

A Brookings Press Briefing

**BUSH'S TRIP TO THE MIDDLE EAST:
Will the "Road Map" Revive the Peace Process?**



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MR. JAMES B. STEINBERG: We're glad you could all come because it's a very timely opportunity to talk about some of the issues which have been dominating the headlines for the last week.

We have with us today three people who are extraordinarily well qualified to talk about the meeting not only of the events in Akaba and Sharm el-Sheikh over the last several days but also the broader events in the Middle East and in Iraq after the conflict.

Joining us today is Martin Indyk, the Director of the Saban Center and Ken Pollack, the Director of Research at the Saban Center, but I want to take a particular moment to introduce Flynt Leverett who is a Visiting Fellow here at the Saban Center who has had a really extraordinarily distinguished career in government.

As many of you know, most recently from February 2002 to March of 2003 he was Senior Director for Middle East Affairs at the National Security Council, a position held by many other distinguished predecessors including some sitting on the podium, and therefore has unique insights into the approach that the Administration has been taking to the Israeli-Palestinian issue.

Prior to his service on the NSC he was also at the Policy Planning Staff, another august institution of government, and a Senior Analyst at the CIA where again we've had others spend quality time. So as you can see we have a lot of interlocking relations here, but as I say it's a unique opportunity to explore these issues.

We're going to begin with Martin who will talk about the meeting in Akaba , both what it means and the way forward. Then Flynt will talk about the broader Middle East and political dynamic following the Sharm el-Sheikh meeting and finally Ken will turn his attention to his favorite topic which is Iraq.

Martin.



MR. MARTIN S. INDYK: Thank you very much, Jim. Good afternoon, ladies and gentlemen. I too apologize for the digs which are not the best, but we'll try and make do.

Jim and I were talking the other night about how amazing it was to see these photo opportunities of summitteers back at Sharm and Akaba . Jim and I were reminiscing, of course, because there were many days in which we together in the Clinton Administration, turned up for such summits. But I must say I never imagined in my wildest dreams that I would be watching President Bush, who had for two and a half years criticized the Clinton Administration for engaging in such summitry holding a summit with Abu Mazen rather than Yasser Arafat representing the Palestinians, and Arik

Sharon, of all people, being the peacemaker on the Israeli side. I say that because I think it really is worth pondering.

Akaba, I'm going to focus on what happened yesterday and Flynt is going to talk about Sharm el-Sheikhand the Arab state involvement. But in terms of what happened yesterday, the fact that these particular three leaders were there is the most important thing to understand.

First of all, Abu Mazen. Obviously his being there was important because of Yasser Arafat was not. In fact it's interesting to note that nobody ever mentioned Yasser Arafat, not even Abu Mazen. None of the Arab leaders in Sharm el-Sheikh did either. I think it serves to underscore one thing that has occurred here which is that Yasser Arafat has been sidelined. It doesn't mean he's out by any means. We know in the Middle East there's a difference between being dead and being dead and buried, but that is an important development. That, together with Abu Mazen's very clear statements against terrorism, not qualified either by demands that Israel has to act first, not qualified in terms of his clear determination, his emphasis on a determination to fight the terror, his straight-out statement, "We will succeed." His clear-cut commitment against incitement and to police alongside Israel.

He was referred to in one of the Israeli dailies today as the Palestinian Sadat. I think that's an appropriate sobriquet for Abu Mazen for what we saw yesterday. If that is indeed the way it is being read in the Israeli street I think it bodes well for the future of Israeli-Palestinian reconciliation.

Secondly, Arik Sharon. I won't go into the details of my reading of Arik Sharon and the complex nature of his character. Suffice it to say that despite Arik Sharon's hard line image which is well deserved, there is a side of Arik Sharon that is the would-be statesman, the Arik Sharon who has talked for some time, in fact for ten years, about establishing a Palestinian state for the Palestinian people, who was the first to come up with a Palestinian state with provisional borders, again about ten years ago. Who talks about painful concessions and has done so for a number of years. Who put on the table a few weeks ago the idea that he might evacuate settlements. And who then went I thought a step further yesterday in two respects. Number one, he borrowed, if I'm correct in remembering this, a formula from James Baker which is quite unusual for the Israeli Prime Minister, it was the formula: "there can be no peace without security, but there can be no lasting security without peace." That formulation is an indication I think of the seriousness with which Sharon regards this process of peacemaking.

The second new ground that Sharon broke yesterday was the formulation in which he made clear that it was in Israel's interests to see the Palestinians enjoying self government in a Palestinian state. That goes one very important Likud step further than the notion of self government first introduced by Menachem Begin at Camp David I. The notion that self government in a Palestinian state serves Israel's interests is historic for a Likud Prime Minister.

There was also something in there that you'd have to be an aficionado of the language to pick up but I think it's important in what Sharon said and what the President also picked up on.

That is the word contiguity, or the President called it 'continuity.' It was corrected by the White House. Contiguity is a very important code word because it means that Israeli settlements would have to be evacuated to achieve Palestinian contiguity in the West Bank.

Now it's true that Sharon tends to define contiguity in terms of overpasses and tunnels that would connect these separate Palestinian areas, but I'm sure he knows very well the contiguity that's called for in the road map, that he has now signed onto, would require the Israeli evacuation of some settlements. The fact that he referred to contiguity in the context of making clear that he recognized the Palestinian need for contiguity, territorial contiguity in the West Bank, and the fact that he put this in the context of direct negotiations in which he said, "In the context of direct negotiations we recognize the importance of territorial contiguity," indicates that Sharon is already thinking beyond the steps involved in phase one of the road map to stop the terror and dismantle the terrorist organization and the Israeli withdrawal of the IDF and the freezing of settlements and so on. He's looking beyond that and he refers to it several times in his speech, to direct negotiations with the Palestinians. This is because I believe that Sharon has firmly fixed in his mind that he wants to achieve this Palestinian state with provisional borders in an as yet undefined area of the West Bank which is going to be at least 42 percent of West Bank territory, and most of Gaza. And he knows in that context that he will have to evacuate settlements.

Of course in the mean-time he has this commitment to begin immediately the shutting down of unauthorized settlement outposts. I think the words are carefully chosen. He doesn't say he will evacuate all of them. He said he will begin immediately the process. As far as I can see from the reporting they're talking about dismantling about 20 of these outposts. The numbers vary anywhere from 65 to 120. The exact number I don't know, but there are more than 20. I think this is part of the choreography that's developing between Abu Mazen and Sharon which I'll come back to in a moment.

The third presence there was equally surprising in the form of George Bush. And his personal commitment that he spoke about before the war in Iraq, he's now made very clear in his remarks where he said that he had instructed Colin Powell and Condollezza Rice that this was to be their highest priority. Flynt may have something to say about that in terms of other issues in the Middle East. But the fact that the President is not only putting his prestige on the line by appearing at this summit and engaging with the leaders, but making clear that there is a special infrastructure being established that will be run out of the White House by Condollezza Rice that will involve an American-run monitoring mission set up in Jerusalem under Assistant Secretary Wolf, is I think indicative of the seriousness of this President.

We know that left to their own devices, regardless of the intentions of Abu Mazen and Arik Sharon, they will not be able to end this conflict, get out of the Intifada and come back to the negotiating table without the direct personal involvement of the President of the United States. This is a very important development as well.

What are the next steps? Just quickly. Clearly there are some baby steps that need to be

taken. Arik Sharon made clear yesterday that everything depends on Palestinian willingness to fulfill their commitments in the road map to disarm and dismantle the terrorist organizations. That isn't going to happen yet.

The first step on the Palestinian side appears to be a negotiation of a cease-fire with Hamas and it looks as if Hamas will go along with that but it's not at all clear that Islamic Jihad, the Tanzim, and the Al Aksa Brigades of the Tanzim are ready to do so.

Nevertheless, what's interesting in terms of the Israeli response to this is, whereas Arik Sharon and his security establishment were very skeptical of this notion between Hamas and the Palestinian Authority, they have now accepted it as a first step and they're willing to give Abu Mazen and Mohammed Dahlan, his Interior Minister, the benefit of the doubt in terms of seeing if this cease-fire can lead to a more effective combatting of terrorists further on down the road. In the mean time they expect that the Palestinians will act against the [Kassam rockets that are being fired from northern Gaza into Israel. If the Palestinians move in there with their security forces, they have capacity in Gaza which they lack in the West Bank, so if they move in there into northern Gaza the Israeli Army will pull out. And of course Arik Sharon will begin the process of dismantling these unauthorized outposts. I suppose some others will become authorized in the process. That is likely to engender a response from the settlers, at least from these young settlers who are renegades, who don't respect the rule of law, who are in these outposts who will I think confront the Army, but the settlers are very much aggravated by what happened yesterday and Arik Sharon will start to feel the heat domestically.

In essence, that's where the rubber will hit the road map. Will Abu Mazen take on the terrorists, especially those that defy his authority or do not respect the cease-fire that he's negotiating, and will Sharon take on the settlers? We will have to see how this unfolds. I suspect in reality that both will do a little bit of what they're supposed to do but not the full amount. Politics will intervene on both sides to constrain them.

Then the question is what happens when there's a real big terrorist attack, which has happened in the past and is likely to happen again. Here is where President Bush has a critical role to play because when that happens he has to intervene quickly and say to Sharon, I want you to hold off and let's see how the Palestinian Authority deals with this problem. Then he's got to get down and deal with Abu Mazen and Mohammed Dahlan and say here are the things you have to do now in terms of people you're going to have to arrest and the effort that you're going to have to show. If they demonstrate 100 percent effort I believe that Sharon will continue to exercise restraint in order to give Abu Mazen a chance to succeed. He wants, I believe, to see Abu Mazen succeed against the Palestinian terrorists. But that will be the critical moment in which if the United States does not use its resources and the personal commitment of the President to move in and get the parties, one party to act, the Palestinians, and the others, the Israelis, to restrain themselves, then the whole thing will come apart very quickly.

What's essential here in essence is the need to maintain the virtuous cycle that was created by the summit yesterday. That means that all three leaders are going to have to exercise

leadership if this is to move forward.

Finally, there is a role for the Arab states in this regard and I have to say I personally was a little disappointed in what came out of Sharm el-Sheikh in that context. Strong statements about fighting terror and cutting support for terrorist organizations are important and welcome, but there was nothing in President Mubarak's statement on behalf of the Arab leaders about the normalization of relations with Israel and reaching out to Israel on the part of the Arab states. If Arik Sharon is expected to confront the settlers he needs to be able to show to the bulk of the Israeli people that something has changed here, not only in the rhetoric of Abu Mazen, because we're not going to see a lot of action against the terrorists in the first phase, but he has to be able to show them that something has changed in terms of the attitude of the Arab states.

President Bush four weeks ago at the University of South Carolina said it's about time the Arab states recognize Israel's right to exist as a Jewish state in the Middle East. There was nothing mentioned in Sharm el-Sheikh by the Arab states about that. It was supposed to be in the statement, the United States tried hard to get it in the statement. It was pulled at the last moment by the Arab leaders and I think that is a sign that at least some of them have not understood that this is a moment in which they have to come forward and act differently to the way that they've behaved before.

I think others do understand it and I've just heard now there's a likelihood that the Jordanians will send their ambassador back to Israel. That's the kind of gesture which I think would be appropriate in these circumstances for the other Arab states.

That perhaps provides a segue for Flynt.

MR. STEINBERG: Before we turn to Flynt let me ask you one question, Martin. I was struck when you mentioned the idea of the virtuous cycle. It seems to me that in some respects that was the theory of the Oslo process and that the conventional wisdom became that rather than creating a virtuous cycle the Oslo process became one that destroyed trust rather than built trust.

What do you see differently now that might produce a different kind of dynamic here?

MR. INDYK: The critical problem with the Oslo process was that the Israelis didn't get security and the Palestinians didn't get the territory they thought they were promised in the Oslo Accords. To answer your question how is this different, in three respects. One is that we see at the beginning of the process that the Israelis are going to start to dismantle the outposts and as the process goes on they have a commitment to freeze settlements. The United States is already talking to the Israeli government about that commitment.

And further on in the road map as part of this second phrase of creating a state with provisional borders that's contiguous, they're going to have to evacuate settlements. So the actual settlement issue is addressed. Oslo was silent on the issue of settlements, it never said anything about settlements. On the security front it's clear, that's up front and center in terms of the

Palestinians having to commit to disarm and dismantle the terrorist infrastructure.

The third factor that's different is that Oslo did not have a monitoring process. There was no formal mechanism for ensuring that both sides lived up to their commitments. And in effect both sides observed their commitments in the bridge.

Whereas now there is an American monitoring mechanism accepted by both sides, that is on the ground, a separate independent mission based in Jerusalem that has the specific responsibility of checking that both sides are fulfilling their commitments and declaring if they don't do it.

So I think in that regard we've all learned something from the problems of Oslo.

MR. STEINBERG: Flynt.



MR. FLYNT LEVERETT: Thank you very much. I want to pick up on Martin's remarks about Israeli-Palestinian dynamics coming out of the Akaba Summit and talk about the more regional aspects of the Administration's Middle East agenda and the degree to which those parts of the agenda were reflected or not reflected at the Sharm el-Sheikh summit hosted by President Mubarak.

I want to organize my remarks around four topics -- regional involvement in the peace process, the war on terror, the domestic transformation in Arab states, and finally, does the Administration really have an integrated strategy for dealing with the Middle East at this point coming out of these two summit meetings.

On regional involvement in the peace process, I think it's fair to say that this is an area in which the Bush Administration fairly early on distinguished itself from its predecessor. The Bush Administration from a fairly early stage made it clear that it wanted, not to say it expected more regional involvement in Israeli-Palestinian peacemaking. They've been actively encouraging and actively engaging moderate Arab states, the so-called troika -- Egypt, Jordan, Saudi Arabia. Of course at Sharm el-Sheikh you also have the Bahraini King Hammad in his role as chair of the Arab League.

I don't want to underestimate the symbolic value of having those Arab leaders gathered with the President at Sharm el-Sheikh and Palestinian Prime Minister Abu Mazen, but it seems to me that as Martin said, the Administration didn't get as much in concrete terms as it probably wanted in terms of the willingness of other regional states, particularly Arab states, to step up to the plate and assume a more positive and active role in encouraging progress between Israel and the Palestinians.

I think the fundamental reason why the Administration probably didn't get as much on

that front as it would have liked stems from what I see as a weakness in the road map. The weakness comes in phase three, the final status phase, when Israel and a newly-created Palestinian state with provisional borders would be negotiating all of these tough final status issues.

The President, as Martin pointed out, four weeks or so ago in South Carolina called for Arab statements that they would be willing to normalize relations with an Israel that was secure in its identity as a Jewish state. For Arab states to do that right now basically means that they are giving up a certain position on an important final status issue, namely the right of return and how the whole refugee issue will be handled in phase three. I think the road map in general in phase three really doesn't offer very much to Arab states by way of concrete indications on how final status issues that are critical to them will be handled. I think it's going to be very very difficult for the Administration to get Arab states to play the kind of role they're calling on them to play given what I would see is that weakness in the road map.

I think Martin is right. We certainly didn't see very much rhetorically out of the statements from Sharm e-Sheikh. I have the same affirmation that Martin does, that the Jordanians are thinking if Sharon does take some positive steps on settlement outposts that they may well return an Ambassador to Tel Aviv and that would certainly be a welcome step. But I would expect that the kinds of steps we might see from moderate Arab states in the near to medium term will be these kinds of tactical steps. Positive, but still somewhat limited in their scope. We're not going to be able to get the kind of broad-based support from the Arab world for this peace initiative that we would like, I don't believe, given the way that we've defined phase three of the road map.

If you look at it from an Arab point of view I think the Arabs would say that they have already stated their willingness to normalize relations with an Israel that was secure in its identity as a Jewish state, and Crown Prince Abdullah's peace initiative which was taken as the basis for the Arab League resolution on this issue in 2002, the Arab states said that they would normalize fully with Israel once Israel had withdrawn completely to the 1967 borders.

The Arab willingness to normalize relations and commit to normalization inevitably tied to certain parameters for dealing with final status issues and the road map, which frankly doesn't give them very much of a basis for taking those kinds of positions, the kinds of positions that the President and the Administration were seeking.

I think another aspect that inhibits, to some degree regional involvement in the peace process is the lack of any meaningful treatment of the Syrian track of the peace process. The road map really makes at best passing reference to the Syrian and Lebanese tracks, making a kind of rhetorical genuflection at the idea of a comprehensive peace, but no one is really expecting any serious engagement on the Syrian or Lebanese track in the near term. I think that to some degree inhibits the willingness of Arab states to step up to the plate in as fulsome a way as they might.

A second set of issues I wanted to talk about was the war on terror. Again, I agree with Martin that we saw some very good rhetoric out of Sharm el-Sheikh from the Arab leaders, very positive statements from the Administration's point of view. But again I think you need to ask the question, how much will these Arab states be willing to do beyond what they're already doing to follow up on intensifying their engagement in the war on terror? There really isn't anything concrete that we can point to at this point out of Sharm e-Sheikh.

I think it's also very telling that at Sharm el-Sheikh there really was nothing said about the issue of how we should deal with the remaining states in the region that the United States has designated as state sponsors of terrorism. I'm thinking primarily of Iran and Syria here.

I think the Administration faces a very serious policy problem right now. They've carried out the war in Afghanistan, overthrown the Taliban, overthrown Saddam's regime in Iraq, but they have these two other important states that they've designated as sponsors of terrorism and right now they don't really have a coherent strategy for dealing with either situation, either Syria or Iran.

I think it's very telling that at Sharm el-Sheikh really nothing was said as far as we can tell about how to deal with those issues.

I was talking to Martin this morning and we noted, we've actually had this tableau before, a President of the United States meeting with key regional leaders at Sharm el-Sheikh to talk about terrorism and the two really significant absences at the meeting were Iran and Syria. This was the cast of characters that came to Sharm el-Sheikh in '96 to meet with President Clinton and it's essentially the same cast of characters that came to Sharm a couple of days ago to meet with President Bush. This is a major gap, an important part of the Administration's agenda that wasn't dealt with, wasn't advanced in any significant way by the President's trip to the region.

The third area I wanted to talk about was the internal reform process, what is popularly being referred to as transformation, particularly for Arab regimes. In contrast to its predecessors this has become a very important part of the Administration's agenda for the Middle East. In part that's driven by the fallout from the September 11 attacks, but I think it also reflects some very sincere inclinations and predilections on the part of the Administration, and I think it does represent something of a leaning curve in American foreign policy, that we're paying a lot more attention to this now and not just simply making a tradeoff, a kind of facile trade-off in favor of stability in regimes that we consider critical to our interests.

But again, I don't think that the President's trip or the events at Sharm el-Sheikh really did anything to advance this part of the Administration's agenda. There really was nothing on internal transformation piece except as far as it related to Palestinian reform as an important part of phase one of the road map.

The President had in King Hammad of Bahrain, he had an Arab leader present who I think in many ways has shown that he is something of a regional leader on some of these aspects

of internal reform. I think it's something that the Administration could have tried to bring into the discussion at Sharm, could have tried to capture in the final statements and communiqués, but I think essentially they punted on this one on this trip.

The fourth thing I wanted to talk about is the possibility for creating some kind of regional framework for the Middle East in the aftermath of Saddam's downfall and related to that, can the Administration pull all these different pieces that it's dealing with right now -- the Israeli-Palestinian agenda, the war on terror agenda, the internal transformation piece -- can it bring all these things together into a genuinely integrated U.S. strategy for this part of the world?

I think there is a very interesting conversation going on right now in the region about how the region might be organized to deal more effectively with regional security, other types of regional problems in the aftermath of the war in Iraq. Certainly I don't want to underplay in any way the importance of the Israeli-Palestinian question on regional publics. That has to be dealt with, it has to be dealt with front and center. But moreso than in the past, I think there is a growing recognition on the part of regional elites that the Israeli-Palestinian agenda can't be the only agenda for the Middle East. There are pressing security problems, pressing internal economic and other problems that have to be dealt with and to deal with them effectively you're going to have to have some kind of regional framework. At its most grandiose you hear this idea expressed in terms of an OSCE-type arrangement for the Middle East.

I think there is considerable interest in the region now for this kind of approach, more receptivity to these kind of ideas than I've ever seen before. But I'm sorry to say I don't really see the Administration thinking seriously along these lines. And I think it raises questions about whether the Administration has really thought through at this point how you pull together all of these different pieces of a Middle East agenda into a coherent framework.

A regional framework, a regional architecture for the Middle East might be a good way to do this. If you could embed our dealing with the Israeli-Palestinian agenda, dealing with the internal transformation piece, dealing with the war on terror, dealing with other regional security issues like Iran's emergence as a potential nuclear weapons state. If you could bring these kinds of issues into a common regional framework I think it would empower actors in the region to deal more effectively with all of these different components of the agenda, and I hope that this kind of approach, this kind of idea will get a better hearing from the Administration than it seems up to this point.

I think that the Administration is at this point going to have to think seriously about how it integrates all these parts of Middle East policy into a coherent whole. Like Martin, I welcome the new engagement of the Administration in the Israeli-Palestinian issue. I'm particularly pleased by the level of engagement that President Bush has displayed and hope that he will keep that up. I agree, it's a very important piece to moving the processes forward. But I think there would be no small irony involved if it turned out that in trying to push the Israeli-Palestinian piece a little more aggressively than it has up until this point the Administration fell into a position that it criticized its predecessor for, namely making the Israeli-Palestinian piece, the

Arab-Israeli peacemaking piece, the be all and end all of its Middle East agenda.

Thanks.

MR. STEINBERG: Thank you for that comprehensive look at some of the challenges.

We were treated this week to, thanks to the miracles of modern technology, quite an extraordinary spectacle of hearing the President in a meeting which even his Secretary of State and his National Security Advisor were not invited into, what the President thought. What it touched off in my mind is, it was not that long ago that Crown Prince Abdullah went to Crawford to challenge the President in terms of his commitment to this process.

Has the President now succeeded in convincing the Arab leaders that he's serious about this? And how does that affect the dynamic going forward?

MR. LEVERETT: I wouldn't say that he has convinced them in a definitive way. He is now certainly doing more of the kinds of things they've been wanting to see him do. The road map is now out and the President is now personally engaged in pushing for its implementation. Those I think from an Arab perspective, from the perspective of the Crown Prince or other moderate leaders obviously will be viewed very positively, but it's still only a few steps down the road that they think we need to go down.

As I said, I think the way the road map is structured, particularly the way phase three handles or really doesn't handle final status issues puts us at something of a disadvantage on that front.

MR. STEINBERG: Part of the wider picture obviously is the future of Iraq and we've been following the debate, how are they doing, how are they not doing. A front page story in the Wall Street Journal today, a pretty in-depth look at some of the challenges that the Administration faces in political and economic reconstruction. What's your take?



MR. KENNETH M. POLLACK: Thanks, Jim.

I want to start with Flynt's last point which is the importance of transformation in the region. It really does start with Iraq. Like it or not, for not perhaps the reason you would necessarily pick to why we start with Iraq, we've started with Iraq. We've got transformation going in Iraq. The question right now is whether we're actually going to bring that to fruition. Again, Flynt's last point, the concern that the Administration may become distracted by the peace process I think is a very real one with regard to Iraq. We've embarked on a process in Iraq and we cannot allow this process to fail.

The other thing that's going on of course, Jim, the last couple of weeks is this question of the weapons of mass destruction. Was the war justified? Which gets to this question of will

history look on this war as being a good war?

I actually think that weapons of mass destruction are irrelevant to that question. That's not to suggest that I think weapons of mass destruction are irrelevant. I disagree with Tom Freedman. I think there is real import, and if you want we can talk about it in the questions why I think weapons of mass destruction are important and what I think about them.

But I think that when history judges this war it is going to judge it based on the success or failure of the reconstruction effort. As I said elsewhere, reconstruction of Iraq is not the icing on the cake. It is the cake. And when we think about what it is that the United States is trying to do, the reconstruction of Iraq is absolutely critical. If we get it right, if five, or more likely ten years down the road we have a stable, prosperous, pluralist Iraq, we will have done something absolutely remarkable and I think it will play in two very positive ways. One, it will say to the Arabs who for so long have looked at the United States and said to us you don't practice what you preach, or at least you don't practice it here. You talk about democracy, you talk about economic reform, and you preach it everywhere else in the world except for here. If we do it in Iraq it will be for the first time saying to the Arab people we care about you as well. We're not going to allow you to continue to wallow in your own economic and political stagnation.

What's more, if it succeeds, we will for the first time have built a new model of what a modern Arab state can be, which is another one of the problems right now. Right now you hear it in the debate even in Washington. The only models of what an Islamic Middle Eastern state can be are on the one hand the current autocracies throughout the region, or some kind of an Islamic state, a la Iran. Something along those lines. Or what Hezbollah has tried to create in southern Lebanon, what the Algerian Army feared would be created in Algeria.

If we can succeed in Iraq we will have created a new model, a third way, something else the Arabs can look at and say that's the direction that we need to go on. On the other hand if we fail in Iraq we will create a vicious cycle. We've been talking a lot about vicious and virtuous cycles. If we fail in Iraq we will simply reinforce to every single Arab that the United States just doesn't care about the Arab world, that we're not interested in bringing political freedom and economic opportunity to the Arabs. That all we care about is when some of their rulers get a little bit uppity and then we go in and we take them out.

By the same token, if that model fails we will be saying to people don't bother with this approach. You are going to have to look back either to the autocracies or to the Islamic republics because that's the only thing that works. So the reconstruction of Iraq is absolutely critical and I am concerned that we may lose focus, that you have an Administration which went into Afghanistan, and before they went into Afghanistan they committed themselves to a major effort. They said we understand that we made a mistake in 1989 in not making more of an effort with Afghanistan. We're not going to repeat that mistake. Unfortunately they have done painfully little to help with the rebuilding of Afghanistan.

Iraq is even more important than Afghanistan and we cannot afford to allow the peace

process or anything else to distract us from the importance of rebuilding Iraq.

Now the nitty gritty. Let me start with the immediate period after the war. I think there is no question that the Administration went into the war itself and the reconstruction phase with quite a bit of hubris. My own conversations with Administration officials, everything the press is digging up, it is very clear the Administration was planning for success. They expected to conduct, and I'm not really quite certain why they did, but they clearly expected to conduct a surgical operation with 250,000 American troops that would simply remove the top level of Iraq's political and military leadership, somehow leaving intact the Iraqi armed forces and the Iraqi bureaucracy. I will tell you that in conversations, what I most often heard was the concern on the part of Administration officials for what we are going to do with these big Iraqi units that we were going to inherit intact the moment they surrendered to us?

The suggestion that in point of fact what they'd probably inherit is empty garrisons where all the people had gone home was something that most of those officials simply didn't want to hear about.

Well unfortunately, that's exactly what we got. And because we had not planned for that, and in many cases because certain key decisions had not been made before the war, a lot of the planning, there was quite a bit of planning, a lot of it very good, astute planning that went on before the war, but it all meant nothing because those key decisions hadn't been taken and because there was such an emphasis on planning for success that no one really wanted -- And I don't want to say planning for failure, because I don't think it was planning for failure. I don't think this was the worst-case scenario, I think it was the most likely case scenario that we got and we got it and we weren't ready for it. The Administration scrambled around, didn't know what to do, ad hoc'd a lot of things, there was one problem after another.

I think in the last few weeks the Administration deserves some real credit. They've made a number of very good important decisions starting with the decision to put Jerry Bremmer in charge of the entire operation. That's not so much a real credit to Jerry Bremmer because honestly I don't know Jerry Bremmer. I've heard from a number of people who do that he is an outstanding organizer, that he is a great manager, he is very decisive, and I would say that in fact what we've seen so far seems to bear out those remarks about Bremmer. But for me the most important thing was the fact that the Administration recognized that the early effort was floundering and it was floundering because there were too many organizations and too many agencies doing their own thing. There was no one place, no one person with authority over the entire operation and a determination to grab all the reins and make the decisions and make everyone work in unison. The decision to do that with Jerry Bremmer was an excellent decision and so far I think Jerry Bremmer's decisions have by and large been good.

I'll point to two others that I think are worthwhile. The first one, the decision to defer the recreation of an Iraqi transitional government. That was absolutely critical. I know we all want to involve the Iraqis as quickly as we can, and what's more, I know there are many Iraqis who are chanting that it should be Iraq for the Iraqis. And I hate to say this because it's really unpleasant

to say, but the simple fact is that the Iraqis are not ready to govern themselves. They are not. No country on earth where we've ever done something like this was ever ready to govern themselves within a month or two. In fact the experience that we've had from other cases over the last 10 or 15 years is that the worst mistakes were made in turning things back over to the local population before they were ready -- organizationally, politically, educationally -- to take on that burden.

If you look at Bosnia, one of the reasons that we are still in Bosnia and Bosnia continues to stumble along was because we moved far too quickly to elections. The elites who were put back in power were the old elites. If you look at the people who were at those early meetings with the Administration officials in Iraq, there as well, it were members of the Diaspora and Saddam's old elites. These people, and many of them were very well intentioned, and many of them are very capable and many of them will do an excellent job participating in a future Iraqi government, do represent the Iraqi people. They were not in many cases known to the entirety of the Iraqi people, and the worst thing that we could have done was to have taken that group of people and turned the government over to them. This is going to be a long-term process.

One of the things that needs to happen, just looking at other cases -- at Bosnia, Kosovo, Haiti, Somalia, East Timor, all these different places. What needs to happen is we need to allow for the emergence of new leaders. People who under Saddam Hussein were suppressed politically or simply so fearful of being killed or imprisoned by this regime that they kept a low profile. They didn't come forward and exert their natural leadership abilities because they were so terrified of this regime. We need to allow for the emergence of those people, of people who do truly represent the Iraqi people and that is going to take time. So that was a very important decision.

I would also say that the United Nations resolution, Resolution 1483, was also a very positive step. It wasn't everything that I necessarily wanted. For that matter, it wasn't everything that everyone inside the Administration wanted, and obviously there are all kinds of people in the Administration who wanted very different things from this resolution, but it was a good resolution. In particular it provides for an entry for the United Nations, both in terms of its bureaucracy and its member states, to play a greater role in the reconstruction of Iraq. It doesn't mandate it, it doesn't turn over the reconstruction of Iraq to the United Nations, but what it does is it creates opportunities and opening where Sergio de Mello can sit down with Jerry Bremmer and start to work out between the two of them how best each of them can harness the resources, the skills, and the other things that each of them can bring to this operation. So far the absence of that big international component has been a real problem for us. We don't have all of the skills and resources that we need. Just an obvious one, but it is the most important, the best, the most obvious one -- Arabic speakers.

We are desperately in need of Arabic speakers. There just aren't enough in the United States of America, there just aren't enough in the U.S. government to do what is going to be necessary in Iraq. Talking to the people. The Americans in particular but also the Europeans who participated in all of these different reconstruction episodes throughout the last 15 years, what they will say again and again is, it is great to have a lovely Swedish cop who knows international

law and is there because he wants to be and wants to help the people of Iraq, but if he can't speak Arabic he's not doing anyone any good. What a policeman needs to do is he needs to be there to respond to the needs of the community, to the needs of the neighborhood where he is policing or in some cases where she is policing. If that person can't speak Arabic they're not doing a whole heck of a lot of good. We need lots of Arabic speakers and that's just the most obvious example of all the things that the international community can bring to bear an which the United Nations, because of the legitimacy that it brings, will be able to help us to harness.

Beyond that there is also the issue of legitimacy. I think by and large the Iraqi people for the most part want to see the United States succeed in helping them to rebuild Iraq. I do worry about our ability to maintain our presence, to remain in Iraq for the amount of time it is going to take as a U.S. power, or even just as part of a U.S.-led coalition. That's the kind of thing that could become illegitimate in Iraqi eyes pretty quickly. On the other hand, having the imprimatur of the United Nations ought to be very helpful. It ought to make it much more palatable to Iraqis and therefore give us the time that we need. So that's also a very important, very progressive element of what the Administration has done in the last few weeks.

It's not been a perfect track record. I would actually argue that the disbanding of the Iraqi army was not a very good decision. In fact I think it was a terrible decision. I understand why the Administration did it and I think they did it with the best of intentions, but I think it was a mistake. I put it in very simple terms. You were taking somewhere between 400,000 and a million Iraqis who have no skills except how to use a gun and turning them loose on the street with no visible means of support.

Now truth to tell, many of those guys were not in uniform. Many of them were not hanging around any longer. Many of them were already moonlighting or had already gotten themselves new jobs. They're not the problem. Inevitably, though, there will be several hundred thousand Iraqis -- again large numbers of the officer corps in particular, with no saleable skills, with no economic skills, who were dependent on the military and the only thing that they have to offer people are their military skills, both in terms of actual fighting, but also in terms of leadership and organization.

I look at Russia, and I look at all of the former spietznas and other Russian special forces who are now the foot soldiers of the Russian Mafia and I think that this probably was not the best thing for us to do. I would have much preferred to have the Administration instead try to bring Iraqis back into their units, into their garrisons, feed them, clothe them, find them things to do like rebuilding Iraq's infrastructure, bringing in the harvest, etc., etc., then begin job retraining programs to that when these guys were finally demobilized they had something else to do other than to show up at the door of the local Sheik or the local Mullah and say do you need another guy who knows how to fire a Kalishniiov? Certainly that's not something that Iraq needs.

But for me, the bottom line, the biggest thing that is still remaining out there and what will make or break the success of this reconstruction is whether or not Jerry Bremmer, Sergio de Mello and the Bush Administration can develop a plan. It's the one thing that is still lacking. A

road map, if you will, of how we get from where we are to where it is they want to be. For me it's still a little bit unclear as to exactly where they want to be. I'd like to see them spell that out as well.

But right now there is a critical problem in that we don't have an articulated plan of what this process is going to look like, how it is that we are going to set up an interim authority. Who's going to staff it, what its responsibilities are going to be, how it is going to be organized, how Iraqis will be brought into that Interim Authority as they inevitably will be, and how that Interim Authority will create an Iraqi process for building a follow-on government.

This gap is critical for two reasons. First, it continues to mean that the U.S. progress is somewhat discombobulated. There is discontinuity. Because there is not an overall road map of where it is that we're supposed to be going and how we're supposed to do it, a lot of the decisions that are being made, even though many of them I think are much better now than they were a month ago, still have the sense of being ad hoc'd. That's a problem for us but it's also a problem for the Iraqis. Right now the Iraqis do not have the sense that we know what we're doing and they see the United States making decisions on an ad hoc basis. And they wonder why we make some decisions and not others. They wonder why we have reversed ourselves on other decisions.

They do not know what it is that we have planned. That uncertainty is critical under these circumstances and it leads to tremendous fear in Iraq. It is why so many Iraqis are terrified that Saddam Hussein is going to come back. They're afraid that he's going to come back because they're not convinced that we're going to succeed because we have not explained to them what it is that we're going to do, how we plan to make this process work. And until we do that, they are going to remain terrified. They're going to remain fearful that our process will collapse or we won't be willing to put in the effort and we're going to leave, and under either of those circumstances, the Iraqis will find themselves either with Saddam Hussein back or what might be just as bad, a situation of chaos. That too is a problem for us because that is what is feeding these Shia clerics, these tribal sheikhs, these self-proclaimed mayors of different towns, all of these different opportunists who see the political vacuum that we have created and they're trying desperately to fill it. To try to jump in, stake a claim, grab as much as they possibly can.

Most of the Iraqi people, if you read what the reporters are saying, if you talk to people coming back, if you talk to the Iraqis themselves, what they are saying is we don't dare simply dismiss these people because we don't know if at some point in the next few months we aren't going to have to go back to them, hat in hand, desperate for them to protect us and feed us. And until the United States lays out how it is that we're going to make sure that process succeeds and that those people will not have that responsibility, I don't think any Iraqi is going to be willing to take that risk.

MR. STEINBERG: I'm going to resist the temptation to ask you just where Saddam is right now. [Laughter]

As we turn to the questions I also have to note the delicious irony of the fact that after so

much criticism of the Administration for putting Baghdad in front of Jerusalem, our panel is now saying that the greatest danger that we now face is putting Jerusalem in front of Baghdad.

[Laughter]

There is a great tradition where I come from that Barry gets the first question.

QUESTION: I can't remember which expert -- It was either Telhami or Richard Murphy I talked to the other day who had a good point. He said he thought that Bush would welcome distraction from Iraq, Iraq is such an awful problem. He's happy to deal with the Arab-Israeli conflict. [Laughter]

The OSCE, I wonder if this will be permitted to be in the European Division? That's just a joke. [Laughter]

Martin, I don't know that anything has really changed. Yes, Arafat said the magic words in '88 that George Schultz wrote out. Remember the Groucho Marx cartoon that Herb Lock did so brilliantly. Unless he was renouncing tourism. I've never been sure. But he did renounce terrorism, I guess. [Laughter]

Your reasonable expectation of another major act of terrorism and your prescription for dealing with it troubles me because it sounds like the old days. You would go to Abbas and say, the Administration would go to Abbas and say what are you going to do about this? It strikes me if anything has changed the question would be how did this happen? How come you didn't have a cap on these guys? That's my question for you, and I have a question for the gentleman who is late of the NSC.

Powell you see. He's up front, he's visible, he's active, he speaks, he says words, I even understand them. What is Rice's role in this thing? Martin touched on it briefly. Bush the other day or yesterday said Powell and Rice will, he said ride herd, but Rice will be deeply involved. Martin said she might be running the oversight group. What do you see her contributing to all of this?

MR. INDYK: I think the answer to your question, Barry, is that that will be appropriate when the Palestinians have the capacity, in terms of restructured and retrained security capability in the West Bank, to take on the terrorists. They don't have that capacity at the moment. It's the single biggest problem that the road map is facing.

The President yesterday said that we're going to go in and help them to restructure that security capability. And that's very important. People forget that we promised to do that a year ago and Flynt can tell you all the reasons why it didn't happen, but it didn't happen.

Now we have to do it with Egyptian and Jordanian help. The question then is what happens in between times before they have the capacity? There the Israelis are giving you an answer. The Israelis from Sharon down are saying what we need to see is 100 percent effort.

This is an old formula, you will remember. But it's the Israelis who are saying it now which is the interesting point.

What they want to see from Abu Mazen is 100 percent effort. And they're ready to count as part of that 100 percent effort a cease-fire with Hamas which is also a turn-around for the Israelis who three weeks ago were saying this is all a trick because the cease-fire will not dismantle the terrorist infrastructure, Israel will be under pressure to withdraw the army, and then Hamas will attack again.

So what we've got here is a willingness on the part of Sharon and his Defense Minister and his Army Chief of Staff to give Abu Mazen the benefit of the doubt and to test them first of all in kind of bite-sized chunks. Let them take control of northern Gaza and stop those rockets from being fired into southern Israel. So that's what I'm saying.

If the big terrorist attack comes, God forbid, it's a question of how they act. What kind of effort will they undertake? Will they go out and arrest people? Will they go to Hamas and confront them and make it clear that Hamas is responsible, this is unacceptable? Will the people that they arrest be interrogated? And will they act on the information? Will they be kept in jail or will it become a revolving door again? All of these things become tests of the seriousness of the effort. That's what has to be done.

If the Israelis see there is a real effort then I believe that Sharon will be prepared to continue to exercise restraint because he wants to see Abu Mazen succeed. It's basically a time-buying operation until the capacity is there to actually go ahead and disarm and dismantle the terrorist organizations.

How will that happen? People say well the Palestinian Authority is never going to be able to do that. That will generate a civil war. The theory is that along the way the Palestinian Authority will gain credibility from the process, from the Israelis, relieving the pressure on the Palestinian people. The Palestinian people will come to support the Authority and oppose a return to terrorism. That will create the environment in which Abu Mazen will be able to fulfill the very strong commitments that he made yesterday. But will it work? One has to suspend judgment at least if not be skeptical given the track record that we've seen over so many years.

MR. POLLACK: Before I answer your question about Dr. Rice's role let me just add a little bit to what Martin was saying. The reason, Martin is right. There's been an agency plan on the books to oversee a restructuring of the Palestinian security apparatus and a renewal of Israeli-Palestinian security cooperation form essentially for a year. The reason why it hasn't been put into effect really has been Yasser Arafat.

The plan calls for the agency with help from the Jordanians and the Egyptians to provide training to new cadres of Palestinian security personnel, but it also is supposed to bring about a rejiggering of the line and box chart of the Palestinian security services. So you streamline down from the 10 or 11 or however many it has been, down to three and they're very clear lines of

authority for those three services that make them no longer the personal purview of Yasser Arafat.

Basically we haven't been able to achieve any progress on that up until now. Arafat has blocked it, we've had a couple of Interior Ministers come in and neither one has been empowered to do anything on the restructuring. It's basically meant that the whole effort at the CIA and Egypt and Jordan hasn't been able to move forward. Now that we have Abu Mazen in place and we have Dahlan on the scene, the Palestinians are telling us now they're ready to restructure the services in the way that the plan calls for, so hopefully we can get off the ground with it.

I agree with Martin, there are all kinds of reasons for caution and even skepticism about how well this will work, but at least now we have with Abu Mazen's appointment the conditions we need to get started.

On the issue of Dr. Rice's role, I actually was relatively encouraged by the remarks the President made about the role she would play. You'll remember, you were along on the trip, that the Secretary made, Secretary Powell made to the region in April of 2002 right after the President's April 4th speech. The perception at least was that Powell went out with what he believed was a mandate from the April 4th speech, but really there are important players in the Administration back home who didn't support more robust engagement. In the end the White House wasn't willing to bite the bullet and overrule those players and Powell was received as having had the rug pulled out from under him, frankly.

What I hope is that because Dr. Rice is going to be playing this role with the President's public endorsement and mandate that it means that the White House and the State Department are going to be operating in synch on this and are going to be perceived as operating in synch on this.

MR. STEINBERG: Let me ask as we go forward for short questions and short answers.

The person who clearly has second priority for questions is the only person who's both Martin's and my predecessor in the audience, -- [Laughter]

QUESTION: Martin, little has been said about Israel politics so far.

MR. INDYK: That's because I was waiting for you to ask. [Laughter]

QUESTION: I detect in the press at least an uprising led by our old friend BB in the Likud Central Committee coming up very shortly. And one of the major issues of how to empower Abu Mazen is how much Sharon will do to make life better quickly for the Palestinians which is a real political issue for the Likud folks and for the army. How do you see the politics in the Likud and what's going to happen with Sharon's ability to deliver his side of the bargain over the next six or eight weeks?

MR. INDYK: It's a very good question and I would just give two indicators of the problems brewing for Sharon. The first is, as you mentioned, Netanyahu. Sharon invited him to Akaba and he chose not to go. He did not vote for the road map in the Cabinet. The rivalry between Sharon and Netanyahu, for those of you who don't know, has been there for many years. It's intense. And Sharon stole a march on Netanyahu just recently by giving him responsibility for the Finance Ministry and therefore the poor state of the economy. I think BB is waiting for the opportunity to pay him back. [Laughter]

This will be a good one because BB can rally the right around the very things that Sharon is now promising to do. Dismantling outposts, freezing settlements, supporting a Palestinian state. These are all things that are anathema to the right wing and I think BB will seek to play on that.

The other indicator of trouble brewing was Avigdor Lieberman who is leader of one of the far right parties who said two days ago that dismantling the settlement outposts was tantamount to launching a civil war, which is code word for indicating it's like a shot across Sharon's bow that there is going to be serious trouble from the right wing. Avigdor Lieberman is usually allied to BB, and I suspect they are allied in this case.

So yes, you're absolutely right. We're going to see the right wing reaction. It started with a simple demonstration yesterday. Interestingly, only 10,000 out there. The settlers are quite capable of bringing 100,000 out when they really mobilize so they're not yet mobilized and I suspect that they're acting warily at the moment because they're dealing with Sharon. Sharon is the Godfather of the settler movement. He has a lot of credibility on the right and he is very adroit politically.

He managed to corner the right wing parties and get them to go along with the road map and stay in his government and that's because they fear that if they leave the government he will bring in the labor party and rule without them. He already has a coalition in which the religious parties, the main religious parties are out of it, which is in its own sense a story. The National Religious Party which is the only religious party in the government is now talking about leaving but that would be a pyrrhic gesture. They would achieve nothing from that. They're certainly not going to stop Sharon that way.

So I think it is going to play itself out. Sharon the politician is going to respond to this right wing pressure by pulling back from where he was yesterday. That would be natural for him in these circumstances. And whether he stays the course will depend entirely on this virtuous cycle that I was talking about. Will Abu Mazen do his part which will give Sharon the justification for saying we have to go ahead with our commitments. And will Bush stay the course and make it clear to Sharon that he's serious about living up to these commitments which both give Sharon the explanation to his right wing, I'm doing it because the Americans are insisting; and elevates Sharon the statesman over Sharon the politician in terms of his commitment to the United States and the importance of that to Israel's well being.

So I think what we're going to see is this kind of dynamic play itself out and it really will depend on how each of the leaders demonstrate their leadership, not just Sharon.

MR. STEINBERG: Just so you don't think the moderator doesn't have a difficult job here, I have to pick who to call on, and the natural next is Ben --

QUESTION: Thank you.

Yasser Arafat gave an interview the other day to the newspaper Marris in which he promised that he would not interfere with the negotiations and the plans of Abu Mazen a.k.a. -- oh, never mind. [Laughter]

Can we believe Yasser Arafat? Is he ready to hang it up and accept marginalization?

MR. LEVERETT: I somehow don't think that represents Chairman Arafat's final position on that question. [Laughter] From his mouth to God's ears I hope it's true. I would love to be proved wrong on this. But no, I don't think we've heard the last or necessarily seen the last of efforts by the Chairman to undermine Abu Mazen. I think he will be very opportunistic about it. If we don't manage to maintain the sort of virtuous cycle that Martin has described and the process gets into trouble and Abu Mazen is being pressed to do very difficult things in an atmosphere in which Palestinians don't seem to be getting much out of the process I think that atmosphere would be ripe for Arafat trying to stage a come-back.

MR. STEINBERG: Mr. Ambassador?

QUESTION: As representing the Arab League I have a few comments to make since you're discussing Israel pertaining to the Arab world.

First of all on the question why the Arab leaders were not more forthcoming on the question of normalizing with Israel at Sharm e-Sheikh. My understanding is they mentioned in those meetings that their position on normalizing is [inaudible] on the Arab Peace Initiative which is based on the [inaudible] peace and a quid pro quo, and they said we are ready to move on that but provided that as a minimum Israel should withdraw to the pre-2000, September 2000 lines which started when the Intafada broke out. So this is the position.

I think what is so important for the Arabs is not just statements by the Prime Minister of Israel but to see some complete change on the ground, mainly on the question of withdrawal of troops. So this is one question.

The other thing is, you talked about with regard to the Arab perspective, is the regional perspective, and I think this is very important. I think to succeed on the Palestinian question we should not forget that we need also a comprehensive approach in the region. This is that we cannot bypass the Syrians and the Lebanese. So we need maybe from now to think about a

parallel track where we can engage the Syrians and the Lebanese. Otherwise you know how these two tracks affect each other and undermine each other so this is very important.

Then you said there is a lot of thinking now about what to do with the region as a whole and I think this is important. I feel the United States is very often dealing with countries in the Arab world individually and it is not enough giving importance to the region as a whole. Not only politically. Economically for instance. You have this initiative now by President Bush of a free trade zone in the Middle East. There is already within the Arab League, the 15 member states of the Arab League, a free trade zone. Why don't we join the two, for instance?

So there should be I think a comprehensive approach to the region. And already today, you mentioned revising the Arab structure. There are meetings called not by Arab officials but by Arab intellectuals to meet soon within the Arab League and propose to the next summit meeting in Tunisia, next March, a series of proposals aiming at restructuring the whole Arab system.

So why don't we from now, from the American perspective, to get more involved in that, to present maybe ideas to see how we can work together on this to have a more effective, new regional order?

Then lastly on the question of Iraq, I think the United States up to very recently thought it could do it alone in Iraq. Then I think it was a good development in the United Nations, the adoption of the latest resolution where the United Nations became involved in the reconstruction. And you have now de Mello there who I know personally, who is a greater man, who has a lot of experience in reconstruction and so on. But I think we should also think about getting the Arab world involved in that. They have been kept away from that so far. Most Arab countries have good ties with political parties, different factions in Iraq, and I think it's about time that we have again the Arab sides get more involved in trying to help and maybe set up even a new government. Already there are some companies working as contractors with American countries from the Arab world, but I think it's not enough. I think in the political process we need the Arab world to be more involved and more assertive.

MR. STEINBERG: Quick reactions by the panel?

MR. LEVERETT: I agree, the United States needs to have a more regional approach. I think part of that is the United States dealing with the Arab world as you talk about, but I think it's also important that we think beyond the Arab world, and with all due respect to the Arab League, think beyond the Arab League. The Arab League is an organization formed in the 1950s, in its charter it is explicitly opposed Israel and Western colonialism. I think now it's time to think about regional structures that will incorporate not just the Arab states but the key non-Arab players in the region - Iran, Turkey, and Israel.

QUESTION: My name is Jeffrey Winagrette. I edit a newsletter called Focus Israel here in D.C. I have two quick questions.

Based on what you've all said about Iraq, I'll be serious where maybe Barry was joking, is Israel being used as a diversion by the Administration, number one?

My second question is, given the history of the CIA involvement in training security services plus Egypt, how can we expect Israel to trust the CIA and Egypt?

MR. INDYK: I would give the Administration, the President the benefit of the doubt that this is not a diversion. This is an effort to take advantage of an opportunity that exists. An opportunity that exists as a result of the change in the strategic context because of the toppling of Saddam Hussein and an opportunity that exists because of the exhaustion of the Israelis and the Palestinians and their interest in seeing a change to the Intifada.

However, it may have the unintended consequence of taking the Administration's focus away from Iraq and that's what I think we've all been warning here about. That would be a mistake.

Those of us who said Jerusalem before Baghdad I believe said Jerusalem and Baghdad, not Jerusalem before Baghdad. That's the way it still needs to be.

As far as the trust with the CIA, the reality is that Israel does trust the CIA. The CIA has operated very effectively in its efforts to work with the Palestinians and the Israelis. It's worked in a transparent fashion with the Israelis. The Israelis as far as my own experience have no problem with the CIA. They're happy to have the CIA play this role.

MR. LEVERETT: I think the Israelis did always trust us, but I'm glad to have Martin saying that and not just me.

MR. POLLACK: I actually suspect, what I hear from friends, people who do speak to the President at least on occasion that it's in fact the opposite of what you're suggesting. It's not a distraction from it, it's that the President wants to prove his critics wrong. All of us who said start here, then move there, I think he's trying to demonstrate that no, this was the right way to do it. Now that I've gotten rid of Saddam Hussein, now the peace process is possible. It's not a particular informed opinion, but that's my sense.

QUESTION: Miles Benson, Newhouse Newspapers.

I wanted to ask you, because we saw a poll yesterday from the Pew organization about public opinion among Arab states that suggested large majorities in those states believe that the continued existence of the state of Israel is incompatible with Palestinian rights and interests. The question I had is whether Arab leaders can get too far out ahead of that public opinion and how malleable is that opinion on the Arab street?

MR. LEVERETT: Yes, there is a risk that they could get out too far ahead. I think that's part of the reason you see some of the reluctance to go as far as the Administration would have wanted them to go at Sharm. I think it is malleable in the face of a new reality. But it also underscores, the particular question you highlighted underscores the urgency of dealing with this Palestinian issue for the regional context.

What I worry about is if we are not able to achieve a two-state solution in something like the timeframe envisioned by the road map. That after that, because of the pace of settlement activity and the increasing division and partition of Palestinian areas, it will be effectively impossible to achieve a two-state solution. At that point Israel is left with some extremely unpleasant, not to say unpalatable choices about how it proceeds in the future.

I think that it is critically important for those who care about Israel and for those who care about U.S. interests in this part of the world that a two-state solution be achieved at some point within the next three or four years.

MR. STEINBERG: Let me thank the panelists for an enormously productive and interesting discussion. I apologize for you that we didn't get to. To paraphrase the expression which may be relevant, next time in Falk. [Laughter]

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