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A SABAN CENTER FORUM

THE NEXT DISENGAGEMENT

PRESENTATION BY

MAJOR GENERAL (RET.) UZI DAYAN

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P R O C E E D I N G S

MR. INDYK: Good afternoon, friends. Thank you for joining us at the Saban Center at Brookings. Please start your lunch and we will eat through the presentation in more ways than one.

I'm very glad to have the opportunity to have General Dayan speak to us today. He is a man who has very deep experience on national security issues in Israel- first through a very distinguished career in the Israel Defense Forces where he held a number of critical positions from the Commanding Officer of Central Command - which deals with the West Bank and beyond - to the Head of Military Planning, to Deputy Chief of Staff. And then when he left the armed forces, he took on the role of National Security Adviser, which was not an easy task I think in terms of defining that role. Were you the first National Security Adviser?

MR. DAYAN: The second.

MR. INDYK: In that role he played a very important part in developing the ideas behind the concept of separation, the building of the fence barrier in the West Bank, and the concept of

disengagement from Gaza. And it's in that context that he has taken his ideas to the next step with this new proposal for where Israel should go after the Gaza disengagement.

He is in many ways, I think, first off the block in terms of proposing ideas for the Israeli public to deal with in terms of where the country should go next with its national security agenda, and so I think it's a very important opportunity for us to hear his thinking in this regard.

He will speak to us, and I just wanted to let you know that his plan that he's going to talk about today, the Tafnit plan, we have copies out in the reception desk if you want to pick up a copy on your way out. Thanks very much for coming.

MR. DAYAN: Thank you very much, Ambassador Indyk. I thank all of you for having me here. You know, in the Middle East if you're invited to such a lunch, you have to check very carefully whether your name appears on the list of the guests or if you're a part of the menu. So it's a pleasure to be here

as a guest and as a part of the menu as well. Bon appetit.

Let's start with our plan. As usual, we are at a crossroads. It has been several years that we are in a very decisive period of time in the history of Israel, but I should admit that here we have a special case because after the implementation of the Gaza disengagement plan, there is a unique opportunity to move forward or to get stuck again.

Two main concepts in Israel actually collapsed. One was the "greater Israel." Leaving Gaza has shown that there is no more concept of greater Israel. On the other end, this disengagement from Gaza wasn't in the way of "land for peace." So we need at least a policy to go forward with, and this is what I am presenting here.

Let's go first of all through the [inaudible] factors. I think that by now almost everybody understands that it is impossible to reach a full agreement, a permanent status agreement between Israelis and the Palestinians. There are four main issues on the agenda, borders, the status

of Jerusalem, the refugee issue, and not less important, the security arrangement.

Terrorism continues to be a strategic threat and it's pretty obvious now that Abu Mazen, who is not Yasser Arafat, can't deliver. Actually, most Israelis are beginning to be sick and tired of this discussion- whether Palestinians can crack down but they don't want to do it, or whether they want to do it but they can't deliver it. The fact is that terrorism continues and the only way to make any progress is to fight terrorism effectively. There is no trust, especially because of terrorism, but there are other issues, and I think that the trust between the Israelis and the Palestinians continues to turn to zero and as time passes there is less and less trust.

Still, demography is working. Let me describe to you the Israeli dilemma and the Israeli historic decision from a pretty personal point of view. By the year 2001 and 2002 I was the National Security Adviser of Ariel Sharon. At the beginning of 2002 we had a weekly working meeting in

Jerusalem, and he started by addressing me and said, "People told me that you are very involved and interested in demography. Can you tell me exactly what demography has to do with national security?" A good question. I said, "What are we doing here, Mr. Prime Minister? We are building a Jewish democratic state for the Israelis, for the Jewish people, for our children to come, and the only way to be a Jewish democratic state is to retain a Jewish solid majority within Israel only through legal and moral measures and means. If not, it's not Judaism and it's not democracy either."

So here we have to make up our minds because right now it was the year 2002, and I said that we are about 10 and a half million people between the Mediterranean Sea and the Jordan River. By the year 2020, I continued, we are going to be almost 15 million people, and only 45 percent of them are going to be Jewish. Not such a dramatic change, by the way. Now the percentage of Jews between the Mediterranean Sea and the Jordan River

is about 52 or 53 percent. So we have to make up our minds about it.

Then he said, "How do you make this calculation? Why don't you count, for example, 60 million Egyptians?" I said, "Look, Prime Minister, while we are talking there are 71 million Egyptians, and the reason that we can kind of neglect 11 million people, it's because between us and Egypt there is a borderline, so it doesn't pose a direct threat on my democracy." So Sharon became really worried and said, "I see. You are not only going to deal with demography, but with borders as well."

So I didn't have a chance to convince him in those days that the Israeli strategy should be to disengage from the Palestinians and to agree to decide about our borders - even if we don't have a partner - in order to protect the essence of the Israeli existence, being a Jewish democratic state, and the only result of this meeting was that the disengagement between Prime Minister Sharon and myself had begun.

[Laughter.]

MR. DAYAN: But it seems that something happened and most Israelis now are pretty much convinced that the only way, at the end of the day, to continue to be a Jewish democratic state is to disengage from the Palestinians. If we are not going to do it with a territorial compromise, we are going to end up very quickly being a bi-national state, and most Israelis think that this is a kind of a [inaudible] situation. And this is why when Sharon planned to disengage from the Gaza Strip, it was so supported. I supported it very much. I think it was a step in the right direction, but let's talk about the direction.

Not everybody in Israel agreed about it. This is the question. I mean, there is a minority, but a big minority that doesn't think this way, and even if they understand that demography is working, they don't think that we should disengage from the Palestinians and make such a big territorial compromise, and one has to take this into deep consideration.

There is of course, let's say the American position, which is in a nutshell: Two states for two people, arriving to it in a bilateral way, not by a unilateral measure, and to discuss it and to try to arrive to a compromise or to an agreement based on the Roadmap. So this is the influencing factor, and based on it here is my plan.

First of all, we have to continue to fight terrorism. I said before that the only way to make any progress is to be effective in fighting terrorism. Being effective in fighting terrorism means a complete construction of the security fence, not because high fences make good neighbors. I agree with Robert Frost that high fences do not make good neighbors, but at least it keeps some of your neighbors alive, and I'm pretty sure that if Robert Frost has as his neighbor some terrorists and not just irritating New Englanders, he would buy such a fence around his property as well.

Israel will continue to fight terrorism anywhere- I'm saying it based on the discussion in Israel regarding whether we should react to

everything, to every terror attack or not. The only way is to fight back. Israel will demand the Palestinian do so and also apply the rule of law, but I'm not that naive and I'm not going to rely on the Palestinians to do both of these missions.

The general framework that I introduced is a 3-year disengagement plan. In these 3 years we are going to plan very carefully another redeployment in the West Bank. We have to take into account the lessons learned from the Gaza disengagement plan, leave enough time, and have permanent status negotiations with the Palestinians.

MR. INDYK: I'm sorry, is that within the 3-year period?

MR. DAYAN: Within the 3-year period of time, yes. If we achieve any agreement, full agreement or even a partial agreement, we'll implement it, and if not we're just going to implement it unilaterally and call it an initiative-the disengagement, with as much coordination with the Palestinians as possible.

The redeployment in the West Bank will be along a line which will be demographic, or let's say according to a secured perimeter, which will let us provide security to the Israelis and at the same time be a demographic line that protects the essence of this existence. It has to be a very careful demographic process. What I'm suggesting is that it will be an issue in the coming elections, and later on the Knesset will have to approve a plan of disengagement from the Palestinians, and from that point of time we start to count the 3 years.

The map of this disengagement line, and I'll go right away to the map, this is the '67 line. This line is the security fence, Gush Etzion, Jerusalem, Ariel, up to the north. The idea here is to redeploy along the security fence with two exceptions. One is El Halil Hebron [ph], and other one is the area here, route number 443. And actually there is a third one here which is Ofra and Beit El. This is the western side.

The eastern side, it's the Judean desert and the Jordan valley as wide as possible. Why?

Because it's good for the security and doesn't pose a demographic problem. You don't continue to rule Palestinians here. And three, being frank with you, it leaves Israel some cards for further negotiations. Which means this is a plan which its position is that we do what is good for Israel, we leave an open door to have permanent status negotiations, but we implement it even if there is no agreement after 3 years. I truly believe that if we would have negotiated the Gaza disengagement, we would have still stayed there now.

The permanent status negotiation is not fully unconditional. I'll go very quickly over the main principles of it: Israel is the only state of the Jewish people and I should say the Palestinian state of the Palestinian people. If they want to have another state, it's not my business. The right of return will be for the Jewish people to Israel and for the Palestinians to Palestine. The permanent status border will be based on three parameters and not only one, and this one is taking into account the Israeli security needs, the

demographic situation, and the '67 line. In other words, it means that I don't see Israel in the future going and evacuating 240,000 Israeli settlers, and this is why my map, let's return to the map, gives to the Palestinians about 70 percent of the West Bank even unilaterally, and it means that we have to evacuate 32 Israeli settlements with almost 21,000 people. This is about 10 percent of the Israeli population in the West Bank. And the number of Palestinians who will stay under Israeli control after this redeployment is less than 3 percent, about 60,000 Palestinians, and actually two-thirds of them are in that area south towards 443, right here. So I think that we are able to find arrangements that we won't have really to rule those people.

The fourth principle is that the Palestinian state will be demilitarized, the fifth one is that I just keep the status quo in Jerusalem, and the last principle is that the permanent status agreement will be an end of conflict with no more claims.

We have to take care of economic arrangements even if we don't have an agreement. One, I think there is a joint interest for both sides for the Palestinian economy to be successful and independent as much as possible. The security fence will constitute an economic border which means crossing points, et cetera. Each party will have an independent policy regarding customs regulations [inaudible] standards and import taxes. And finally, I'm not talking about separation, so the movement of labor will be allowed through those lines.

We have to take care of movements here. On the map I'm talking about the passage between West Bank and Gaza, and I'm talking about free passage between the northern part and the southern part of the areas which are under Palestinian control including Jericho. I'm talking about this arrangement even unilaterally which means even if we don't achieve an agreement I think we should take care of free movement of Palestinians between the Palestinian areas and the West Bank.

By the end of the 3-year period of time, any agreement that will be reached, I didn't say here the purpose, I didn't say a full agreement, will be implemented. If not, Israel will implement a disengagement plan as coordinated with the Palestinian Authority as much as possible and we'll treat the disengagement line in most respects, every word counts, as it were a borderline. In other words, I'm not going to annex the areas which are under Israeli control because I don't want to close the door on possible future arrangements.

The Israeli plan, this Tafnit Plan, I think is responsible and is realistic. One of the main advantages is that we can implement it even if we don't have [inaudible] I think it's a big advantage because I don't think that we can achieve a full agreement with the Palestinians in the coming years, and on the other end, I don't want to freeze the situation. I think it's a very effective counterterrorism plan. It's good for the security in Israel, but it's also a good plan to fight terrorism everywhere.

Finally, I view this plan as a kind of extended Roadmap. Without this plan, I'm very much afraid that the Roadmap will go into a dead end. It's not an agreement, we are not talking about a peace agreement here, but we are talking about a plan that can build a kind of coexistence between Israel and the Palestinians, and for that reason, very much regional stability.

Last word, I will tell you another story. I was very much in favor of initiating the disengagement even before Camp David. I was the Deputy Chief of Staff in those days and Barak as the Prime Minister went into a take or leave it, everything or nothing agreement. There are some people here who can tell you maybe better than I can about what went on in Camp David. I wasn't there. I didn't like this move, not because I didn't think it's a noble goal, but because I didn't believe that we are going to achieve an agreement.

I asked Prime Minister Barak and said, "You are going to achieve an agreement here?" And he said, "Honestly, I don't know." I said, "If not,

what are you going to do? What are we going to do?" And he said, "In this case we'll expose the real face of Arafat and we'll have to fight or to insist on our core values." I said, "Look, Prime Minister Barak. I didn't say Prime Minister. We don't say it in Israel. I said, look, Ehud, there is a real big bag in your plan, and I said don't expect the rabbit in your laboratory to praise you and to cheer us when the experiment succeeds and the whole lab goes in flames." And we are kind of in this situation now.

So after saying everything that you don't like in this plan, I think maybe that this is the best fall-back position of every other plan which won't succeed. I tried very much to convince Barak to build an exit, a safety net for that, for his plan. And I said we are going to need it- the Israeli people, Palestinians, President Clinton that you are taking for a nice ride over the edge. We need an exit, we need a safety plan. My safety plan was the initiated disengagement. I didn't call it

separation because separation is divorce and apartheid in one glass.

Think about this plan at least as a safety net, as an exit to the situation that we are going to be facing in the coming years in which the Palestinians are supposed to fight terrorism effectively, and finally we are going hopefully to achieve a full agreement. If it won't happen, we need this exit, this safety net very much, and if we are not going to prepare for it now, make it an issue in the Israeli elections, introduce it today to the Israelis, introduce it here, and if we are not going to prepare it very carefully, we'll be left just with another wave of terrorism and another, maybe a third *intifada*. And, finally, we'll return to this unavoidable plan with many fewer chances to implement it because what we can do today even unilaterally we will not be able to do in 10 years from now. Thank you.

MR. INDYK: Thank you, Uzi. Could I get you while we're having the discussion to put the map

back up there so everybody can have a chance to see that as we discuss it?

I think your last point is a very powerful one, but I wonder how you would respond to what I see as a basic kind of contradiction built into your plan. You start by talking about the lack of trust, but in order to reach a permanent status agreement, which you say is going to be ongoing while Israel is developing this plan for disengagement, you need to rebuild the trust and there seems to be a built in contradiction, tension, between the process of rebuilding trust in order to achieve a final status agreement and the process of planning for disengagement, which is unilateral.

So I wonder how you resolve that in your own mind. I find it very hard to see how you can pursue two tracks at the same time when they are so divergent in terms of process- one is unilateral and one is bilateral.

We saw a very good example of this in Gaza when Arafat died. There was an opportunity to convert a unilateral process into a bilateral

process and there was all this talk about coordination and so on, but in effect, unilateral was what determined the actions and there was in fact very little coordination. I think opportunities were missed for rebuilding trust and opportunities were missed for reaching agreements which would have required the Palestinians to make commitments. Even if fulfilled in the breach, they nevertheless would have been commitments on the Palestinian side.

The essence of bilateral negotiations was this bargaining in which Israel gave up territories in exchange for peace commitments. The essence of unilateral is Israel giving up territories and settlements, but nothing on the Palestinian side. I recognize that this is the critique that's made by the right wing of Sharon's disengagement plan, but I still think it's necessary to answer that.

MR. DAYAN: Are you trying to say that we missed an opportunity to achieve an agreement because we unilaterally disengaged from Gaza?

MR. INDYK: Absolutely. You could have had an agreement over Rafah, for instance, over the passages with Abu Mazen, which even if he wasn't capable of implementing it, he would have been able to go to Hamas and the warlords and say we made this commitment and now we have to keep it. But there's no commitment, so what is he supposed to be policing?

And where are you left after the disengagement, this disengagement, in terms of any chance of negotiating an agreement? Aren't you actually driving towards your own cliff, which is a two-state solution in which, on the one side, you have a robust Jewish demographic state behind a very high wall, and on the other side you have a failed state which is going to be highly problematic for Israel and Israel's security- I should say a failed terrorist state?

MR. DAYAN: Let's take it one by one?

MR. INDYK: Do you want some others?

MR. DAYAN: That's enough for the rest of the time.

Look, Martin, if you think that we can achieve a full agreement with the Palestinians or even a partial agreement, you are right. I don't think that there is a way to build any CBMs, confidence-building measures, in an election year. Now it doesn't mean that we don't coordinate it with the Palestinians as much as possible, but I don't want to relearn it, and I think Gaza is a perfect example. We have maybe different opinions here because I think that Israel shouldn't evacuate the Israeli-Egyptian border in Gaza for four reasons. One, it's not good for security. Two, it has nothing to do with demography. Three, it will serve as a very problematic precedent in the West Bank. And four, I hope that I am wrong here, but we really built a very good platform or infrastructure to deteriorate our relations with the Egyptians, and I think that the Israeli-Egyptian agreement is a strategic asset for both sides and for the stability of the Middle East.

Going and evacuating it will cause a lot of friction between Israel and Egypt in the coming

years, and I don't like the precedent, so I am not looking upon Gaza as the whole picture. As I said, I supported very much the disengagement from Gaza, but I think it should have been done in a different way. Vis-a-vis the Israelis and vis-a-vis the Palestinians, I think it was a step in the right direction and I think it's very good that it was done, but let's talk about all directions and all directions, the whole plan. I think that only an initiated or even unilateral disengagement will make it possible to achieve at least coexistence between the Israelis and the Palestinians.

As a Palestinian you can look at it and say, I don't think it's enough, I don't think it's a final agreement, it's a final solution. I don't think so either, but it's much better than the current situation. So I'm doing it to please the Palestinians, to be frank, I'm doing it because it gives Israel better security, it prevents me from being a bi-national state. And three, I really believe that it's a good basis for coexistence. I didn't say a peace agreement.

So one of the big advantages of such a plan then is that this is the fall-back position, if you want to call it this, for all the other approaches. There are about five approaches, let's say greater Israel, a full peace agreement, negotiations, managing the crisis or whatever, or an international solution. If it won't work, everybody's fall-back solution or position will be this plan, and this is why I think it's unavoidable.

MR. INDYK: Aaron?

QUESTION: Your presentation reflects quite consistently your honesty and your pragmatism in dealing with these issues for many, many years. I don't have a question. I have a comment.

It also drives home to me one inescapable reality and that is that over the last decade there's been essentially a paradigm shift from what had underscored a conflict and solution between Arabs and Israelis which has underscored every agreement reached between the Israelis and the Egyptians, even the flawed and failed Oslo Process between the Israelis and the Palestinians, to a

unilateral approach. I don't think there's any doubt that the year 2000 forward will go down in the history of the Arab-Israeli conflict as a major watershed.

But you also in your presentation make it quite clear that there is no room for illusions either. What we used to call the old game, the search for conflict-ending solution on terms that would meet both sides' needs and requirements - Jerusalem's borders, refugees, security - more or less that game is over. It may be alive, but barely, and it has given way to a number of different approaches which I would call the interim game.

Yours is only one of them. There are other ways to play the interim game, to manage the conflict, to raise the old term, of a third further deployment. The Bush administration's notion, which is buried in the President's speech of 2002, is a Palestinian state with provisional borders- that's another way to play the interim game.

But you have no illusions, it seems to me, which is why it's called a new agenda for Israel. This plan essentially is a way to serve and, quite understandably, you're an Israeli, Israel's interests, to balance its security, demographic and political needs, because you have reached the conclusion that a conflict-ending solution is simply not possible. The old game is over, the interim game may not succeed by your own admission, and that really only leaves one other game which is the new game, and that's essentially it seems to me what you are suggesting, demography, unilateralism, increasing radicalization and fragmentation both on the Israeli and Palestinian side- illusions that a one-state solution would somehow solve this problem, that in a sense what you're suggesting, even though you have created a cohesive plan, is that in fact Israel will have to take care of its own needs.

If the Palestinians can accept this, if a way can be found to manage it and to make it work, maybe the conflict will be better managed, maybe the

confrontation will be somewhat less severe, but it is by no means ended and it's going to continue.

MR. DAYAN: I don't think that I'm deteriorating or polarizing the situation. I believe very much that it will enable us to a kind of coexistence, and I think that I'm going to the right direction even if you say it has to be an agreement between the two sides.

What I'm doing here, it's not closing the door on this possibility. I'm afraid very much that if we just stay the way we are, you see the status quo, it's not an option anymore. If the status quo was an option, you could say we didn't succeed in round one or two, let's give it another chance, let's try it later. The problem is that the status quo is not an option. The Israeli Army will return to occupy Nablus and Ramallah and there will be another round and another wave of terrorism and so on.

So I think what I'm doing, it is unilateral. I call it "initiated" because if there is a partner, then it is so, and if not, it's

unilateral, but it's still a step in the right direction. It serves mainly Israel's interests, but it's effective in fighting terrorism, and maybe the Palestinians won't like it, but it will create a situation that will serve better in the future for arriving to an agreement, which I prefer- any agreement to taking unilateral measures. I just don't see any chance to do it right now, and I don't want to wait and wait and wait and become a bi-national state.

QUESTION: I understand the dilemma that you've outlined in terms of the total lack of trust on the part of Israelis in terms of reaching any kind of an agreement with the Palestinians. But it just seems to me that a unilateral step along these lines, even holding out the prospect of some kind of permanent status negotiations, I don't believe it will lead to any kind of better coexistence between Israelis and Palestinians. It seems to me that it will only further deteriorate the relationship between the two peoples.

You talked about economic arrangements, labor going through the fences, connection between the north and the south and between Gaza and the West Bank, but that's not been the history of the last 10 years. When there's been a terrorist attack, what Israel has done is just clamp down tighter and tighter on the Palestinians, on their movement and on their economy.

Let's assume that you complete the wall, that you fence off a detached East Jerusalem from the West Bank. Maybe it's already happened. You put the Palestinians into enclaves that are going to be nonviable, no connection to the outside world except by the whim of Israel, and it seems to me that you're just setting up a situation which will lead to greater fragmentation and greater radicalization of the Palestinian population.

MR. DAYAN: This is the worst situation for the Palestinians than the current situation? It's a much better one. My main issue or my main problem is to convince the Israelis that we should do it even unilaterally. It seems that you refer to a

unilateral move as a final settlement. It's not. I wonder what we are going to do in the coming 4 years. What will be the issue in the Israeli election in 2006? What are we going to do in the coming 3 or 4 years?

What I'm suggesting here, it's a move that will serve the Palestinians, and if you were Palestinian I would have asked you, what do you prefer? Do you prefer to continue the status quo? This is better. This is less fragmentation. It gives 70 percent of the West Bank to the Palestinians. In most places, actually, including here in Washington, the main questions that were posed to me were: How are you going to convince the Israelis to do it - which means to continue disengaging from the Palestinians and the terrorism - without getting anything in return?

What I'm saying is what we get in return is more security, but it's not the main issue; going toward the Israeli strategic goal of a Jewish democratic state and building a better situation. I don't think it's a worse situation. It seems that

you don't like the word unilateral. I don't like it more, but what you are suggesting, to talk, I leave the door to open to talk. To continue to fight terrorism? Okay. Then what? If we don't achieve an agreement, if we don't build better relations, if there is no more trust, I think that this plan if there is a way to rebuild this trust, if there is a way to achieve an agreement, this is a much better platform than the status quo.

QUESTION: I have some minor clarifications to ask about, and they both relate to the permanent status situation or scenario- which I understand that even though the newest part of this is what to do in the absence of negotiations of any kind, you still would like to begin at least permanent status negotiations right away. Is that correct?

MR. DAYAN: Yes. I'm ready to negotiate or to talk anytime. I just don't want to be stuck with it.

QUESTION: Given that premise, I just want to clarify two things. On borders you are emphasizing the demographic aspect as much as the

security and the historical or '67 aspect of it. Are you implying, do you mean to imply, that the situation of Arab citizens of Israel in terms of which side of the final border they will fall on, is that up for grabs in these permanent status negotiations from Israel's point of view? That's clarification number one.

Number two is about Jerusalem. I'm not sure I understood this right.

MR. DAYAN: Can you repeat clarification number one, please?

QUESTION: Israeli Arabs, Arab citizens of Israel, are you implying by your emphasis on the demographic factor that they could be shifted to the Palestinian side?

MR. DAYAN: Not at all. I don't even suggest a swap here.

QUESTION: Thank you for that clarification. Number two is on Jerusalem. You said something I think about the status quo. Were you talking in that context about permanent status

or just about this 3-year period while these issues are being sorted out?

MR. DAYAN: I presented the [inaudible] disengagement line. I don't want to open now a negotiation on Jerusalem because I think this is a real dead end. On the other hand, there are 240 Palestinians who live in Jerusalem.

MR. INDYK: Thousand.

MR. DAYAN: 240,000 Palestinians living in Jerusalem. Thank you. And I don't think it's in the interest of Israel to [inaudible] in the long run. But I chose not to open this Pandora's Box here. That's why I said let's keep the status quo, freedom of movement, et cetera. I think that in final negotiations, one day, we'll have to talk about it. But I'll be as frank as possible and say I don't want to start in Israel to introduce a new plan and then the main issue tomorrow in the newspaper will be over another guy suggesting to divide Jerusalem. So I leave it out of the discussion.

MR. INDYK: But what is the consequence of that for the time being--

MR. DAYAN: The consequence is to keep the status quo in Jerusalem.

MR. INDYK: But what does that mean? Israeli building in Jerusalem, in East Jerusalem, for example, is that the status quo?

MR. DAYAN: No.

MR. INDYK: No. That's not the status quo.

MR. DAYAN: I'm not changing the situation in Hebron. There is no place that I go further than the current situation; on the contrary.

QUESTION: [Off mike.]

MR. DAYAN: I'll think about your suggestion. It's much better than before. This is not a map that Israel goes further or controls areas that Israel does not control today. It gives about 40 percent of what Israel controls today to the Palestinian side, and I fully understand your points, but these are points for negotiation. I don't want to make the ultimate [inaudible] a problem, let's say the Geneva Accords, for example.

Once you sketch a map of the final agreement or the final situation, this will be the map to start the further negotiations, and I don't want to do it so I just say what we are doing even if we get nothing for it. I do it because it's better for us, but I don't think that I hurt the other side by doing it.

We are talking about achieving an agreement. Do you remember the Beilin-Abu Mazen agreement? Abu Mazen comes up and says okay, Beilin is not the President or the Prime Minister of Israel, but I am the President of the Palestinian Authority and let's implement the Beilin-Abu Mazen agreement. It doesn't say so why. Beilin says that he doesn't say so because it doesn't have a counterpart which means it's not the Sharon-Abu Mazen agreement. But the truth is, if I worry I won't do it either because the Geneva Accords give me much more than that. Why should I bother?

So let's take from his point of view, I guess, the Geneva Accords and make it the first square, the first position, the entrance position to a new negotiation. So what I'm putting here on the

table is what Israel should do even if there is no negotiation, even there is no partner for it. And if there is a partner, let's negotiate it.

QUESTION: I wonder if you could explain how the status quo significantly improves in a situation that you've planned for, which assuming you have a situation on the West Bank where Palestinians are in control of this territory, it's not clear to what extent the government itself has control of various areas. There was recently a terrorist attack in Israel that came from the north. Presumably you get people in the IDF who are talking about the need to work hard to deal with this terrorism and that involves a fairly intrusive involvement in the West Bank which would then lead to road blocks and a variety of other measures that would clearly create very difficult conditions for the Palestinians. So there's a dynamic. If there's no way of dealing with terrorism, there's a dynamic that would bring Israel back into these areas, and where does your plan account for that even with a security fence?

MR. DAYAN: That's a good question. First of all, I don't have proof that it will be paradise. I'll tell you why I think it will create a much better situation.

First of all, the security will be better because [inaudible] on a security fence is much better than the current situation for the Israelis today. Two, Israel without Nablus is stronger than Israel with Nablus. Three, I give enough room, or some room, to the Palestinians to start to build their own state. I won't say state because they won't agree to have a state here. When we started way back in Taba, before Taba or Camp David, to negotiate with the Palestinians, the Palestinians said first of all our goal is to have a Palestinian state, and Israel wasn't very thrilled about it. Now, everybody tried to convince the Palestinians to have a state and provisional borders, et cetera, and they said, wait a minute, if you're for that, there must be a trick here, there must be a trap here.

So I'm not saying that this is a Palestinian state, but I think it gives much more

room to the Palestinian. And I'm referring to this area which is called the A Area, a Palestinian area, no road blocks, no Israeli Army position there, et cetera. That's a much better situation. By the way, by having a good security fence as we have around Gaza, one can also be more careful about using offense because if this fence gives you better security, and in Gaza in the last 5 years not even one terror movement infiltrated this fence, so you're in a better position, and it gives the Palestinians much better room than today.

It's true that if terrorism will continue and if we won't have another alternative as an option, we might enter this area, but it's the same situation like in Lebanon today. Lebanon is not the West Bank. I don't want to take this example too far because it's not honest. But giving the Palestinians area, a possibility to start building their own society and organization and so on, based on a security fence, I think it's a better situation. And the rest of it as Harold said and Martin implies, is to rebuild or build trust and

much better relations. I think that this map is a better situation than the current one, than the present one.

MR. INDYK: I'm going to three at a time now. You may need to take notes.

QUESTION: Two questions, if I may. The first one as a point of clarification related to the question already posed by Mr. Indyk regarding the status quo in Jerusalem. As far as I understand, in your plan, you leave out the question of Jerusalem, so looking at the map and I then could relate to the areas marked in blue there, will there be any restrictions on settlement activity in these areas? That is question number one.

Question number two, please, how do you think a plan like this, if implemented, would affect the internal balance of power within the Palestinian areas? I'm asking because as far as I understand, Hamas's position, I'm sure they wouldn't welcome this plan, but on the other hand, it would somehow fit into their strategy of accepting any liberated

area as long as they can continue their struggle against Israel. Thank you.

QUESTION: Implicit in your unilateral approach and other unilateral approaches is the fact that Israel's failing to identify a partner means it would just have to pursue its own strategic interests and let the Palestinians any way they want to. Judging by what I'm just heard from your plan, it seems less likely that there will be a more reasonable, more amenable Palestinian counterpart 3 years from now to negotiate with Israel than there is now.

My question fundamentally is this, are you defining the strategic interests of Israel only in terms of its relation with the Palestinian or with the Arab Islamic world, including the issue of Jerusalem in this mix? When the Palestinians negotiate with Israel it would be with the comparative power between both entities. When they're out, and out of luck as I can see the prospects in this and other unilateral approaches, then perhaps other wider players would take the

responsibility of the conflict in the area with Israel.

MR. DAYAN: Which players?

MR. ASALY: Which what?

MR. DAYAN: Which players.

MR. ASALY: Which other players. The Arab Islamic world, depending from Kashmir to Marrakesh.

MR. DAYAN: Don't count on them.

MR. INDYK: Including Tehran.

MR. ASALY: Including Tehran for sure.

QUESTION: Two questions for you, first, how do you think Jordan would react to this sort of a plan? Would there be any concerns that you could see arising on their part?

Secondly, again this relates to the internal Palestinian situation, are there things going on now - or some may more accurately say things which are not happening now - which should be happening, with regard to strengthening the position of President Abbas? Should we, the United States, should Israel, should the international community be

doing more, and what specific steps should we be doing that we aren't taking now?

MR. INDYK: Ready? You have five questions. It's a very Washington thing, when you're asked to ask a question, you get to ask two.

MR. DAYAN: Yes. I never met it in Israel.

[Laughter.]

MR. DAYAN: Not only two at least.

MR. INDYK: In Israel they don't ask questions.

MR. DAYAN: They come up only with answers.

MR. INDYK: Yes.

MR. DAYAN: The first one was a restriction on settlements. First of all, I think that Israel should act and evacuate, take off the illegal, unpermitted and so on outposts. And it has nothing to do with an agreement or with any initiatives, it's something to do with applying the rule of law in Israel.

In this area, Israel as the time passes, if there won't be an agreement, I think that Israel should permit Israelis, or the plan will include to

the develop some of the areas that I think will never be evacuated, let's say Gush Etzion as an example, and not to build an area that might serve in the future as a card in these negotiations. It's an Israeli decision. It has to be kind of agreed, for example, here as to be as much coordinated as possible with the Palestinians. But it's true that I don't just suggest Israeli disengagement and now for 50 years that will be the situation and we'll freeze everything. Just think that there is no way even in the future that Israel will evacuate more than 200,000 people. I don't think that even under any agreement it's a possibility.

Israeli Arabs are Israeli citizens. The line that I am drawing is between Israelis and non-Israelis, and the Israeli Arabs are fully Israeli citizens. I think that any plan to make any swap with Israeli Arabs' territory and so on, I think it's immoral, I don't think that a democratic country should go to some of its citizens and say you are citizens but you got conditional citizenship.

On the other hand, I don't think it will serve anything. There is about 90 percent minorities in Israel, most of them in Galilee, some of them in the Negev. Along this line there are only 200,000, so I think that making any swap or change or transferring with Israeli Arabs, it's immoral and impractical at the same time.

Hamas, with Hamas in the area which is under Palestinian control, it's a Palestinian challenge. It might be also an Israeli challenge, but I think it first of all should be a Palestinian issue. The same way that it's done or it's not done in Gaza, and the same that we interfere or don't interfere in what's going on in Lebanon. So this is a good question. Who will prevail? But I believe that if we give enough place, enough room to the Palestinian Authority, they will be able to cope with it, they don't deliver so far, and I think that it will arrive to a situation in which it will be Hamas or the Palestinian Authority.

In such a situation, it's a Palestinian challenge and I'm pretty much sure that the Palestinian Authority will prevail.

Palestinians and the Arab world. I think very much that one of the reasons that prevented Palestinians from achieving an agreement with Israel is that there is no Arab world to support it. And I hope very much that such a map and such a plan will lead in the future to a situation in which the Arab world or the Arab countries comes and goes to the Palestinians and says let's go together to an historic compromise. I can't make it, I don't know, I don't think that it will bring the Arab states, the Arab countries to such a support of the Palestinians to go to a territorial compromise or an historic compromise, but I do believe that finally there won't be any agreement in the Middle East until, and I'm not talking only Palestinians, I'm talking also about Syria and so on, if what's called the Arab world will make it and support it.

I don't suggest you should rely very much on this situation because I don't see a real Arab

front that is going to come. I think it was one of the problems of Yasser Arafat in Camp David that nobody came and said let's go together. Instead, they said you go there and make your agreement or not and we'll judge you after that.

Jordan, I don't know. I think that Jordan is going to like this initiative because, first of all, it doesn't put all the responsibility on Jordan. And second of all, I'm saying two states for two peoples between the Jordan River and the Mediterranean Sea. I didn't say Jordan as a Palestinian state. And the only point that I'm pretty careful here, I'm saying Israel will be the only state of the Jewish people and Palestine will be the state of the Palestinian people because I don't know what Palestine will decide about it and what will be exactly the future. But as long as we control the Israeli-Jordanian border, I think that Jordan will support it and I don't think that we should go to any initiative which will make Jordan weaker than it is today.

Finally, what we have to do in order to support Mahmoud Abbas, that was the issue, I think first of all that the Palestinians should support Mahmoud Abbas. I think that Mahmoud Abbas should support much more Mahmoud Abbas. I am very careful here and very gentle, the only thing that I am saying is that Abu Mazen doesn't deliver. I don't know if it's all his fault. I don't think that Israel can go and do much more under the circumstances of terrorism and so on.

I know Mahmoud Abbas for many years. He used to be the head of the Security Committee in all the Israeli negotiations with the Palestinians, with the Jordanians, with the Syrians, and to the best of my understanding, Mahmoud Abbas must take a very huge decision here and fight terrorism effectively. If he is not going to do it, he leaves the key to any progress in the hand of the terror organizations and they won't think how to support him but will make the most to promote terrorism.

MR. INDYK: Thank you, Uzi. We are quickly running out of time. I'm going to take three more

questions. From the Egyptian D.C. Embassy, we have Abas Abli [ph], so we'll take him first, and then it will be Melissa, Steve Rosen and Dan Shapiro. But we need to finish at 2 o'clock, so I'll ask you all to ask one question this time.

QUESTION: Thank you, Ambassador Indyk. Thanks to Major General Dayan for his presentation. The plan is very interesting as a way of thinking out some sort of maybe way out of the stalemate on the situation and its views of the Gaza disengagement. However, I don't want to repeat or echo some of the questions or concerns mentioned before about the issues like Jerusalem and settlements.

But very briefly about first the practicality of assuming that a 3-year period is enough as a deadline for reaching a permanent settlement or concluding permanent negotiations in light of the historical experience that we had since 1993 until today, that these deadlines unfortunately never worked out successfully.

The second related to the fence. The fence, whether you want to call it a fence or a wall, but the issue of the international perception including America and the other countries, the regional countries there and the international community, a lot of what is in your plan is based on the fence and whether you call it a border or security line. So I think this leads to a lot of question marks on not only the legality, but also the recognition by other parties.

The last point is about the swap. You mentioned about the population swap, but I don't know what do you have in mind about the territorial swaps? Territorial swaps during the Camp David and the Taba were an issue that apparently was acceptable to all the parties at that time and can serve some interest in the future. Thank you very much.

MR. INDYK: Thank you. Melissa?

QUESTION: I have a couple of points or questions for clarification.

The first one is on the fence along the Jordan Valley, is that going to be a fence, or what kind of a border do you propose for that, and also around Jericho area.

Also regarding the 3-year time period, you said that permanent status negotiations could start immediately, so in going through the 3-year time period, you reach the end of that, you have not reached a permanent status agreement, you proceed with a unilateral implementation with some degree of coordination maybe with the Palestinians, but does then the window for permanent status negotiations continue on for another designated length of time or is it an open window, or what are you envisioning?

MR. INDYK: Steve?

QUESTION: Prime Minister Sharon talked about a long-term interim arrangement more before the Gaza disengagement. He never fully defined it. A member of the Knesset from the Likud, Reuven Rivlin, told him he was willing to withdraw from 18 settlements in order to make an interim arrangement that didn't require an agreed upon

border, that would be temporary. You used the number 32 or 33. I'm just wondering if you could say something briefly about the difference between these two numbers.

QUESTION: The Israeli official who I think has been advocating something closest to what you've described here is Ehud Olmert. He not only published a map, but the concepts he talks about are very similar. In fact, he may go further on numbers of settlements or territory to be relinquished in the unilateral phase, but it's a very similar concept.

I wonder if you could just compare what you're describing with what Olmert has been talking about. But then considering his standing within his own party, who do you see as the Israeli official or the Israeli party likely to adopt a proposal like the one you're proposing?

MR. INDYK: We need to finish at 2:00, so you have 5 minutes to cover all that.

MR. DAYAN: I think that if there is a will there is a will, and I'm not sure that this is

enough time. I'm not sure that we are in a situation to achieve a full agreement. But based on the history and so much work that was done, I think that we have to--I set the 3 years' time not in order to give all the time in the world to a full agreement, but in order to have a clock ticking on the Israeli responsibility to redeploy in the West Bank. If I'll give it a 10-years' time, you say what you are doing, it's a cheap trick, you're playing a cheap trick, you're just freezing everything for 10 years, so this was my reason.

Swap, I don't like swaps. I can say that principally it can't be done. By the way, it might be a good idea, we thought it might be a good idea years ago to make a kind of swap with Egypt, and it didn't work for a very peculiar reason. I don't know why. For example, we even talked about giving Rafah to Egypt without any swap. So I really adopt the Egyptians' way not to make too many swaps.

The security fence in the Jordan Valley, I'm not talking other fences. I don't think it's needed from the security point of view. I think it

will be a waste of a lot of money. Going to Jericho will be at least the way it's done today, or I said that even unilaterally we have to find a corridor or something to adjoin Jericho.

You have to understand that this map is not a final settlement which means every time you look at it you say what are you doing. What I am doing is giving, I don't know, 40 percent more of the West Bank to Palestinian control.

There was another remark about open windows, and so I think that this should be the next phase. I am not talking about any more phases and so on, but I don't think it's the final settlement. So do I leave an open door to achieve an agreement later? The answer is yes, but I am doing that in order to create the situation that will lead to such an arrangement.

Thirty-two or eighteen or seventeen settlements, I said what are the principles of the standards here. One is the security fence on one side, another one is the Jordan Valley, and I didn't make another Israeli peninsula and so on, only two

of them. To be frank, one is [inaudible] and two is Hebron, and Hebron [inaudible] for the very simple reason, we are talking about 7,000 people just in one place. And I don't change the situation in Hebron. I know all the time that this is a special case and I don't want to open unilaterally to evacuate unilaterally something that might be later on a service as a kind of a precedent or a special case related to Jerusalem.

Finally, who is going to adopt it. You see, in the year 2002 I published in the National Security Council in Israel a National Security Assessment. It was the first one that was done in Israel. Actually, the last one, too. And Prime Minister Sharon refused to bring it to the government because of three issues. One was to complete the security fence, to build the security fence, and to initiate an Israeli disengagement from the Palestinians. The second one is to change the priorities in Israel and make education and job creation not less important than security. And three was a kind of a red light, be careful, if

corruption will continue it is developing, the people in Israel will lose their trust to the way that decisions are made in Israel and the politicians in Israel.

This assessment was published and sent to 156 Israeli people. There was another version that wasn't classified, and I didn't get the permission to distribute it in Israel, to publish it in Israel. So it seems that some of the readers took it into consideration and one of them was Ehud Olmert and there are some others who say we have to disengage from the Palestinians, have to go to a territorial compromise because it's good for us.

I believe very much that this plan can be adopted by Sharon and by other politicians. I don't want Israel to go through another election without telling the Israeli people what we are up to. I was many times here in Washington and every time I was asked, What is your strategy? Remember this question, What is your strategy? I think this should be the Israeli strategy, and I believe very much as I said that it's an unavoidable strategy not

only for Israel, but for the rest of everybody in the Middle East, too. Thank you.

MR. INDYK: Thank you, Uzi. I think we've all benefited greatly from your presentation, and I'm very grateful for you to have come here today to present it in such a clear fashion.

I have no doubt that it will be part of the debate in Israel in the lead-up to the elections there as I'm sure you intend it to be and, therefore, it's very important for us to have a good sense of what is at least one position within that debate.

So I'm very grateful to you and we will watch to see how this idea gets its legs. Thank you again.

MR. DAYAN: Thank you very much.

[Applause.]

[END OF TAPED RECORDING.]

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