Saban Forum 2007

Keynote Address by Quartet Representative Tony Blair November 4, 2007

The most important reason to settle the Israeli-Palestinian conflict is for the sake of Israelis and Palestinians. It is their blood that is shed; their land that is fought over; their future that is most at stake. This is a particularly poignant moment to recall this today, the 12th anniversary of Yitzhak Rabin's death.

However, it also matters to the rest of us. The strategic importance of this dispute in the world is vast and profound.

This dispute has not caused the extremism and settling it will not in itself stop it.

But, long ago, I began to look at this region not as a series of disconnected little tableaux of issues and challenges, but as one big picture. And today that picture spreads across not just the region, but the world.

There is a struggle going on. It is fundamental and worldwide. The terrorism that is part of it, strikes not just here, and across this region but in Europe too; and of course on Sept 11, 2001 in New York.

But the terrorism is essentially the most ugly and outward manifestation of something deeper. The essence is the struggle going on inside Islam: either to modernise and embrace today's world; or retreat in the face of it into reactionary old-fashioned defiance, in which the West and all its allies, including for these purposes Israel, is seen as the enemy.

Our response has got to be to see this struggle not as Islam versus the West; but Extremists versus the Rest. In this big picture, resolving this dispute is of colossal importance. It is a signal of reconciliation across faiths and cultures. It removes the cause that extremists use above all else to try to ensnare moderates within Islam.

We know Iran has decided to put itself at the head of this extreme and misguided view of Islam. Ask yourself: do they want a solution to the Israeli-Palestinian question or not? If the answer is no, it can give some kind of indication as to why it is so important there is one.

But as I began by saying, it matters most to ordinary Israelis and Palestinians.

Let me offer, with all due diffidence and humility, some observations based on 10 years as Prime Minister of the UK, going quickly in and out of this region and now some months of spending real time here.

Pose the question to Israelis or Palestinians: Do you <u>want</u> peace with your neighbor based on 2 states? And you will get the answer yes.

Pose the question: Do you think you will get peace? And the answer is no.

The Israelis think they have no serious partner for peace because the Palestinians lack the capability even if they have the intention. The Palestinians think the Israelis lack the intention, even if they have the capability.

This is not helped by the fact that what both say about the effect of each other's actions is essentially correct. At present without the IDF in control of the West Bank, there would be a serious threat to Israel's security. At present, as a result of the occupation of the Palestinian

territory, the Palestinians are severely disadvantaged, economically, socially and politically. Working our way out of this is the challenge.

However, here's where our thinking has to change. "Land for peace" is not really the issue anymore; or, at least, of course it is the issue, but it is not the stumbling block.

Truthfully, if you took any group of well educated Israelis or Palestinians and said to them, describe on two sheets of paper the rough solution to the core final status issues-territory, right of return, Jerusalem, they could probably do it and with roughly the same contours of a solution.

That is not to say that there are not really tricky questions in respect of all these issues - do not misunderstand me. But if all else was ok, the actual negotiation is not impossibly difficult.

And this is why I say the stumbling block does not truly lie with the final status negotiation, though naturally for there to be two states, such a negotiation has to succeed.

The situation has mutated.

The true Israeli anxiety is focused not only on the territory of the Palestinian State, but on the nature of that State. The true Israeli position is not to agree to a State for the Palestinians unless they are sure of how that State will function, how it will be governed, how viable it will be not simply in its territorial contiguity, but in its stability as a long term partner for peace.

That is why the issue I am working on most directly, namely Palestinian capabilities is not secondary. It is of absolutely primary importance. The Palestinian side has to prove that it can run a State, govern it well. The full disastrous significance of what has happened in Gaza is sometimes misunderstood by the outside world. We can all argue about the way disengagement happened. But Israel did disengage. You can argue about how unfair it is, but it is hardly surprising to find Israelis reluctant to withdraw from more territory as missiles continue to be fired from Gaza into Israel in the hope of killing innocent civilians.

So that's the Israeli change in attitude. But there is a shift equally on the Palestinian side.

For the Palestinians too, the stumbling block is not truthfully the precise boundary or land swap or other related questions. Of course, again, do not misinterpret me. All these issues need to be resolved. But the Palestinian anxiety today is what is happening on the ground as a result of the occupation. Here is the mirror image of the Israeli concern over security. The reality is that due to the restrictions on access and movement, the lives of ordinary Palestinians are grievously affected; the settlements expand, the outposts continue; the IDF protect Israeli citizens, the restrictions remain and so on. The private sector has declined 40% over the past couple of years. The Palestinians worry is that the "facts on the ground" will in time render a State impossible.

So there we are. The irony is the final settlement is not hard to see. It is visible in the distance, the house on the hill. But the path to it, is utterly fraught.

How do we get to it? First, we do need that political settlement – the house on the hill to be clear. To make progress, a political prospective is necessary. It concentrates the mind and energizes the process. It allows for the first step to be taken, which is to reinvigorate the credibility of the MEPP, to let people hope again. At Annapolis, there can be a strong statement or a strong follow through, and I am confident one or the other will be achieved. But, people need to know that there is a genuine way to agree a settlement and genuine will to travel that way.

Secondly, for me, the priority is to make the Paris Donors Conference in December a platform for a Palestinian State. That means a robust Palestinian plan for capability; and robust support, financially and otherwise from the International community to achieve it. I have no doubt about

the sincerity of Prime Minister Salam Fayyad in this regard. He is highly capable, absolutely determined to offer the leadership the Palestinian Authority need. This plan will include proposals for radical reform of Palestinian security forces, but also across the piece, in education, health care, social systems and economic development. There needs to be then a massive effort by all of us to support such capacity building.

Thirdly, none of the first two things will make a difference directly or immediately to the lives of ordinary Palestinians. They need change on the ground. They need the major economic projects under discussion to go ahead – whether it is the proposal led by Japan around Jericho for major agri-industrial development or the proposals for industrial parks near the border with Israel. I have submitted a set of such proposals to the parties. I am working with Prime Minister Fayyad, Prime Minister Olmert and other Ministers, including Minister Barak as well partners abroad to make them happen. But they are crucial. My objective is that prior to Annapolis, we will be able to announce the first set of these projects; and a process for getting them actually done.

The Palestinians also need, as their security capability grows, real change in the restrictions on access and movement and a thorough and proper examination of existing restrictions to make sure that they really are necessary for security.

Which brings me to how I would designate the coming period of discussion, negotiation and conference. This is the time for everyone to get real. If Israel truly believes its long-term security is best served by the Palestinians having a State, it is time (consistent with such security) actually to make it happen; not to wait and see if it happens, but to push vigorously for the conditions in which it will happen. If the Palestinians want a State, they have to accept the responsibility of Statehood – taking the tough decisions to sort out their capability, most particularly on security. Intentions will not suffice. Only actions will. If the rest of us truly want to help, we are going to have to give it focus, time, relentless effort and support. I saw President Bush at the White House two weeks ago. As Secretary Rice has made clear, and I can vouch for, the Administration is united in its determination to achieve a breakthrough, to do what it takes to make it happen.

In none of this do I forget the people of Gaza. The Palestinian State will not be two entities, but one. There will have to be a coming together of the people of Gaza and those of the West Bank. But even prior to that rapprochement, we should do what we can for the ordinary citizens of Gaza. Agreement to complete the Beit Lahia sewage treatment plant, would be one sign of an intent. But we must re-engage the people of Gaza in the process, once it moves forward again.

So, to conclude, can it be done? Of course. Problems can be solved. Our attitude, despite our experience should be hopeful. Let me finish with a story about Northern Ireland. I know that it is very different. But it was not an easy problem. I recall talking to a Unionist politician in 1998 who told me: "You don't live here, so you just don't understand as we do. These people – the Republicans – hate us. They will never accept our right to exist within the UK. Violence is in their nature. Terrorism is their way of life. They will never change." That politician was Rev. Ian Paisley.

At the same time I spoke to a leading Republican. He told me: "You just don't understand the reality. Unionists like Paisley despise us. They will never give up their supremacy. They will never make the concessions necessary for peace. They will never change." His name was Martin McGuinness. Today Ian Paisley and Martin McGuinness are the First Minister and Deputy First Minister of a Northern Ireland that is at peace, it's economy transformed, its neighbour across the Irish border, one of the most dynamic economies in the world.

Progress can happen. Optimism is the right spirit. And there is no better time to have it happen than now.