

BROOKINGS

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A Conversation with President William J. Clinton

Moderator: Nahum Barnea, *Political Columnist, Yedioth Ahronoth*

Q: Good evening, Mr. President, and welcome to Israel. We are accustomed to visits of American leaders before they get elected or while in office, especially when their business here is urgent. You are generous enough to come after leaving office, and we are grateful for that. I know it's a cliché, but if you have any ambition to run for office again this is the place. You will win by a landslide even before they open the ballots.

Now, we used to say "Follow the sun to Israel," instead let's follow the problems to Israel. First of all, would it be fair to say that the image of the United States in the world is that of a weakening power? Is it a matter of image, of public relations, or a historic milestone - the end of an American century and the beginning of a century during which America will have a secondary role?

A: Well, first of all, I think the image of America, you might discount this because I'm a member of the Democratic Party, but I think the image of America is quite a bit stronger today around the world than it was before the last election. And if you look at all the polls-

Q: What about before eight years ago?

A: If you look at all the surveys around the world, President Obama and the administration have a high approval rating in most countries, with enormously positive press coverage. People like the fact that we have a president who looks more like the rest of the world. He's not just our first African-American president but his father was born in Kenya, he had a step-father from Indonesia, he lived in the world's biggest Muslim country for many years, and I think he's doing pretty well. And the secretary of state is fairly popular herself. So I think we're doing pretty well in the world.

Now, you asked-

Q: You opened the door, Mr. President [laughing]

A: But you asked a serious question about America weakening. Look, our economy's weak now, but we still have the largest economy in the world. There was a brief period, as I used to tell my fellow Americans after the Cold War, when we were the world's only military, economic and political superpower. That period could not last very long. For one thing, if you believe that intelligence is equally distributed throughout the world it was only a matter of time until nations with bigger populations than us caught up to us in both good and bad ways - both in gross national product and greenhouse emissions, and eventually in higher per capita income. Once a country has as much money as you do

then it's their choice, not yours, if their military is as big as yours. Because they have the money and they can spend it.

So I never thought we would dominate the world in the 21st century, nor did I believe that was necessarily healthy. On the other hand, I believe in an interdependent world, a country like ours, which is free, open to immigrants and has people in it that come from every country on Earth, is very well positioned to be an important, positive and enduring influence in the 21st century. That's the first thing I want to say.

Secondly, if you go back and read our history, the Israelis can identify with it. It was full of self-doubt and self-criticism. When George Washington was trying to liberate our country from Great Britain, there were people in America who wrote that he was a second rate general, and before he was a second rate general, he was a second rate colonel, and before he was a second rate colonel, he was a second rate surveyor. He wasn't even very good at that. And he clearly wasn't a good general; otherwise, why was he crossing the Delaware River in the dead of winter with his soldiers losing their toes to frostbite, because they were wrapped in cloth instead of boots? From the beginning, people have said that. People have been counting America out for more than 200 years. So far, everyone that's bet against America has lost money.

Now, maybe that has changed. I don't begrudge the rise of China or the rise of India or the rise and unification of Europe, which I strongly support. We shouldn't want to run the world. We should just want to be a positive leading influence, and I believe we will be for the foreseeable future if we do what we need to do now. We're a little down now, but we're dealing with our healthcare crisis, we're dealing with our energy crisis. We have Senator Lieberman and Senator Graham here who have done everything they could to get America to try to find a sensible way out of the global warming conundrum. And I think we'll get out of this economic mess, so don't give up on us yet folks, we're just getting a second wind.

Q: In the year 2000, you formulated the Clinton Parameters that gave the Palestinians almost all of the West Bank and most of east Jerusalem. Nevertheless, you remain popular among the vast majority of Israelis, while President Obama, who has not yet offered the Palestinians one inch of real estate, is considered by many here as very hostile, and maybe the most hostile [U.S.] president in recent history. Do you have an explanation for how and why this happened?

A: God, you could get a job with the American press, asking me a question like that [laughing]. Yes I do, I know exactly how it happened. And the first thing I want to say is you shouldn't think that President Obama is your enemy, and I hope to goodness you know that Hilary [Rodham Clinton] is not, but it happened for perfectly predictable reasons.

First of all, by the time I became president, I had been thinking about this issue and Israel for a very long time. I had first come here in 1981. Secondly, by the time I became president, the secret talks at Oslo had begun. And I had run for president and made a fairly favorable impression in the Jewish community in America, and I think I did well in the elections, partly because I said that we couldn't want a peace for the Israelis and the Palestinians more than they wanted it for themselves. That's still true today. But that if they were willing to work for peace, I would work overtime to do it, and I would always be honest about what I thought achieving peace would entail.

Then the agreement was reached, the declaration of principles was signed on the White House lawn, and I developed one of the most rewarding relationships of my life with [former] Prime Minister [Yitzhak] Rabin. So I had a big leg up here. I'd spent more time thinking about it, working on it, dealing with it. Just thinking about it in my own life before I ever became president, and then I entered the scene, for Israel, under fortunate circumstances.

But we also made progress when I worked with four prime ministers. And let me remind you, when Mr. Netanyahu was prime minister, when we made the agreement at Wye River, which is a very significant agreement, and [former] Prime Minister [Ariel] Sharon was the defense minister and he was there and supported it, or the foreign minister. So I think I had a lot of good fortune, but I also was particularly attuned to the language of the people and how they heard various things.

I think that President Obama got a lot of press in the beginning of his candidacy for being a kind of global person, the first one we'd ever elected, at least in terms of his ethnic and racial background and his life experiences. There was criticism of him in some of the press during the primaries about having had relationships with Palestinians and other Arabs who were fairly hostile to Israel while in Chicago. There was almost no coverage of the very strong support that he enjoyed from leaders of the Jewish community in Chicago when he ran for president. And I noticed this because Hilary was trying to beat him and they'd all been for us before, so it was somewhat painful.

I think that when we meet someone new, in any context, we're always looking for clues that will tell us something about them, and sometimes we overread what we hear. No American president could serve in good conscience and not be committed to the security of Israel. No American president, given what happened in the 1990s, given the state of play in the peace process, given what has happened in the West Bank with [Palestinian Authority] President [Mahmoud] Abbas and [Palestinian Authority Prime Minister] Mister [Salam] Fayaad, could serve and not want to speed this thing along. I think that it's obvious what happened to the relationship, but I think that you should not be negative about this. The United States, first of all, can't make you do something you don't want to do, and secondly, owes it to you if we're committed to your security. We have an automatic allocation of a substantial amount of federal funds every year, we owe it to you to tell you what we think the truth is about what the best way to achieve that security is.

President Obama took office right as Gaza [IDF Operation Cast Lead] was ending and everybody was wondering 'Well, what next?' And I think if you look at the way the United States has tried to support you and not having the UN take this Goldstone Report, the timing of which could hardly have been worse, and beat you over the head with it, and you look at a lot of other indicators, I just don't think you should be so negative about the Obama administration. I think that thoughtful members of the Palestinian community and their friends throughout the Arab world should also understand that America cannot do the Palestinians any good in progress towards a Palestinian state unless the Israelis continue to believe that our commitment to Israel's security is irrevocable. That's what gives us the leverage, if you will, to have an honest conversation and say what we think needs to be done. You watch, it will get better as it goes along. It'll get better for you, and I think it will also be better for the Palestinians because it'll get better for you. I just think it will get better. I think these negative inferences that have been drawn are overdrawn here, and President Obama had an enormous amount of contact and support from people in Chicago that I really respect, who are very devoted to Israel and to its security –

Q: Like Rahm Emmanuel for example?

A: Yes, of course, some of you are mad at him too, but he's just wrong. I'll tell you and if you need him to come back here and fight again, he'd do that. But I think that we, all Americans who wish you well, want to see some resolution of this ongoing difficulty with the Palestinians as quick as is feasible. Because almost all of us believe that the longer it goes unresolved, the more likely you are to get a bad outcome and the less likely you are to have a good outcome. And so if we're not all as adroit at expressing that as I normally am, because I've been listening to the voices of the Middle East for a very long time, you shouldn't draw negative inferences about it, and you certainly shouldn't draw a negative inference about the president. He wants you to make peace and he wants us to be committed to your security, and he wants us to be there full board in the aftermath to deal with whatever problems come up.

And I think the fact that he asked Hilary to be Secretary of State, coming not only out of the experiences we had when I was president, but the fact that, as a senator from New York, she represented more Jewish Americans than any other American office holder, clearly shows the commitment. He accepted her recommendation and named George Mitchell our special envoy, who is, at least in our party, one of the most highly-regarded people in the world. He got through the thicket of the Irish peace process with a deft and brilliant touch, and when he called me about it, I said, "George, my people the Irish, you're going to think that was a tea party by the time you get through with the Middle East."

But, you know, we all care about this. If you disagree with something the president says or if you disagree with something Hilary says, by all means disagree with it, but look what Prime Minister Netanyahu said just other day, just in complementing the president and the whole administration's efforts to try to keep Iran from becoming a nuclear power.

I mean, we get what the GO strategic challenges are here and we want you to prosper. Israel, what's your per capita income now? Almost 40,000 dollars a year, 38,000 dollars; it's amazing. We want you to do better, not worse, and we want to be there with you every step of the way. Just don't overdraw the negative conclusion, just because we want this peace thing resolved and we know we have to do part of it.

Q: Mr. President, my colleague and your friend, Thomas Friedman of *The New York Times* wrote a very gloomy column last week calling [on] the American administration to quit altogether efforts to promote peace in the Middle East. He basically said 'We Americans are fed up with all of you, Israel included.' Friedman told me afterwards that he has gotten hundreds of e-mails supporting his opinion. Netanyahu was very upset; Abu Mazen [Abbas] was upset; Jimmy Carter wrote a negative letter to the editor of *The New York Times*. Can you share your opinion about this column with us?

A: Well, first of all, Friedman suggested we ought to suspend the aid package, didn't he? What did he say, what did he exactly say? [someone calls out from the audience, inaudible] Yeah, 'walk when given the phone number'. He talked about the time Jim Baker allegedly did that – Here's our phone number, call us when you're ready to make peace. You know, he also thinks we should not make any more efforts in Afghanistan. I think Friedman is usually right but not always.

Q: But maybe his opinion reflects your isolationism in the United States?

A: Yeah, I understand that. Well, let me just say this – They all have plenty to do. They don't have to tell you to 'Call us when you're ready,' they can just go do other things. When you're in that White House there's an infinite amount of things to do. You make choices every day about what you do and you don't do.

But I personally believe if you look at the capacity-building that has been done under the prime minister in the West Bank in the last couple of years, if you look at the rather deft maneuvering I've seen done among the Palestinians in the last few days over the election question and other things, I wouldn't give out my phone number yet. And you look at all the ardent speeches Prime Minister Netanyahu has been making, saying he wants to make peace and he wants to make it now, I think you know it's worth hanging around for. So I'm not quite ready to give you a business card with a phone number on it, and I don't think the president or the secretary of state or any of our crowd are either. I hope they're not.

Q: Let's move to Iran. Can the United States live with a nuclear Iran? Should Israel live with a nuclear Iran? What strategy should Israel endorse if all the efforts to stop Iran fail?

A: Well this is the point in the program where I issue my standard disclaimer, which is even though I used to be president, I am a democrat and I'm married to the secretary of state, I am speaking only for myself.

Having said that, I find myself in the worst of all worlds now. Until Hilary got to be secretary of state I could go around, I had a standard joke I opened every speech with: 'The best thing about being a former president is that you can say whatever you want to say. The sad thing is no one cares what you have to say anymore.' Now there is a proviso to that – they do care what you have to say if your wife is secretary of state, because if you screw up you can be beaten to death with it in the press the next day. So I have to issue the disclaimer that I just speak for myself.

I would never say that we could or could never live with anything, I wouldn't want to use those words.

Here's what I have to say – I think we are a long way from accepting a nuclear Iran, and a long way from having to, for the reasons that Prime Minister Netanyahu has laid out.

I'm actually surprised that the talks in Switzerland have gone as well as they have. They may still come to nothing, but I wouldn't give up on it.

I also think we have more support from the Europeans and the Russians than we've had in a month of Sundays for doing something serious about this. I think they have finally figured out what the real problem is, which is if Iran gets a bomb, even just one, then a bunch of their neighbors will buy a bomb, because they have enough money to buy one too.

It's very expensive to build, maintain and secure nuclear weapons and the materials that go into them. And the highest likelihood of a bad thing happening if Iran [and its neighbors] were to get a bomb is that someone would buy, steal, or give away the fissile material to an enemy of Israel, or enemies of others, who would turn them into dirty bombs in suitcases that could kill thousands of people.

Just so you know what the science is – if you have enough fissile material, approximately the size of a cookie or the top of this glass, and you put it into a simple fertilizer bomb like the one that blew up our

federal building at Oklahoma City – it would take out 20 percent of Washington D.C. Same bomb, everything's the same, a cookie's worth of fissile material.

So we should all focus on what the real danger is. The Iranians, you know, if you think they're really crazy. I normally think politicians are less crazy than they want you to believe -- President Nixon once famously said that if you really wanted something out of somebody else while you were in office, they should think that you would keep trying to drive a big heavy truck even if the steering wheel came off in your hand and you had it up here. That you were just slightly crazy. I don't know, a lot of people thought that I was without trying, so I couldn't.

I think that we should be very serious about this. This is a horrible problem. There's too much proliferation as it is. I think the likelihood that our government and the Russians will agree to a substantial reduction in nuclear warheads, which would then be ratified by the US Congress and the Senate and the Russian Duma, is quite high. [Boris] Yeltsin and I agreed to do it, but neither the then-Senate nor the then-Duma would have passed it. I think it's going to happen now.

And so for me, we've got to keep working on this Iranian thing, keep all options on the table and try to work as effectively as we can, which may mean saying less and doing more, but I'm not ready to give up on it. I sure don't want it to happen, because I think once it happens a lot of other people will buy their own weapons, and then you'll have all this nuclear material in this region. That's the real problem you've got. Sure Iran could drop the bomb, but if they did, the retaliation would be horrible. That's why governments haven't dropped bombs since World War II. I'm not saying Israel shouldn't be concerned, but you should be hyper-concerned about a dramatic proliferation of this fissile material all over the Middle East and the prospect that it could be turned into smaller nuclear weapons, which could be devastating.

I do think we should try to make the thing work in Switzerland - if not, we should go to comprehensive sanctions, because we could really make it difficult for them, given the level of support this process has had so far. Then, we should see what happens. I think it is counterproductive, while these talks are going on in Switzerland, to talk about what would happen if everything fails.

Q: President Obama went to the University of Cairo in an attempt to open a new page in the relations between the United States and the Arab and Muslim world. He made a commitment to try and solve the Arab-Israeli conflict in two years. It seems that these efforts have not paid off yet. What should be done now? Would you call the parties to Camp David in the same way you did in 2000, or was it premature even then?

A: Well, I'll say a little something about that, but let's say something about the present, because that's more important.

First of all, at least unless I misunderstood both him and the explanation of his speech, I think [President Obama] was talking about two years from the recommencement of peace talks. I wouldn't pay too much attention to the two year thing, given the fact that the Gaza thing [Operation Cast Lead] has just finished and you didn't have a new Israeli government until April of this year.

I think he did go there trying to reach out to the Arab world and to the Muslim world and I think it was an altogether appropriate thing to do. I think that some people in Israel heard some things he said,

given the venue in which he said them, in ways that contributed to the difficulty inherent in the second question you asked me.

But again, I would say you all need to understand that some of us have spent more years and put in more time and heard more debates than others. I wouldn't overreact to that. You should want the American president to be widely respected among the non-terrorist, non-destructive Muslims of the world.

You should want the American president to be able to make the most of the fact that there is almost complete Arab solidarity behind the notion that they should form a future and genuine partnership with Israel, if peace is made with the Palestinians. Because they now are worried about Iran, and they think it is a much bigger problem, and they don't need you as a whipping boy to deflect popular discontent from problems within Arab countries now. So you have a chance.

I think you should try and get this peace deal done. I've talked to enough of these Arab leaders and I've known a lot of them for a long time. When they all signed on to the Saudi's king peace proposal, they're not just fiddling around here, they're very serious.

The only good thing I can think of about the Iranian issue being unresolved is that you still have a high level of anxiety channeled into positive feelings toward Israel. They really do understand now that if this issue with the Palestinians could be resolved, the whole future would be different. And I don't think you should minimize that.

I said yesterday to people at the Rabin Center – I can conceive this whole economic engine of the Middle East shifting to a partnership between Israel, a new state of Palestine, a more liberated Lebanon and the Gulf states. Making this the first [center of] clean energy of the world, generating all these new jobs and technology and doing all this stuff that Shay Agassi and all these others are trying to do, and you all start driving around in your 100,000 electric cars before everybody else in the world does. Look, you can rewrite the future, not just the past. And so that's my take on this.

Q: You are the most optimistic person in this hall, I'm afraid. Talking about the secretary of state, let's talk about the settlement freeze. It looks as if the American demand for a complete settlement freeze boomeranged. Abu Mazen [Palestinian Authority president Mahmoud Abbas] cannot accept anything but a complete Israeli surrender, something which Netanyahu cannot do. How can the American administration convince the parties to step down to reality and get back to the negotiating table?

A: Well, it seems to me that the government, the administration, is in the right place now. And we just got to let the dust settle. That is, the United States' position, going back at least to the beginning of the Madrid talks or the end of the Bush administration, and maybe before, has been that we accept the general position of the UN and international law that settlement activity in the West Bank is not lawful, and it's certainly not helpful to the peace process and President Obama if his government asked for a total cessation.

Q: This was the difference from previous administrations.

A: That's right. But we got a different response in previous administrations too. Prime minister Netanyahu said -- and this is what Hilary acknowledged in the press conference -- they want to finish

these multi-story high-rises that they've got all this money in and all these contractual obligations to, but this is the first time any Israeli government has ever said 'We won't issue any more permits, we won't have new settlements. As long as there seems to be a prospect for peace, we're going to finish these buildings that we're working on and we're not going to do anymore,' and that that should be enough to open the door to at least start talking again. That's a pretty sensible position, I think, but to be fair, I understand why president Abbas and his government have been in a difficult position, because I think the Palestinians always have tended to believe that somehow, if we wanted something bad enough, we could either persuade or coerce the Israeli government into doing it, and that's just factually not true. We, the Americans, have to work with the politics we found in Israel, just like we have to work with the politics we found among the Palestinians.

But I think it should help that if you look at the vote of the United States House of Representatives just in the last week, they voted something like 90-10, at least 90 percent of them voted to try to limit the impact of the Goldstone report in any way shape or form, and not to sanction any use of it in the UN. That's the first thing they've agreed on in a bipartisan way in a long time. I mean, really, I can count on one hand the number of significant votes the House took where ninety percent of them voted the same way when I was president. About something of real moment you know. So you should take some comfort in that.

On the other hand, I was in some of the Arab countries in the Middle East last week, and I told them: Look, you guys, you shouldn't be too upset. Whatever you think of the Israeli settlement policy, this is the first Israeli government, including all the ones I ever worked with, ever to say 'OK, we're gonna finish these buildings we got going, and then we're not gonna do anymore while there's a possibility of pursuing peace'. So whatever you think about, you should want America to get repositioned here a little bit. Because if the Israelis don't think that we care more than any other big country about whether they live or die, then we can't do the Palestinians any good. The only thing that ever gave me the leverage to argue, as you pointed out in your speech, I did say I think you ought to give back 97 percent of the West Bank, do a land swap, give up east Jerusalem and all the other little details - and the ones I didn't have, Yossi Beilin filled in later in Switzerland - was they knew I really cared. All the people I dealt with, including then-Prime Minister Netanyahu and then-Foreign Minister Ariel Sharon, knew I cared and the United States cared, and if everything went straight to hell, we'd be there. That is the core thing that Israelis have to believe before we can do any good for the Palestinians. I never proposed one thing one time here, whether I was right or wrong, that I didn't believe was good for Israel's security in the long-run.

I thought doing right by the Palestinians and their kids -- that's the phrase that Rabin used with me after the first signing in 93, when he said 'Those children have dreams too, and we ought to find a way for them to pursue them' -- was good for your security. I still believe that. It's a little piece of land. You can't get away from each other. You're gonna affect each others' future. The only issue is whether the impact is going to be positive or negative and how to make it more positive for you, and whether making it more positive for you requires making it more negative for them or positive for them. I think the answer is self-evident and the question is the details. The devil is always in the details, but that's what I think. As long as you believe that America is with you at some core emotional and conviction level, we can have a conversation about anything, just like friends can have a conversation about anything on a personal level, if you feel that way. If you ever stop believing that, then it doesn't matter what our position is. That's what I told the Arabs last week, and that's what I would tell the whole world. You know, then we're just another country sitting out there in the stands rooting for one team or another.

Q: Now before I open the mike to the floor, can I ask you to give us a short lesson in political science? Let's assume, hypothetically, there are defunct relations between an Israeli prime minister and an American president. How would you approach such a problem, hypothetically?

A: [laughing] You're good. First of all, I don't know that they're so bad. You know, I had very good relationships with all the Israeli prime ministers and I've had arguments with all of them, as people do if they're thinking intently. And as I said, I know that President Obama and Prime Minister Netanyahu got off to a little bit of a tense start over the whole settlement issue, but I think that's probably behind them now, because the American government has acknowledged that what they have done is something that's not done before and he did something. And they are, it seems to me based on Prime Minister Netanyahu's public statements, pretty well on the same page with regard to how this Iranian thing is playing it out at the moment. And so, I wouldn't assume that it's all that bad.

But my advice is pretty simple. A lot of people do business together who don't love each other, and a lot of people who love each other have a hard time doing business together. And so I know them both, and I'll be surprised if they don't wind up liking and getting along with each other just fine. My advice to anybody, not directly to this, is that I think you should always be brutally honest in private with any leader of state you're dealing with. Not to pick a fight, but you're not doing anybody any favors going through talking points that obscure, rather than clarify, the differences and choices.

I think in public we should all be sensitive to each others' constituencies, and try to create an atmosphere where people know where you're going and where you stand without unduly burdening these people who have difficult jobs already, whether it's the prime minister of Israel or the president of the United States or anybody else.

And you also need to cut people slack, because nobody can work at the pace that all these people are working, travel to the places all these people are going, and never say something a little bit different than they would say it if they'd slept 8 hours and were in their own bed. Now I know you guys are laughing, but I work hard and I travel a lot, and Hilary's now travelling more than I do. And honest to goodness, I don't know how she gets up and starts getting her senses together every day. So I think it's very important that none of us overreact. Our jobs are not to have personal feelings. Our jobs are to have feelings for our people and for the children we represent, and for the future. That's our job. If you want to have personal feelings - anybody who's in office should get in a different line of work. I'm serious. We're just not entitled to do that. So I don't think you should overanalyze the Obama-Netanyahu relationship, because presidents and prime ministers are trained mentally and program themselves properly to make most of any relationship that the public tells them they gotta have.

I wouldn't overreact to all this. But my advice is to be brutally honest in private and figure a way to be more diplomatic in public, so that you don't make a difficult job even harder than it is.

Q: We have an opportunity to pose your advice to Netanyahu later this evening. Now-

A: What did he say?

Q: No, later this evening he will be here.

A: Oh.

Q: So, I'm sure he will be positive about it. Questions, please?

A: Somebody back there has a question, I thought.

Q: Martin?

Martin Indyk: Mr. President, first of all, thank you very much for joining us again at the Saban Forum. People probably don't know that you were out in the Gulf and flew back to the States and then came back for the Saban Forum, so we're very grateful to you for making that huge effort. I wonder whether you share the concern that I have that nine years after you put the Clinton Parameters down, it seems to have been kind of downhill ever since. Not because of that, but because we missed the opportunity then and you can see now as President Obama, like you, devoted his presidency to trying to achieve a breakthrough, and yet it's really difficult. It seems as if when he puts the foot on the gas, the wheels just dig in further into the mud. Do you ever think that maybe it won't be possible? Maybe it's too late? That maybe it's just too late to revive the Clinton Parameters, as sensible as they are?

A: I don't know about that. You may have to put it in a new dress and put a different little bit of make-up on it.

First of all, I think anybody that says it's too late to do anything if they're still breathing is making a mistake in politics. And I think that it contributes to a negative pattern that has, in various times, affected both sides. Where you cannot afford to get into a 'poor me' attitude, you cannot afford to get in to where you're feeling like a victim.

The Palestinians are weaker than the Israelis, they are poor, and they have been victimized often times by their neighbors more than by the Israelis. But they've proven in the West Bank they can get the show on the road. And as I constantly see, every Palestinian I know who does not live in the territories or the camps is a millionaire or a college professor. So I think we all have to get out of this victim mentality. This whole 'too late' thing is the same thing.

I think others have done things they shouldn't have done, and Israel's neighbors have not done some things I think they should have done. But I think it's very important for Israel to be really careful not to sound too victimized here. Most of you were raised to believe you were 'The Chosen,' and you should now morph into 'The Choosing'. You should become the choosing people -- making choices, shaping the future, doing things that have to be done here.

Let's just look at the landscape. You asked me about Camp David. I never expected to get an agreement there, ever. That's a big myth. I called the meeting because [former Palestinian Authority chairman Yasser] Arafat promised me all along that he wanted a deal before I left office, and I was about to leave office. And we'd been diddling around, we hadn't had a big agreement since the Wye River Agreement in '98. And then-Prime Minister Barak had been quite forthcoming, and the whole government had, I thought. Yet the chemistry wasn't great between them, and there were still a lot of misunderstandings and a lot of unresolved issues. So I asked Arafat one more time, 'Are we going to do this before I leave office or not? Because I've got other things to do.' I didn't give him my phone number. I only had 6-7 months left. And he said 'Oh my God, we have to do it now. If we don't do it now it will take me at

least 5 years, we'll never get back here for 5 years.' Prophetic. He was right about that. So what I hoped to do at Camp David was to at least have a very clear sense of how narrow I could get the differences, and that in the 6 months I had left, we could close the gap. Well, it didn't happen. I finally, in exasperation, made public the proposal I had made in private, which Prime Minister [Ehud] Barak accepted and Arafat never did, and I thought that was a colossal strategic miscue.

Since then, you've had a lot of bad luck and some tactical errors.

When I came here for Itamar Rabinovich in the spring of 2001, I met with the Palestinians and they said, 'What should we do now?' and I said, 'Go out tomorrow and tell them you'll take the deal.' They said, 'Well, we can't do it,' cause Ariel Sharon was prime minister, and I said, 'Of course you can't, you have a government that won't give it to you in Israel and a public that no longer trusts you, but you need to gain the high ground -- take it tomorrow.' They waited until four days before President Bush proposed the Road Map, and then Arafat said: I want the Clinton deal. [laughing] So no one took it seriously, right?

Yossi Beilin and Yasser Abed Rabou, and all those guys who did that work in Switzerland – they deserve a lot of credit. They tried to fill in the blanks in the skeleton I left. The Palestinians should have said, 'I'll take that.'

When Prime Minister [Ehud] Olmert had his 'conversion' and proposed an even more generous plan than I recommended, I think they should have said 'I'll take that.' Because I think tactically it would have sent a message to Israel that could have changed the psychology. They could have said, 'Yes, there are things we'll say yes to. Yes, we do want peace.' I think they made tactical errors. I think God gave us a whipping when Rabin was killed and when Sharon had his stroke. I think it was a terrible thing to happen. Ok, so we've got all these mistakes, everyone has made their mistakes, and I think the Israeli government has made mistakes too, which we could detail, but which are obvious to all of you who care, and those of you who don't, it wouldn't matter if I said them.

So the question is – What are we going to do today and tomorrow?

If I were the Palestinians, I would be trying to take where we are, and the reformulation that has existed on the settlement issue, and find a way to get over it, because I think they're more likely to get a good deal in negotiations than out of negotiations. And if they don't [get a good deal], they're more likely to be seen not to be responsible for the failure if they tried.

My theory in life is you always want to get caught trying. Whatever it is. Whatever you're thinking about. Get caught trying. Don't be afraid to fail. Don't be afraid to fail a thousand times. Always get caught trying. That's my view of this. It's worth what you paid for it.

I won't be shocked if this government actually does make either some kind of agreement or will make some proposal that will be beyond anything anybody expects it to do. I'm never surprised by anything that happens here.

Secondly, if it turned out to be good, even the Opposition Leader [Tzipi Livni], who's sitting there looking radiant at the table, might decide she wants to vote for it. And if they don't do it, then she might decide that she might get a few more votes the next time around. So I don't think you guys

should be all that negative about this. I think you may be bored with it and frustrated, but you shouldn't be negative.

Two things haven't changed: geography and demography. They're just like they were when Rabin gave his speech on the White House lawn in 1993. The implications are exactly what they were – you are condemned to share the land. You cannot get a divorce and move to another planet. You are condemned. You have to decide, therefore you have to choose. You have been chosen to live here; therefore, you have to choose how you will live in the future. Second thing that hasn't changed is demography – they're having babies quicker than you're can have babies and import people from other countries.

So you have to choose. If you want to be a democracy and a Jewish state, you gotta cut a deal. If you're willing to give up one or the other and live in misery, you can keep on like you're going.

A third thing that is different from when I was there is manifested or exemplified by these rocket attacks from Hamas out of Gaza. They drove you nuts, but they fired a whole lot of rockets at you and killed a few people. And look, I was very sympathetic; it infuriated me, so I was with you on that. But it's only a matter of time until those rockets have GPS positioning systems, and then they'll have a few rockets that will kill a whole lot of people. The technology will flip. It has in every single thing. When I was elected president 16 years ago, the average cellular phone weighed 5 pounds. There were fifty sites on the World Wide Web; there have been many sites added since we've been here tonight. You cannot stop this. You cannot. And if this is going to happen to you anyway, you need all the friends and partners you can get. That's my theory.

So that's why I'm still where I was, not because I'm stuck in the mud, but because I still think it's the only way for you. Will you survive no matter what happens? You bet you will. Will you do well? Many of you will. But I do not want you to live in some dark netherworld into the future because we didn't come to terms with the fact that you can't change the geography, you can't change the demography, and the trajectory of technology is not your friend. You need to get this done, and you do have partners who can do it. That's what I think.

Q: Thank you, Mr. President.

Indyk: Mr. President, you are still the greatest. I want to thank you, on behalf of everybody, for the treat you have given us tonight by sharing your views in such a candid and always very intelligent way. Thank you very much Mr. President.

A: Thank you. I would like to say one thing. I want thank you and Haim [Saban]. You know, I've met people at this forum over the last several years, here, in Arab countries and in the United States, that I would never have had the chance to speak to. I think you've given us all a great gift. We all feel free to come here and just be who we are and say what we think and I think, it's some evidence that you have the leaders of the government of Israel and the leader of the opposition and all these other leaders here tonight and in these panels. This is a gift. We all need to sit and think and listen to each other when there are no consequences to what we do except the opportunity to learn. And I thank you for that.