For that reason Abu Mazen is about to visit Damascus and the Syrians have made clear they're willing to help in that regard.

And it would help to -- in (inaudible), which is that one of the things that really made it very difficult to achieve an Israeli Syrian agreement back in the 1990's, even

though the basic deal was theirs. And the Israeli Prime Minister had promised to withdraw fully from the Golan Heights was that the Israeli public was always wary of this -- was that the Israeli public was always wary of this view because it never felt that the trade of territory, that is the Golan Heights, for peace with Syria was a good trade. Golan was a very quiet place, Israel held the high ground, and to give it up raised a whole lot of security issues, and there was no sense that the Syrians really intended to make a meaningful peace partly because the Syrians were reluctant to do anything to demonstrate the warmth of their intentions.

Today, the trade is a different one. It is a trade not so much of territories for peace as it is territories for strategic realignment. By that, I mean that Syria's relationship with Iran has developed into a strategic alliance in the meantime over the last 10 years, and if there's peace between Israel and Syria, then there cannot be the same relationship

between Syria and Iran.

I mean Iran has a leadership which is calling on a regular basis for destroying Israel at the same time as the strategic ally is negotiating with Israel, and that is a fundamental contradiction which will have to be resolved if there's to be peace between Israel and Syria. But in terms of the potential for a strategic realignment, that is a better deal from an Israeli public's perspective than the deal that's been on offer all these years.

There is, of course, the problem of Hamas. Without finding a way to resolve that problem, it's going to be very hard to see how a sustainable Israeli-Palestinian agreement can be achieved.

It's a real dilemma. Hamas has enough support and control of Gaza that if it's outside the peace process, it's very hard to see how an agreement could be struck and implemented. On the other hand, Hamas inside the peace process is an oxymoron. It's a contradiction in terms since Hamas is against the peace process. Its objectives are anything but

peaceful when it comes to reconciling to the existence of a juris state in Palestine.

And so, that dilemma is not easily resolved, and it's not one that I think that the next president can, by any particular initiative, resolve himself. But there is already a process underway that started with the Egyptian mediation to promote a ceasefire between Israel and Hamas which is holding because Hamas is policing that ceasefire in a way far more effectively than Yasser Arafat ever did, and that creates a dynamic which, over time, can lead to de facto arrangements between Gaza and Israel that can encourage a greater pragmatism on Hamas' part. We already see that process underway.

The next step is a reconciliation between Fatah and Hamas, and we begin to see the signs of that also are now underway, but that is something that I think the United States needs to leave to the Palestinians in the first place, to Egypt, Jordan, the other Arab States -- Qatar, obviously, can play an important role there -- and to the relationship

between Hamas and Israel as well. But we should certainly want to see that reconciliation take place because it will create circumstances in which it becomes possible to resolve the Palestinian conflict.

Obviously, the reconciliation, if it takes place, has to take place in terms of Hamas coming to accept peace with Israel. Otherwise, there is no peace process.

I've already talked about the need for an Israeli-Syrian initiative. I think that that has potential for the United States, not only in terms of comprehensive effort to resolve the Arab-Israeli conflict, but it also has importance for that third initiative that the president will need to take, and this is an initiative towards Iran.

Here, the presidential candidates are divided on what to do, but Barack Obama has made very clear that he will engage with Iran, with the Iranian government. If he is elected, he will have a mandate from the people to do so. It's been his position from the primaries right through to the general election.

In just about every debate, he's made it clear that this is what he will do. Without preconditions, he will engage with Iran.

So, from the perspective of this strategy paper that we've developed, we think that that is in fact the right thing to do. We need to make a genuine offer of direct negotiations with the Iranians. It should be done in a multilateral context. As I've suggested, we need our allies on board and behind this initiative, but it should be a direct negotiation. It should be without preconditions.

The Iranians should understand that in the process, on the one side, they can have a normal relationship which is sanction-free with the United States and the international community and that there are a whole range of incentives tied up with that, including incentives related to its desire to have a civilian nuclear energy program.

But, on the other hand, if it's not prepared to come into a normal relationship with the United States and the rest of the world -- and by that, I

mean observe international norms of behavior including adherence to its commitments under the Nonproliferation Treaty and an end to its sponsorship of terrorism and a willingness to accept what Syria, the Palestinians and the Lebanese do in terms of making peace with Israel -- that if they're not prepared to do those things and, in particular, if they're not prepared to cap their enrichment program and provide assurance in terms of safeguards and inspections and so on that give the international community confidence that their commitment to the Nonproliferation Treaty is real, then the consequences will be harsher sanctions from the international community, greater isolation and, potentially, if they are hell-bent on crossing the nuclear threshold, potentially, military action.

That is to say the military option cannot be taken off the table because of the dangers inherent in the path which they are intent upon pursuing -- they seem intent upon pursuing.

So it's clear that to pursue these three

initiatives will be a tall order, and making it even more difficult is the fact that they will need to be undertaken early on in the administration. Indeed, because the clock is ticking on Iran's nuclear program, that initiative will have to be undertaken in the first days, I believe, of the next administration.

There is, you see, a problem of synchronization. The Palestinian issue needs to be dealt with on an urgent basis, but in reality it's going to take a little time to build Palestinian capacity for implementation which will resolve some of these very complicated issues and to see the implementation of an agreement once struck.

The Israeli-Syrian negotiations actually have the potential, I think, for quite quick progress. It's low-hanging fruit in some ways partly because the issues have been already negotiated -- there's very little that divides the parties on substance -- and partly because you don't have that capacity gap. There's no question that the Syrians have the ability to implement what's agreed to.

Therefore, it's, I think, going to be a challenge for the next president to find a way to somehow synchronize these different clocks in a way that makes clear that the Palestinian is a priority and that he wants to see real progress towards an agreement there, to pick up the Syrian negotiations and to pick the fruit if it indeed turns out to be low-hanging, and to find a way to engage with the Iranians that is positive and constructive and can lead us out of this very dark future that we seem to be headed into.

He will need to be very much aware of the way in which these different issues impact on each other, the way that in this part of the world everything is connected. But I think that that, in the end, is the good news -- that by trying to move forward on these three fronts simultaneously, it may not exactly go the way that he plans it, but it will create a more positive dynamic in which hopefully progress in one initiative will facilitate and reinforce progress in another in a way that will lead

us out of this dark future.

Thank you very much.

(Applause)

MR. AMR: Thank you, Martin.

Before we go into the question and answer session, I thought I'd pose one quick question to you.

You've provided, I think, a really useful insight here in the Arab World for the political process. You've provided insight into an important report that's going to be on the president-elect's desk on November 5th, or maybe November 6th if he has a day to rest. So I think that's been very valuable for the Arab World to hear.

What role will the U.S. be looking to the Gulf States to have and will the next president be looking to the Gulf States to have in this? And, sort of conversely, what opportunities are there for the Gulf States in terms of the new relationship with the U.S.?

MR. INDYK: Well, I think that the most important thing for the next president is to see the

Gulf States as his partners in all of these initiatives, if he should choose to take them.

When it comes to Iran, my sense is that there is a great deal of concern here that the interests of the Gulf States could be sacrificed on the altar of an American-Iranian détente. I hear that a lot from leaders in the region. I think that's partly a function of the fact that we haven't done a very good job of consulting with them, sharing our ideas and strategy with them and hearing what they have to say about it.

I mean one of the lessons of the past that the next president needs to take seriously is that he needs to do a lot more listening, particularly in this part of the world, and it's important to calm those fears and to make clear that their interests are our interests and that we're not about to sacrifice them, so that we can secure their support.

The support ranges across a number of fronts. We need them to be sending the same message to the Iranians that there is a future for the

Iranians that's positive and constructive and that there is no interest in overthrowing the regime, but there is an interest in having Iran pursue a normal relationship with its neighbors and the rest of the world. But the positive side and the negative side of that message need to be made clear to the Iranians.

Since many of the GCC leaders have their own channels into Iran and since our channel of communication is so fraught by years, decades of mistrust on both sides, I think that they can play a useful role there, but it needs to be a coordinated role. We don't want the kind of bandwagoning or counterbalancing effect where they see us going off to Tehran, so they run to get there first as it were.

When it comes to the peace process, the other initiatives, they have a very important role to play via the Arab League Initiative, which is a comprehensive initiative, and we need to be talking to them about how we can work together to achieve our common objectives there, how we can do that more effectively.

And, they have specific roles to play as I already suggested, vis-à-vis Syria, vis-à-vis Hamas and vis-à-vis capacity on the Palestinian side which I think is going to be critical to our ability to achieve breakthroughs there. Beyond that, once agreement is reached on the Palestinian side, I think we're going to need to look at Arab and non-Arab Muslim forces to play a role perhaps in Gaza, perhaps in the West Bank in helping the Palestinian security forces to build their state and implement their commitments to fight terror and ensure that order prevails in Palestinian society.

So I think it is very much a partnership that needs to be reestablished.

I should say in one other area it's going to be important too, and that's Iraq. The next president, in terms of reprioritizing that I spoke about, will need to start to withdraw our forces from Iraq. That needs to be done responsibly. I think it can be done. I think we could, by 2010, be withdrawing maybe even as much as half of our forces

from there, but the trajectory to complete or almost complete withdrawal from Iraq should be clear.

As that happens, we're going to need Iraq's neighbors and particularly in this part of the world to step up in terms of engaging with the Iraqi government and to help to reinforce what we hope will be a positive political dynamic of reconciliation. There needs to be a regional reconciliation to reinforce the domestic reconciliation, and I think that that's a responsibility that we're going to look to them to undertake as well.

MR. AMR: Let's turn this over to the audience. We'd like to ask you to keep your questions brief, to keep them under two minutes, and to just state your name when asking your question. So, please.

QUESTIONER: Thank you for your presentation.

I am Hasan al-Jafiri. I am a Qatari writer, and I am a human rights defender and environment activist.

You know once you mentioned about the next president, that he has to do much about this region, the GCC, of which I am very concerned.

I think if anything happened like what Obama was saying when I was following, you know what, during his campaign, saying that he is going to withdraw from Iraq. My question is what is he doing to say to the families of the 3,000 Americans killed in Iraq?

Doesn't he know that the region is going to be in a mess? Al Qaida is going to have more power and be more influential. Iran is going to have more influence in the region. You know.

You said also about the anti-Arab feeling. That is due to the U.S.'s and the European countries' cooperation with the dictators, with Arab dictators. We, as Arabs, we are denied from our rights, human rights, freedom of speech, equal opportunities.

And, you know even Obama and the other, McCain, didn't talk much about supporting the Israeli-Palestinian peace process which you know I am a moderate Arab, and I am also supporting the peace

process. But what they're talking about is, you know, having the U.S. Embassy and the capital and Jerusalem as the capital of Israel when the Israelis themselves and the Palestinians agreed to have Jerusalem on later stage for discussion.

And the right of refugees to return back, the other issues that you know are the most important while the U.S. is shaking hands with Arab dictators, like Qadaffi and Syria now, and they forget about promoting democracy in the Arab World. They are just keeping quiet with the Gulf countries' leaders, just only after business contracts. You know. Are they going to expect another 11th of September happening?

I, myself, my point of view is to isolate only Iran, politically, and putting pressure on Iran, economically. But any military strike occurs, the whole region is going to be in a mess and they're going to have another crisis in the U.S. other than the economic crisis.

MR. AMR: Thank you, Mr. al-Jafiri.

QUESTIONER: I am Hassan al-Jafiri. I thank

you for your assistance.

MR. AMR: Thank you very much.

MR. INDYK: Well, it's an exhausting agenda, but you've added to my own. I thank you for bringing up the human rights dimension. I think it's important that the next president address these issues in a more effective way than we've seen recently.

I think in the case of Iraq, yes, a lot of damage has been done and a lot of innocent lives have been lost. But I think it's worth acknowledging that the United States is now engaged in major undertaking with a huge investment of our taxpayers' dollars to try to repair the country, and progress is being made in that regard on the economic level and the social level and the political level. Certainly, the next president should continue that.

When it comes to the more general question of human rights and democracy, I think that we have to refocus the effort. It must not be abandoned because to abandon it would be to abandon who we are and what we believe in as a country, but it needs to be pursued in

a wiser way -- one that closes the gap between the expectations that we create and our ability actually to fulfill them, so that people like yourselves do not find themselves in a situation where they've taken us at face value, gone out and campaigned for these human rights issues and discovered that the United States is in fact, when the crunch comes, not on your side.

And, it's a very difficult dilemma for a president to deal with. I say that because we have values and we have interests, and to ignore one for the pursuit of the other won't work. That's what happened in the last eight years.

We have to find a balance between the two of them. Sometimes that won't make human rights advocates very happy, and sometimes it won't make authoritarian regimes that are our allies very happy, but we need to find a way of bringing the two into balance. That's a complicated task.

I think that the way to do it is to focus very much on the basic requirements of a democratization process: rule of law, independent

judiciary, strong civil society, women's rights, human rights -- that's related to the rule of law and an independent judiciary -- a free press and independent political parties, in other words, the stuff of democracy. In that way, work with these authoritarian leaders to open their political space so that those kinds of organizations can begin to gain strength and in that way the whole human rights agenda can be addressed more effectively.

MR. AMR: Thanks.

Right here.

QUESTIONER: Thank you, Mr. Indyk, for your presentation, detailed but not comprehensive.

I followed the debates between John McCain and Obama and Sarah Palin and Joseph Biden. There are some main issues that weren't attacked. I want to put them, in brief, in three problems.

The war on terrorism, so there many crimes committed under this fight. I suggest that why not we make a fact-finding panel under international supervision to find out who creates terrorists, the

definition for terrorists, who finances the terrorists and who is responsible for terrorism. That is one.

Second, the problem of the Middle East or Palestinian-Israeli problem, will we resolve it? I agree with you what you said about Iran's nuclear capability, but Israel must unveil its nuclear capabilities, disband its alleged nukes and to put its facilities under inspection. This is second.

The third thing is you know that President Bush on the 20th of January, he will leave. Not one day more. But in our countries, the governor is ousted only with two ways: coup d'état or to be laid to rest. That is only. So American interests prevailed over the American values. You're supporting these dictatorships, totalitarian regimes. So I am asking you, what will you do about this cooperation with corruption in our countries?

The third thing: Will American aid to third world countries will be affected with the financial crunch?

Thank you.

MR. AMR: Thank you.

MR. INDYK: Thank you. Let me take the last one first.

I was surprised in the last presidential debate -- I don't know whether you saw it -- when the two candidates were pressed to say what they would give up, given that there's been such a blowout in the deficit as a result of the efforts to salvage the financial institutions. Joe Biden said, well, we'll have to cut foreign assistance.

I was surprised to hear that because foreign assistance is such a small percentage of the budget compared to with, for instance, the defense budget. I think it's 1.5 percent of the defense budget. But I think it's indicative.

Actually, the Bush Administration increased, significantly increased the level of foreign aid, and I think it would be a terrible mistake to cut there. If we're going to have to make cuts, I think that's the last place we would want to cut, particularly because if you follow the logic of what I'm saying the

next president should be doing, it's a very internationalist, it's a very engaged, it's a very activist diplomacy.

I didn't get to talk about the rest of the world, particularly places like Africa where American assistance can do a lot of good. So I would strongly oppose cutting the aid.

Will it happen? It's entirely possible. I mean I don't think that either candidate has had to face up to the reality that one of them is going to face when they come into the Oval Office. That is a complete blowout in the deficit and the impact that is going to have on the economy could be quite good in the short term, but it will be highly problematic in the longer term. They're going to have to juggle that one as well.

So all I can say to you is I hope not.

On the issue of interests and values, I said the two have to be brought into balance, but in essence you're right. You characterized my position correctly, that we should no longer imagine that we

can pursue revolutionary policies in this part of the world. This part of the world is too important to our interests and too volatile already for us to come in and pursue policies of regime change. We saw what that produced.

I'm not in favor of regime change as a policy especially not in regimes that are important to us in terms of stabilizing the region, which is an important interest of ours. So we have to find another way.

We have to work with these leaders to open their political space, to start a process that gives greater respect to the dignity of their people, to their human rights, to their political rights, that enables liberal voices to be heard and to organize and to provide an alternative a lot of the extremism that tends to dominate the discourse in these countries because there is no political space. But the way to do that in my view is to work with these governments rather than to bang them over the head and insist that they do thing that either they will not do or they

will find ways to subvert our efforts and tighten their grip, which is essentially what happened under the Bush Administration.

So we have to learn the lesson from that. In my view, one of the lessons is that we're not going to succeed if we try to overthrow these regimes. It would destabilize them significantly in ways that will be against our interests.

Now the question of the nuclear issue, in particular, Israel's nuclear capabilities, I understand the point that you're trying to make here. But, again, we have to decide what the priority is going to be. An Iran that crosses the nuclear threshold is going to have dramatically destabilizing consequences for the region, and this is coming. The Israeli nuclear problem is a problem that this region has had to deal with and has, in one way or another, come to terms with, not happily, but has come to terms with over the last four decades.

Ideally, we should want to see this region as a nuclear-free zone. That should be our common

objective. But, in order to achieve that in the Israeli context, we're going to have to achieve peace first. That's just being realistic.

So I don't agree with the ultimate objective. I mean I do agree with the ultimate objective, but I don't think you and I would agree on the best way to get there. I'm looking for a practical way of preventing a nuclear arms race from breaking out and then finding a way to resolve the region's conflict so that we can achieve nuclear disarmament across the region. And so, it's a question of what priority is first.

As far as the war on terrorism is concerned, I should say there too that we need to reprioritize. It shouldn't dominate American strategy towards the region. It is an important component of our strategy. We need to be working with governments here who face terrorist threats and help them to deal with it.

We need to find an effective way to deal with Al Qaida in Pakistan and Afghanistan which is where the problem exists today. It's, in a sense,

more beyond the Middle East now than in the Middle East. Particularly, if we can move the Israeli-Palestinian process towards an agreement, then I think that we have ways of really defusing many of the drivers of the terrorism that this region has been subjected to over the years.

MR. AMR: More questions? Well, okay, everyone who wants to ask a question, put your hand up because we're only going to have about 15 minutes left.

One, two, three, four, five, six, seven, okay. So in order to get seven questions in the remaining nine minutes that we have, what I'm going to ask you to do is ask two questions at a time. I'm going to ask each question to really under a minute, and we may extend our time about five minutes.

So the two gentlemen here first.

QUESTIONER: Thank you, Mr. Indyk.

MR. AMR: Please identify yourself.

QUESTIONER: I am Mohammad Makki,
correspondent of *Al Hayat Newspaper*.

MR. INDYK: I know him.

QUESTIONER: Yes. Thank you for this comprehensive diagnosis about the crisis in the region.

You spoke about the Palestinian-Israeli conflict. You spoke about the situation in Iraq and Iran. But what about the crisis in Darfur? How do you see the aspects of the solution in Darfur?

MR. AMR: Let's take another question. Well maybe Menrahn here, and then we'll go ahead since you're nearby.

QUESTIONER: Thanks. Mehran Kamrava from the Center for International and Regional Studies at Georgetown here in Qatar.

I wonder if you can elaborate on the recommendations you're giving the next president on the Iran policy because at least on the surface it doesn't strike me as terribly different from what the Bush Administration has been pursuing, which is to have low level negotiations but with the threat of military action in the background, which then in turn

phrases or frames the discussions and pushes the Iranians into a corner that you either talk to us on our own terms or else suffer the consequences.

So for a regime like the Iranian regime, which relies on its rhetoric for legitimacy, for the legitimacy it doesn't have, it doesn't seem to be a terribly constructive way of encouraging them to come to negotiations. I wonder if you could elaborate on that.

MR. AMR: Do you want to answer this?

MR. INDYK: Yes. First of all, on Darfur, I didn't deal with Darfur because I'm dealing with the Middle East. I also didn't deal with Afghanistan except in passing because also it's beyond my frame of reference here.

Obviously, we have to find a way to move the effort at reconciliation forward in Darfur. We have to find a way to find a way to provide security for the people who are the victims of this horrible conflict. That's a very complicated and tall order in itself, but it needs to be a priority for the next

president.

As far as Iran policy, what's the difference? Well, first of all, we're not interested -- the next president should make very clear that he's not interested in overthrowing the regime in Iran. Okay. That is neither the overt nor the hidden agenda. He wishes to resolve the differences between the United States and Iran through peaceful means, and that's what the offer of negotiations is about. So that's one critical difference.

The second critical difference is that he's offering direct negotiations on all of the issues in the relationship, all of the differences for the purposes of normalizing the relationship, resolving the conflicts, and that this is an offer of negotiations that comes without preconditions on either side. It is a desire to sit down and talk and see if there's a way to resolve them.

And, behind that offer, is a very real willingness to remove all of the concerns that Iran has about American behavior when it comes to things

that they see as threatening to their interests, starting with the removal of sanctions.

But you know Iran plays chess. It is a strategic thinker. It views the world in strategic terms. It is in a strategic location, and that drives its considerations.

And, Iran is a country that is kind of ambivalent. It's a Revolution and a State. I believe that we can do business with the State. We can resolve our differences with the state. With the Revolution, it's a different story. We have to find a way to get the Iranians to choose the interests of the State over the interests of the Revolution. When they've been placed in that position before, they've usually shown the interests of the State.

So that's the essence of it. They play by very tough rules, and they do not hesitate, when necessary, to use violence. They call it resistance, to use violence to advance their interests.

And so, in the interest of removing double standards here, that double standard cannot apply to

us. They cannot say, you can't threaten us, but we can threat your interests. We should agree that we're not going to threaten each other's interests.

But, on the other hand, we've got a problem. We've got a real problem in terms of the ticking clock, and we cannot negotiate with a gun to our heads. We can't have a situation where the Iranians just play out the clock and just stall because they can't get their act together, they can't get us an answer or who knows what the reason. But basically we spend a year in a situation where we're offering to negotiate and everything in the way that I've suggested and they don't answer us, which is essentially what's been going on for the last six months.

If that's the game that they're going to play, it will lead to a bad end because we have a very strong interest in ensuring that Iran does not cross the nuclear threshold. It's not about that the Iranians are going to drop a bomb on somebody. It's the consequences that come from them crossing that

nuclear threshold. It's the potential for that to light a flame that will spread across the whole region.

We have to hold our hand in a very genuine way, but the Iranians also have to understand that if they don't take the hand, if they're not prepared to negotiate with a full respect for their interests and their dignity and the sovereignty of the regime. If they're not prepared to deal with it seriously, then there are going to be consequences that they won't like.

MR. AMR: In the interest of time, let's just take three more quick questions. Whoever has a question, put your hands up, please, and I apologize to those that we don't get to. We've got one, two, and -- Let's just take three really quick questions if you can keep them to half a minute each, and then I want to respect the rest of the audience and break.

QUESTIONER: I really think that --

MR. AMR: Just identify yourself.

QUESTIONER: Oh, Adele Gamar, born in the

United States, emigrated to Canada at the tender age of nine. Growing up, I actually was always proud to be American, and I think a lot of Americans would support me on that, the fact that we come from a great country, but I always had to justify myself of why do I love being an American so much. Considering that I initially thought I was going -- I have less than 30 seconds, so I'm going to take an extra 20 seconds.

The question is really this: With you recognizing, and you noted this in your speech, that America's image has been tarnished globally, what would be the things that we, as Americans, would want to see our new president taking on to rectify or to sort of rectify this tarnished image that we have?

I hope the question is clear and concise.

MR. AMR: Thank you. Let's take another question over here, sure.

QUESTIONER: Thank you. Fadi Khalifa from Lebanon (inaudible).

Mr. Indyk, you raise two principles. One is about strategic realignment and another one about

synchronization. I was wonder if synchronization is working, why do you need strategic realignment? After all, you are dealing with sovereign states and they are independent to have their own friends or foes or whatever.

The other question is about the high moral ground which also you talked about. What time frame do you think of to reestablish the credibility of the American high moral ground?

Thank you.

MR. AMR: Thank you. What other questions do we have?

There was one right here. Actually we'll take four questions. Then we'll close out and apologies to over here.

QUESTIONER: Ambassador Indyk, thank you for a very forward-looking sort of lecture on the entire area.

I was wondering on this issue of Afghanistan, you pointed out that we are losing a war in Afghanistan. You said that's going to be one of

the biggest challenges for the future administration.

Could you tell us the differences between the two presidential candidates? I mean we do hear Senator Obama talking about sending more troops to Afghanistan, but is there a second route? Is there a route, let's say, where you can negotiate without preconditions, talk with allies like Pakistan or India or Iran on the other side?

We see to know very little about the new approach towards Afghanistan which seems to be a bigger challenge than Iraq in the future.

MR. AMR: Yes, thank you. We'll just take one more question over here. One more question and, Martin, I'll give you five minutes to respond, and then we'll let everyone go home.

QUESTIONER: Sam Farran, I'm a contractor here, a trainer, and I am also an Arab American. As of 1, November, I'll have 30 years of military service. I'll retire then. I've served in the war on terrorism, and I've served in the first and second Gulf Wars.

My question is we're always rattling the saber at Iran, Iran, Iran. My question is very simple. Who do you think is more stable with nuclear capability: Iran or Pakistan?

MR. AMR: Thank you for all those questions. Martin, enjoy.

MR. INDYK: Okay. First of all, there were two related questions about rectifying tarnished image and regaining the moral high ground there. They're kind of two sides of the same coin.

I think that this is partly an issue of style and it's partly an issue of policy. By style, I mean a more humble approach will go a long way -- one that is less focused on it's my way or the highway or it's you're either with us or against us and one that's much more focused on trying to listen, respect, build alliances and work together for common causes. Greater humility, I think, will make a big difference in that regard.

You know there's an irony here or a paradox effect that when we were the dominant power, an

arrogance came with that and a resistance to our way or wanting to have our way was a natural kind of result of that overwhelming or hyper power that the French refer to that tended to characterize the United States over the last two presidents.

We no longer have that dominance, yet the need for American leadership, I would argue, is recognized as even greater today because problems have become so complex. We saw it in the global financial crisis as well.

So, we can actually, by being more humble and being less arrogant and more inclusive, I think we can actually be more effective and more influential than in a time when we had greater influence on paper but in fact generated a lot of resistance and resentment.

The time frame for actually regaining the moral high ground, I think, could be very quick. I try to be objective about this. As you may know, I'm supporting Barack Obama in my private capacity, but I do think from my experience traveling around the

region that if it is President Obama, as I said in my opening remarks, the time frame could be very short for him to do this, not just because of his approach and his rhetoric but also because of who he is. His story is a very compelling one for people in this region, one that they can identify with.

I would say one other point because I said part of it is style, but the other part of policy. Pursuing a policy in which we're trying to resolve conflicts and trying to establish a vision of a more peaceful order in this part of the world which does respect the dignity of the people in this region, those kinds of policies will also do much to rectify the tarnished image. That's what I've tried to suggest we need to be doing in terms of the initiatives.

I'm not sure that I understood your point about strategic realignment and synchronization. Perhaps we can discuss it informally. But I would say the following: I did not mean to suggest that there is demand for strategic realignment. What I am trying

to suggest is there is an inherent contradiction between Syria making peace with Israel and Syria maintaining its alliance with an Iran that wants to destroy Israel.

That contradiction gets resolved in one of two ways: either Syria moves into the peace camp and its relationship with Iran is affected because of that or Iran moves with Syria into the peace camp. I don't rule out the second possibility. I think it's unlikely, but it would be the natural consequence of a successful effort to engage Iran.

As I said before, Iran, for it to become a member in good standing of the international and regional order, would have to be a force for peace and not a force that's antagonistic towards peace.

So that's what I think needs to happen, but I think the process, one way or the other, will be given a huge boost if it were possible to make peace between Israel and Syria. That's why it should be a priority.

In terms of Afghanistan and Pakistan, you

know it's true that the candidates have not been very clear about what exactly they would do except send more troops, and sending more troops is an important component. We have far few troops in Afghanistan, given the situation. But I don't think we can possibly resolve it just with more troops, and I think this is the point of your question. We have to find a way to deal with the problem in Pakistan, and it doesn't seem to me that that can be resolved by boots on the ground. That only seems to exacerbate the problem in Pakistan.

So we really need an understanding with the Pakistani government and the Pakistani military and the Pakistani intelligence services, and to reach that understanding we've got to understand what's motivating them, which is a whole other story well beyond what we can do in this discussion tonight. I do think that India is an important component in this puzzle and that we need to approach Pakistan in the context of its concerns and relations with India as well if we're going to treat this problem effectively.

So it starts in Afghanistan, but it moves to Pakistan and then to India as well.

Finally, in terms of what the greater danger in terms of Pakistan or Iran when it comes to nuclear capabilities, I would say, yes, there is a real concern about Pakistani nuclear capabilities partly because of the way that Pakistan has played a role in proliferation through the activities of A.Q. Khan, which have been tremendously problematic, and partly because instability in Pakistan that has nuclear weapons can have potentially dire consequences.

But the Iranian case is highly problematic because the consequences of Iran crossing the nuclear threshold, as I said in my opening remarks, are that you'll have a nuclear arms race in this region. So we're facing not just a problem of loose nukes perhaps in one country. We're facing the potential for nuclear proliferation across this volatile region. That's very dangerous.

And, before we get there, I mean Israel has the policy that it's implemented in the case of both

Iraq and Syria of maintaining its monopoly. If there's no way of heading off the Iranian nuclear program, there's a good chance that it will pursue that policy as well when it comes to Iran. That is a preventive military strike, and that too could be highly destabilizing across the region with profound consequences.

So I answer your question by saying, we've got to pay attention to both problems. We cannot ignore either of them. They have different solutions, but they both have to be priorities as part of a broader effort to strengthen the nonproliferation regime and prevent the spread of nuclear weapons.

MR. AMR: Thank you, Martin, and thanks to the audience for your patience in letting this go over. This concludes this, again first in the season, policy discussion of the Brookings Doha Center and thanks to the audience and thank you to Ambassador Indyk for spending your time with us.

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