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ISRAEL'S NEW GOVERNMENT

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**Welcome and Introduction:**

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## P R O C E E D I N G S

MS. WITTES: Good morning, everyone. Stanley Greenberg, our second speaker, has been held up in traffic, but he should be here momentarily. I didn't want to hold all of you up, so we're going to go ahead and get underway, and we expect him at any moment. I'm Tamara Wittes. I'm a Senior Fellow in the Saban Center here at the Brookings Institution, and I want to thank all of you for coming this morning.

We are meeting this morning at the confluence of three significant events. The first is our topic of our discussion for today and that's the Israeli election which took place on February 10 and which produced as all of you know inclusive results, with Tzipi Livni's Kadima Party holding 28 seats in the new Israeli Parliament, and Benjamin Netanyahu's Likud Party holding 27. In case you haven't heard the most recent news, the apparent power broker in the coalition negotiations that are now underway in Israel, Avigdor Lieberman, met with President Shimon Peres and told him that he would support Netanyahu as Prime Minister but only if Netanyahu formed a National Unity Government with the Kadima Party. This almost certainly means that Netanyahu will be the next Prime Minister of Israel; whether or not that is the final outcome, we may not know for some weeks. But we can say that this Israeli election and the government that is ultimately formed will have very large

implications for our new government here in Washington as it seeks to revitalize Middle East peacemaking.

The Obama administration and President Obama himself have set a clear priority on renewing Israeli-Palestinian negotiations. They are seeking to move from crisis management coming out of the events of the last 2 months into a new diplomatic initiative. Senator George Mitchell, the Special Envoy for the Middle East Peace Process, will be going back out to the region very shortly to continue to work on those efforts. And there is also the pending question of Syrian-Israeli peace talks which were ongoing indirectly with Turkish mediation until the Gaza crisis and have now been suspended. The Obama administration then has to be concerned about how to pursue this diplomatic initiative facing the possibility of a center-right or even a right-wing coalition government in Israel and, as we might discuss later, disunity on the Palestinian side as well.

The second event that brings us together today is the publication of a wonderful new book by Stanley Greenberg who as I said I hope will be joining us lately, *Dispatches from the War Room: In the Trenches with Five Extraordinary Leaders*. Stan Greenberg is the man who perfected and in fact exported the concept of a war room as a concept that applied to political campaigns and not merely military campaigns. He is described by his allies as an international guru, and by

his Republican counterpart Frank Luntz as a man who doesn't just have his finger on the pulse of the people, he has an I.V. injected into it.

In his new book, Stan tells the stories of five transformative leaders who he helped to elect in the United States, Israel, South Africa, Bolivia and the United Kingdom, and he explores in his book how he was able to help these men win public support for their powerful visions of the future. So the book isn't just a great set of war stories about some amazing campaigns, although it is that, it's also a story of how visionary leaders who act with great courage can overcome domestic obstacles to realize their dreams and plans for their country, and those are lessons I think all of us can take to heart.

The third event that brings us together is one that the Saban Center takes special pride in, and that is the publication of a new book by our Director, Ambassador Martin Indyk. Martin's book, *Innocent Abroad: An Intimate Account of American Peace Diplomacy in the Middle East*, describes the efforts to make peace in the Middle East under President Bill Clinton, and those are efforts in which Martin of course was intimately involved on the National Security Council staff, as Ambassador to Israel twice, and as Assistant Secretary of State for Near Eastern Affairs. Martin's account is indeed intimate, providing personal insights on the key players including a man I suspect we will be discussing at length today, Bibi Netanyahu. But like Stan Greenberg's book, this isn't just a memoir.

Martin is unflinchingly honest in assessing the errors and failings of American diplomacy, as well as the failings of leadership in the region, and I know that he struggled over every word of this book as he sought to get it right and to draw lessons from his experiences for future negotiators, including those in the current U.S. government.

Both of these excellent books are for sale outside in the hallway. I hope that you will take time after the event if you haven't already to buy them both, and even to read them. I guarantee you that it will be a worthy investment of your time, and they are both very enjoyable reads as well.

I can't imagine two better people than Stan Greenberg and Martin Indyk to help us understand what took place in Israel on February 10 to guide us through this current period of uncertainty, and through what may be a very rocky period ahead in Israel and perhaps in U.S.-Israeli relations.

I am going to turn it over to Martin to give us some insight on the key players who we will be watching in coming months and years. Martin?

MR. INDYK: Thank you very much, Tamara. I arranged all this traffic for Stanley so I could talk about my book. We are assured he's on his way, but maybe he didn't realize.

As Tammy has said, the coalition negotiations that are now underway in earnest with the likelihood that Bibi Netanyahu will be asked to form a government and the likelihood that Peres and -- here he is. I told them that I purposely delayed you so that I could talk about my book. Bibi Netanyahu is likely to form the next government, and of course the nature of that government, not just its leader, will do much to determine what can be done to achieve a comprehensive peace that Barack Obama has set his administration to achieve.

Bibi Netanyahu of course led a right-wing government back in the 1990s when I served as the United States Ambassador in Israel and we had a fairly intimate though somewhat bumpy relationship. One of the things that I remember him saying to me and stressing at the time was that he viewed Israeli politics as tribal, and he said that my tribe is bigger than their tribe, he was referring to the opposition's tribe, but in order to keep it that way I have to feed my tribe. What he meant by that in fact was that he had to enlarge settlements using the loophole of natural growth, and we can come back to that. But that he also on the other side had to avoid territorial concessions when it came to the West Bank because the narrow right-wing coalition that he had in those days would not countenance territorial concessions in what they viewed as Judea and Samaria, the land God gave to Israel.

The consequence of Bibi's approach in those days was to get him into considerable trouble with Bill Clinton and it caused a good deal of tension in the U.S.-Israel relationship particularly over settlement policy. Finally, after a prolonged effort, the Wye Agreement was produced in a summit between Clinton, Netanyahu and Arafat in late 1999 and the consequence of that agreement in which Netanyahu conceded 13.1 percent of the West Bank to Yasser Arafat in an interim step, interim agreement, the consequence of that was that Bibi's government collapsed very soon after and precisely because he had offended the rules of his tribe. And in the election that ensued that Stanley details in his book, Netanyahu paid a high price for having been seen to have mismanaged his relationship with the President of the United States.

Bibi remembers this episode very well. In fact, in a conversation I had with him 4 months ago in which he explained that he was going to be the next Prime Minister of Israel and Barack Obama was going to be the next President of the United States and they would in effect make beautiful music together, and I reminded him of the rocky past and the role of settlement activity and his inability to make territorial concessions in the West Bank in that rocky relationship with President Clinton, he put his hand and he said, The mistake I made was not to form a National Unity Government with Shimon Peres when I defeated him. And this time around I will form a National Unity Government and that will

settle everything down, meaning that he would be able to resist the calls of his right-wing coalition members for more settlement activity and less territorial concessions if he were in a National Unity Government. So I think that he will now when he's given the nod by President Peres in the next 24 hours pursue an effort to achieve a National Unity Government.

However, there is one important twist here that has not yet come out in the reporting. What Bibi I think wants is a National Unity Government with Labor, not with Kadima, because you see Kadima consists of part of Labor defectors and part of Likud defectors and what Bibi would like is "to grind up Kadima" so as the Likud strays will come back to the fold and that will strengthen the Likud doing into the future, his party, so I think that we will see some maneuverings in that context. I do not believe, and I'm sure Stanley has some views on this, that Labor will in fact join the government even though Barak I believe would like to do so because otherwise he's facing defeat in an election in Labor within a year or so because of the dismal results for Labor in this election. But I think that the young guard that sees an opportunity to go into opposition and take control of the party, this is -- Herzog and Avashi Bravaman and -- Movich and -- Paz, those guys, very capable politicians, younger, I think see their opportunity now to take control and that is not going to happen if they go into government. But you never know in Israel what will turn out.



The question then is whether it's with Kadima or Labor, it will certainly be with Lieberman's Russian Party that he forms a National Unity Government, and the question then is will it enable him to make a deal with the Palestinians based on Israel's withdrawal from the vast majority of the West Bank. Any deal is going to require at least a 94 to 95 percent withdrawal from the West Bank as well as all of Gaza. Here I think he will be constrained not just by his concern about his right-wing partners perhaps in a National Unity Government, but by his own party that will oppose such a deal. So I believe that what Netanyahu will try to do is basically what he said, to pursue an economic peace with the Palestinians. This is a time-honored tradition for Likud leaders. They believe that they can buy off Palestinian political aspirations for an independent Palestinian state in the West Bank by offering them economic growth and improvement in their economic conditions. Given the times at the moment where Hamas and Fatah are deeply divided, where there is no united Palestinian partner, where there is already an effort underway to build the economy of the West Bank under the leadership of Prime Minister Salam Fayyad with the help of quartet envoy Tony Blair, and that process is beginning to get traction, it will be attractive to some on the Palestinian side if what Bibi intends is to remove roadblocks, ease the flow of passage of goods of people into the West Bank, and create some

economic incentives for peace that will strengthen the moderate negotiation of Mahmoud Abbas and Salam Fayyad.

On the other side, and here I go back to the 1990s experience with Netanyahu, understanding that he is likely nevertheless to face pressure from Barack Obama, Hillary Clinton, and George Mitchell to move on the political level when it comes to negotiations with the Palestinians, I believe that it's likely that Netanyahu will adopt a tactic that he adopted back then which was to attempt to deflect American pressure by seeking a deal with the Syrians. He in fact did this behind Clinton's back. We were not aware of the secret negotiations he undertook using the mediation of Ronald Lorda a former American Ambassador to Vienna who made I think eight secret trips to Damascus. According to his report which he made to Bill Clinton and which I detail in my book, Bibi Netanyahu offered a full withdrawal from the Golan Heights to a line based on the line of June 4, 1967, and it was that offer conveyed by Ronald Lorda which generated a series of concessions that Hafez al-Assad made in the area of security arrangements and an early warning station on the Golan Heights. We don't need to go into those details now, but the reality is that according to his mediator, although Bibi now denies it, he made an offer of full withdrawal and he managed to make significant progress in the negotiations as a result.

That deal didn't come off, but I think the instinct will still very much be present not just because he wants to avoid the kinds of concessions in the West Bank that would be necessary to establish an independent Palestinian state and make a two-state solution possible, but because there is a strategic rationale for making the deal with Syria because given the kind of difficulties of making a political deal with the Palestinians given the divisions between Fatah and Hamas and Hamas's own opposition to a peace deal with Israel, there is a certain logic to going for the deal with the Syrians which the Turks have managed to lay the foundations for in their mediation between Olmert and Assad over the last year. That deal is an interesting deal because it's basically not the old deal that we were trying to make in the 1990s of territories for peace but, rather, territories, that is the Golan Heights, for Syria's strategic realignment out of the Iranian-Syrian-Hizballah-Hamas axis, into the peace camp which would cut the conduit between Iran, Hizballah and Hamas which Damascus now serves as. That has advantage not only to Israel but also to the United States and I think that Bibi always believed that whoever made a peace deal with the Syrians would be rewarded by Israeli public opinion, and again Stanley may have some views on that, but that was always very much Bibi's belief. And that this will be attractive to the Obama administration in terms of its efforts, its need to deal with Iran's bid for dominance in the region and Iran's nuclear program. And

that in this way he can follow another time-honored tradition of right-wing Israeli Prime Ministers who were willing to make peace just in their own way. Menachem Begin gave up the Sinai for peace with Egypt and in order to hold onto the West Bank. Ariel Sharon gave up the Gaza unilaterally in order to hold onto his settlements in the West Bank. So I can imagine that Bibi Netanyahu will agree to give up the Golan for peace with Syria and strategic realignment in order to avoid the kinds of concessions that will be very difficult for him to make in the West Bank.

My voice is giving out, so I'll hand over to Stanley and he can tell us a little bit not just about his book but what he sees as the results of the meaning of what happened in the Israeli elections and in particular whether the Israeli public would support a Golan deal.

MR. GREENBERG: Thank you very much. I apologize. I thought I was about 10 minutes early for my 10:30 presentation. And as I was sitting here reflecting on that, I recall that I was once giving a speech at Hillel at Yale University and I believe that my plane was delayed for some reason. I think you filled in for me, and I think I came in right at the end to make some points. So this is a pattern and a relationship that will have to continue.

I am very thankful for this opportunity to talk about the Israeli elections and our books. I'm very thankful to Martin for being so gracious

to share the platform with his book at this institution today, as well as Brookings as well as Haim Saban who has supported a lot of our work.

We are here to talk about the election and I write in the book about the 1999 election when Ehud Barak was elected, the Barak with no C. I'm one of the only people in America who misspells our President's name even when I send him notes. And that was kind of the last moment when we've had both a change in the Israeli political scene at the same time as we moved to the end of the Clinton presidency when there was an opportunity to bring about change, and when one looked at the election particularly a step removed in the U.S. and before I had enough experience to understand how complicated Israeli politics was, we then had a separate system for the election of a Prime Minister separate from the election for the Knesset. We won in Israeli terms a landslide election but was left with a Knesset in which it was immensely difficult and this very same period began which went to the very last second of the period for forming a government in which he faced a choice between forming an unstable government with Shas with the prospect of being able to pursue the peace process though not very successfully in terms of holding his government together, or forming a government with Likud and with Sharon and giving up that process in favor of a domestic agenda, and he made the choice in favor of Shas and I'm sure President Peres now as he looks over these election results thinks about those complex moments. As you

look at this, it is a very difficult process that we're looking at that I suspect will go to the very end. It is hard to imagine that Netanyahu does not come out of this process as the Prime Minister. It's hard to imagine that he's not designated, I don't think that's happened yet, to form the government. But since Lieberman has said he favors Netanyahu, it's almost certain that he has the best prospect of forming a government. So you then have a negotiation that's really around the conditions for forming the coalition and what those conditions are are pretty fundamental to what this government can do. We have had some of the same conversations, though I should tell you whenever we have a shared history in which we're talking about them since I'm always kind of step removed from where the events are really happening and he's usually there, you should believe his account. We both had a recent conversation with Mr. Netanyahu in which he clearly indicated he desperately wanted to see a center unity government with Labor and when Labor was not strong for that, I think a government with Kadima, though his preference was not to have Kadima, but he views that the special relationship with the United States, he believes that his conflictual relationship with President Clinton is part of what brought him down, that the Israeli public understand that there is a special relationship and an Israeli head of state, not the president but the leader of the government in Israel, has to have a special relationship with the President, particularly this kind of President coming in at this kind of

time. So he firmly believes creating a government that is a right government that puts him directly in conflict with I think President Obama or Mitchell or the new administration or Europe is not the way he wants to start. But the problem is, and I've talked through these issues with him, I've talked through these issues who are in his leadership team, they have a long way to go to acknowledge a Palestinian state, to accept what Mitchell was hinting at when it comes to settlements in the territories. Kadima will insist on those and he actually needs for Kadima to insist on those conditions so that any unity government that is formed creates conditions which makes it hard for the right to set the conditions. And as difficult and as outrageous as it is that Lieberman ran the campaign he did and the kinds of issues he's left on the table in terms of the alienation of the Arab citizenry of Israel and what long-term problems that creates for Israel, Lieberman is actually fairly complicated on the set of issues and the things he wants most of all and it seems to me nonnegotiable are the secular issues related to civil marriage and things of that sort which makes it very hard to bring Shas and the Heredi parties into the coalition. So I believe he's trying to create his own game using Kadima in order to create conditions to make it possible to have a government that actually can govern in this period but it's not clear that he will succeed. I think it is a very difficult negotiation with complex leaders who have competing goals both within their parties and more broadly. I don't think there's any doubt

that the idea of a loyalty oath will not be part of any coalition agreement, that that will be outside of any agreement, but Kadima holds a lot of cards in what the conditions are for forming a government. So we'll see what the character of it is.

What I've come to believe because I want to focus as I was asked to do on what the implication is for the peace process going forward out of this, what I've learned in this process is that the Israeli public is I think a very considered public in terms of assessing Israel's needs and views its leaders who emerge at critical moments, gives them a certain space to make some big choices for the country. I write in the book about the Camp David negotiations and it's a part of the book -- has translated and will publish shortly. But I write about the Camp David negotiations and particularly the issue of Jerusalem. At the outset of the negotiation we polled in advance of the negotiations and we polled daily during the course of the negotiations looking at the various issues that were being raised. I wrote a note before the negotiations in which I said I'm already a little surprised on how dynamic opinion is on many of the issues that we talked about including expelling settlers as part of an agreement or what proportion of the land that one would give back, all those things keep moving, and so I described it as dynamic. But the one issue that looked like a dead end, and I used the words dead end, was Jerusalem in which two-thirds were opposed to dividing Jerusalem as part of an agreement.



Then I watched over a 4-week period as Barak studiously leaked information about who he was consulting with, the kinds of options that were on the table, but over a 4-week period I watched almost a 20-point shift in attitudes on Jerusalem. I quote focus groups before the Camp David negotiations in which people were extremely emotional, it's a separation of the head from the body, it a was very emotional kind of reaction to the idea of it. But as people studied it, thought it or were forced to think about it and had the kinds of discussions they had in their own families as the press entertained what it meant to deal with Arab neighborhoods and then to deal with Temple Mount, we had 45-percent support before the end of Camp David for it and a majority support for an agreement in Jerusalem by the end.

Ehud Barak always believed that. He always believed it. He said that any agreement that an Israeli leader brings with United States support will have the support of the Israeli people. They will look at it, and if you look at its history, if you look at Ben-Gurion, if you look at Begin, if you look at Rabin, if you look at Barak, he ran he said red line, when he ran no red line, he'll never divide Jerusalem, Ehud Olmert broadcast an ad in which he said Ehud Barak would never divide Jerusalem. Similarly, Ben-Gurion talked about Palestine and nondivision of Palestine. But when the time came to make a big compromise, Israeli public, and I think that would include Syria as well though there's less support for a Syrian

agreement, but I believe the same is true of Syria, that if Israeli leaders with U.S. support decide that this is necessary for sustaining Israel and for Israel's security and Israel's future, I believe the Israeli public moves. So I don't think we should assume the cost of the election which was waged in the middle of the Gaza conflict and produced a majority for the center or the right bloc. First of all, the right bloc itself is internally more complicated than that. This is not our ideology, left-right. Nonetheless, it was in the middle of the Gaza conflict and I would not assume that distribution controls what happens when we get an Israeli government. What I think to some extent controls is what happens now in the next 45 days. That is, what kind of coalition gets formed, what kind of coalition agreement gets formed that sets the conditions for participation because any Israeli government is going to have to deal with settlements, it's going to have to deal with accepting a Palestinian state, it's going to have to deal with opportunities with Syria, it's going to have to deal with pressure to make progress, it's going to have to deal with the reality that right now Hamas has been greatly weakened by the Gaza conflict but that might not be true 18 months or 2 years from now, but in this present period with Gaza they are weakened and so any Israeli leader coming out, and I presume it's most likely to be Benjamin Netanyahu, is going to have to face these choices. He does not want to be shackled by a right-wing coalition that produces conflict with the U.S. and the outside world from the onset. I'm

not sure he can get there because Kadima in some sense sets the conditions for participation. His own party is much more to the right than he is. The Kadima list is much more to the right, Tzipi Livni, and so watch the terms of the coalition agreement for some prediction of what this is likely to look like in the future. Thank you.

MS. WITTES: I'm going to start out by asking our authors a couple of leading questions before we open it up for a more general discussion. I'll start following-up on the last statement you made. It sounded to me as though you are rejecting this conventional wisdom of commentary surrounding these Israeli elections, rejecting the conventional wisdom that this outcome represents a rightward shift in the Israeli public and particularly that some Israeli pollsters have been arguing that the public has been moving in this direction for some time. One of the leading indicators for this argument is the youth vote for Avigdor Lieberman. Can you talk a little bit about those broader trends and whether you in fact see any broad shifts in Israeli opinion.

MR. GREENBERG: No, this is a rightward shift. I didn't want to imply that there wasn't a rightward shift in this election or even over the longer term, and the left is a mess in Israel and demoralized. All I'm saying is that the character of the right is more complicated than that, so you have Shas under some circumstances is willing -- they did not draw a line on Syria posing the same kinds of religious issues that are

posed by -- Shas is not necessarily opposed to peace agreements involving the Palestinians either, but there is no religious principle that they have invoked I don't believe with respect to Syria. So you have Shas while it's on the right is not necessarily -- and their vote has been fairly stable, but even Lieberman's vote is a racist vote but understand that in terms of Israeli politics on secular religious issues, if that's a right-left, he's the left. He's for civil marriage. He's for creating (inaudible) affairs -- new constitution, for a whole range of things that are considered left in the Israeli spectrum. So true that the right has grown, but it's more complicated.

The other part of it is the left, that is the left has lost any meaning. What the left means now is nonrejectionist which Kadima ran on accepting the two-state solution and they formed along with the left something like about 45 percent of the vote but in the middle of the Gaza conflict. At the beginning of this election if you looked at the two blocs, they were very closely matched. So while the left needs to find a whole new course here and I think are in desperate shape, I don't think we should look at what's happened as blocking prospects. It makes it more difficult for sure. Had there been a center government with three parties having the dominant blocs which is what Bibi wanted, that would have been the best chance of moving forward on peace. We don't have that so

it's more complicated. But we shouldn't assume that this right-wing result precludes making progress on big issues.

MR. INDYK: May I just add a couple things to that? I think that proposition is basically correct, but there are a number of points that need to be made. First of all, Shas, the Sephardi religious party always manages to obfuscate its position on territorial concessions so that it can be a part of any government. It wants to be a part of any government because it wants the money to keep its private network of schools and social institutions going. But in my experience, when push comes to shove and territorial concessions have to be made on the West Bank or Jerusalem, they're out of the government and that's because their constituency doesn't actually support it. So they create this impression that they're willing to give up territory for the sake of saving lives, but in reality they're not. They don't have that same commitment to the Golan Heights. They could go with that deal. But here's the rub. Lieberman, and this gets very complicated, leads a Russian party. For him, demography is more important than geography. He doesn't want to hold onto the West Bank because he wants to separate from the Palestinians. He wants a pure Jewish state. And he would not only give up the West Bank with the Palestinians there in order to achieve it, he will even give up Israeli-Arab towns in the Galilee for that territorial deal that will create a pure Jewish state and a Palestinian-Arab state alongside it. In other

words, the Israeli settlers will come back into Israel and the Israeli Arabs under his idea will go to the Palestinian state, or at least a significant number of them. But when it comes to the Golan Heights, Lieberman is a Russian. Russians come from a big country and you can attest to this in terms of your polling, and maybe you want to talk about that. But Russians don't believe in giving up the high ground, don't believe in giving up the Golan, and certainly Lieberman doesn't. So if he is in a National Unity Government with Kadima which as you said, Stanley, is more interested in a Palestinian deal and will go along with a Syrian deal, Livni really wants a two-state solution, so Lieberman and Kadima form a critical bloc in terms of supporting a two-state solution for different reasons.

Kadima, Likud and Shas can form a critical bloc in terms of making the Golan deal, but you put the three together and I think what you got is mush and I'm not sure how that will play itself out.

MS. WITTES: Martin, if I may, let's look at the U.S. in this equation. Assuming that we come up with a unity government that includes Kadima, Lieberman and Likud, you've talked and written very eloquently in the book about how a difficult U.S.-Israeli relationship can hurt an Israeli Prime Minister. How can a U.S. government faced with this awkward shotgun marriage hold together a critical mass of Israeli political support to push forward on the peace process?

MR. INDYK: I think what one of the lessons of Clinton's preoccupation with Israeli politics, and again Stanley can speak to this firsthand as well, I think that looking back Clinton became too involved in Israeli politics. He was fascinated by it and he really got involved in the intricacies of it and he tried very hard to help Peres defeat Netanyahu which turned out to be counterproductive, then he tried very hard to meet Barak's political requirements in order to keep his government alive. I think the lesson is that it's probably a mistake to get that involved, that Obama, Clinton and Mitchell need to kind of set the course and where they believe they can best achieve movement and pursue that strategy and that strategy as I've written in the book is in my view to pursue three simultaneous initiatives. One, to try to move the Palestinian-Israeli negotiations forward as difficult as that may be which will include in my view, will have to include, a real settlements freeze and real action by the Palestinians against terror and violence. Try to move forward on the Israeli-Syrian track, but I don't believe that it can be done instead of the Palestinian track, it needs to be done alongside it. And also as Obama has said, hold out an open hand to the Iranians if they are prepared to unclench their fists and basically say to the Iranians if you want to be part of this new more peaceful world, you are welcome, but if you want to exclude yourself and continue your rejectionist policies, then that will be your choice and you will be isolating yourself from the process, and that is

the way that we should proceed. The point being that we can never tell, Israeli politics, Palestinian politics, Syrian calculations, Iranian politics, how exactly each one of these players is going to react. We know that they will react, and so inevitably the long history of American engagement in the region is we push on one door and another door opens up. Clinton pursued a Syria First policy and he ended up with Yasser Arafat on the White House law. We pursued the Syrians again and we ended up with King Hussein on the White House law. Jimmy Carter pursued the Syrians and he ended up with Anwar Sadat at the Knesset. So we're not good at making these kind of calculations and I don't think we should. We should set our course on what makes sense from our point of view and then see where the opportunity arises. I believe, my gut instinct tells me, the opportunity will arise with the Syrians, that that's where Bibi will go because that's what Bibi can do.

MS. WITTES: Stan?

MR. GREENBERG: Martin is wise on this and I agree with his three points. I would add that with President Clinton you got engagement in the process along with deep alignment in the internal political process in Israel. With President Bush you had lack of engagement but combined with a deep identification with Sharon and wanting to align with his politics, Likud politics. That was not productive. So I think going with engagement in the process, that is engagement of



these three goals but pulling back from trying to sort of Israeli politics and aligning with political forces, even more so now given the complexity that we're underlined.

MR. INDYK: Let me ask a question. Just to press on public opinion in Israel in terms of attitude toward a Syrian deal. What's your sense of that?

MR. GREENBERG: We polled extensively at the time. There was so much less interest in Syria at the time because we had come out of Oslo and there were Palestinian leaders who were ready to negotiate. A lot of the biggest issues in some sense had been resolved on the Palestinian side. On the Syrian side you had a leader who would not recognize Israel, was utterly grudging a front that's peaceful and posing a predictable problem. We got a small majority for the agreement if you talked about everything else that was going to happen, peace in Lebanon and a U.S.-Israeli more developed military relationship, and I think the same would be true here. I'm sure the polling at the outset will be against it. One thing I'm convinced of is don't believe in polling. Polling is real and it reflects -- but what I've discovered in Israel, people are against something until they're not against it, and this is dynamic and they are forced to consider. These are folks who are like Larry Summers on economic issues. They're not single-dimensional or two-dimensional.

They'll consider all the range of things that come into play and attitudes will move when there is the right set of opportunities for Israel.

MS. WITTES: I have so many more questions I could ask you but I see already in our audience a number of people who want to ask their own. We have about half an hour for discussion, so let me open it up and we'll give the first question to Alan Brown. Also please when you do get the microphone, introduce yourself and make sure there is an interrogative statement.

MR. BROWN: Alan Brown with the Canadian Embassy. I was wondering what your reaction would be to the latest news from Israel about Kadima. Apparently Tzipi Livni says that she's not going into the coalition, she is not going to legitimize a right-wing government, and what problem that poses now for Netanyahu to form a coalition.

MS. WITTES: If I may just add to that question, it seems for Kadima the current situation is a tremendous challenge because they were formed around the personality of Ariel Sharon and in a particular moment on the idea of unilateral withdrawal. They don't have much logic as a party today. So if they go in, they get subsumed. If they stay out, they may get crushed. What would you advise?

MR. GREENBERG: First of all, don't believe anything anybody says about what their conditions are and what they absolutely won't do and this is going to have so many chapters. What you can do is I

saved so much time, new breakthrough, don't read those stories. Kadima says they won't go in, you don't read those stories because it's just all part of the -- they're arguing for rotating the position of Prime Minister which has happened at prior periods. That's what they're trying to achieve in the negotiations and so that's what they ought to be saying in order to give that some strength. I think the danger for them is which has to do -- Kadima doesn't really represent anything. Center parties have not survived very long. We haven't seen one out of power for sure survive very long. So I'm not sure what would happen. Most of its list are Likudnicks more than part of the center left. So I think it would fear being out of power and I think Netanyahu understands that. So I think their negotiations will deal with those competing sets of needs. He needs them in order not to have a right-wing government. On the other hand, she has to deal with the risks of being outside.

MR. INDYK: Do you imagine that Labor could come in instead of Kadima with a Bibi led government?

MR. GREENBERG: No. Anything can happen. If bold happened in which they said let's do a unity government, we'll bring in Labor, it'll be for short-term, we'll rotate, we'll do constitutional -- change the election system. You could have some kind of interim arrangement that dealt with some issues that couldn't be dealt with except under this formula. But there is tremendous pressure within Labor to stay out. Barak

has said that he wants to go out and I think there is good reason for the party to be out. But again I don't know. Under President Peres overseeing it it's possibly reached some point of stalemate where you say the only way forward is a unity government that encompasses Labor with special kinds of conditions to go forward.

MS. WITTES: Thank you. Sam Lewis?

AMB. LEWIS: Very excellent analysis by the way. I just came back from 2 weeks in Israel and I don't think I would disagree with anything except you didn't talk about the mood of the people which I found really very worrisome, bleak, pessimistic, angry, trust none of the leaders. You didn't talk about the leadership issue which -- maybe we resolve it temporarily, but not for very long. The question is this. Martin, in your excellent book, and it's terrific by the way. I really have read it a couple times now and I think it's very extraordinarily good. You end up essentially up with the formula that you've described here, the tripartite approach. You also are assuming at that point that there is a truce and Gaza isn't figuring in the game plan. I know this is about the election, but it seems to me you need to say something to us about the ways in which this unresolved war in Gaza which can break out -- may not get resolved, there maybe could easily be another round, how that will affect all of this. It certainly had an effect on the election itself. But in any case, when you think about it from the American point of view, yeah, perhaps we should

step back just a little bit as you described. But how much should we step into the Palestinian problem? Leave it to the Arabs to try to settle somehow or other and follow along or what?

MR. INDYK: Let me first make a comment about your point about leadership. What I think was surprising to me, and I didn't have the advantage of being there as you had, Sam, but what was surprising to me was at the last minute the way that Tzipi Livni actually emerged as a leader with a constituency that was a new constituency of the kind of center left with women playing a big role in what is in fact her victory, she got the most seats, even though there was a move to the right. So I think that that's important. It comes back to Tamara's question which doesn't have a good answer, that she's got a real dilemma. What's her best way of conserving and building that base? Is it in the government or outside the government? And while I agree with Stanley that we shouldn't take any of these statements as anything but maneuvering at the moment where she wants to drive up her price playing hard to get from Netanyahu, nevertheless, I think she's really got a very hard decision to make and it's not clear where she would be better served.

On your very gentle way of easing into the question of what U.S. should be toward Hamas, I'm actually just back from another part of the Middle East which is Doha, Abu Dhabi and Dubai, and two things are very noticeable out there. First of all, deep, deep rivalry that has erupted

between Egypt on the one hand and Qatar on the other that is dividing Arab ranks. But there's also an effort to try to reconcile amongst the Arabs. I think the major reason for that attempt now which will manifest itself in Qatar showing up in Egypt for the donor's conference and Egypt coming to Qatar for the Arab League summit that will take place in March, but part of the motivation for that is a sense that they have that now they all need to be involved in the effort in reconciling Fatah and Hamas and both Fatah and Hamas seem to be ready for that exercise even though the divisions between them are deep and bitter. So I think what we are going to see is an effort on the Arab side to try to close ranks both between the states and between Fatah and Hamas so as to present a unified Palestinian actor to enter into negotiations with Israel. In effect, what would be necessary from an American perspective is a National Unity Government on both sides. The critical question for Washington is, number one, do we continue the Bush policy of blocking such a reconciliation effort, and I suspect that the answer to that is no, that we will not stand in the way and I don't think we should stand in the way of that effort. I do think it should be an Arab effort. But because we want to see the peace process move forward to an actual negotiation, the reconciliation that takes place needs to be one that can make a negotiation possible. In other words, Hamas will have to legitimize her leadership that actually enters in peace negotiations with Israel and so we

cannot simply say you guys go off and figure it out because more likely than not they'll figure it out in a way that is negative for what we want to achieve. So we have to have a kind of invisible hand there in terms of making sure that the reconciliation effort produces a Hamas willingness to support Abu Mazen, the Palestinian Authority, PLO entering into negotiations with Israel.

MS. WITTES: Thank you, Martin. Stan, just quickly I have to ask. Did Hamas rule in Gaza win this election for Netanyahu?

MR. GREENBERG: I'm afraid I'm not going to answer that simply. The fact that disengagement from Gaza ended up in chaotic Hamas controlled Gaza fundamentally damaged those political leaders, those forces in Israel that were looking for continued engagement. So Hamas's role in Gaza is a big part of the problem and obviously central to that overall. But keep in mind if you look at the election at the results, Likud got the same number of seats -- they polled at that level, it went down a little bit, but basically it polled at -- the entire election. What happened was a move to the right and not to Likud. And the other piece of this was a shift from Labor almost certainly -- at the end from Labor to Kadima making -- emerge at the top. But you're right on your first point. You're right that we didn't talk about public mood. The turnout moved up a touch over the last election mainly because I think of Lieberman and also how competitive the election turned out to be, but it's a dismally low

election. Under the surface of this process we're looking at is a dysfunctional electoral system, a country that's alienated from its leaders, unable to address a whole range of social and economic issues, that continually compounds the problem in its Arab citizenry. So those fundamental problems are only worsened by this process with a fairly demoralized public.

MS. WITTES: Thank you. I'm going to try and take a few questions at once and then come back. We'll start with the gentleman in the brown jacket here.

MR. : Thank you. Where does peace with Lebanon and/or the Hizballah threat come into this Israeli-Russian -- not Russian, the coalition? Thank you.

MS. WITTES: Yes. A very good question. Hold that thought, gentlemen. Marvin Kalb?

MR. KALB: I wondered if you could give us your sense of the American approach to the peacemaking effort. With Bush there was one approach, very supportive of Israel. Do you suspect that the Obama administration will follow Bush in this respect or take a more independent line?

MS. WITTES: The lady in the second row here. Just wait for the microphone, please. Introduce yourself, please.



MS. LAVUSH: I'm Ruth Lavush from the Law Library of Congress, and I am wondering about your impression as to the role of fear that the Israeli public has been in and that is in my view what prompted the results of the last election and the crush of the left, fear that created really lack of belief in peace so much so that the vocabulary that is being used is maybe conflict resolution rather than peace and the effort toward this so that maybe to redeem the fear of existential livelihoods on the part of at least the Jewish public in Israel.

MS. WITTES: Thank you.

MR. INDYK: I'll deal with the Lebanese and Obama and you can deal --

MR. GREENBERG: Deal with fear.

MR. INDYK: You can deal with fear. I'll deal with hope. You'll deal with fear. In terms of Lebanon, Lebanon doesn't play a big role in the calculations of the Israelis or for that matter the Obama administration until Hizballah kind of sticks up its head and then the whole issue rises to the forefront again. At the moment, Hizballah is seemed to be deterred from taking any military action and here there's this kind of question mark about whether the elections in Lebanon which will take place in June will produce a coalition that in effect gives Hizballah control of the government and from an Israeli perspective, that might not be such a bad thing because the Israeli deterrent approach is basically it's easier

for them to deter a government than it is to deter a militia and terrorist organization. But in terms of peace with Lebanon which was your question, I think from an American perspective it's very important at the same time as we try to get a peace negotiation going with the Palestinians and a peace negotiation with the Syrians that we then try to get a peace negotiation going with the Lebanese as well. There's one reason why that shouldn't happen if the other are negotiating, just as Lebanon participated in direct negotiations with Israel in the 1990s under the Madrid umbrella. If Syria is engaged in direct negotiations with Israel, it gives plenty of cover and explanation for the Lebanese to do so. And the issues between Lebanon and Israel are actually very few. There is the issue of Shebaa Farms which can easily I think be resolved in negotiation. I don't think the Israelis have any reason to want to hold onto it. There is very little else. The Lebanese may claim some -- but essentially there's very little else that needs to be resolved between them, the question of whether Israel will stop flying over Lebanese territory and so on, but essentially the deal is there to be had. So I think that it's important to try to get that negotiation going in the context that I've described precisely because it's in American interests to maintain the independence of Lebanon and Israel and Syria left to their own devices will be happy to sacrifice Lebanon's independence on the altar of an agreement in which these Israelis look to Syria to control Hizballah and Syria looks to Israel to legitimate its moving into Lebanon to

control Hizballah and in effect taking control of Lebanon. So the very fact of an Israeli-Lebanese negotiation helps to preserve Lebanon's independence, but it has to be done in that context.

On Marvin's question about Obama's support for Israel, I would say two things. Number one, I think he's made it very clear during the campaign that he gets it in terms of the importance of demonstrating a steadfast commitment to Israel's survival, security and wellbeing, and that is a parameter that he will I believe respect without question. But he's also said in an interesting discussion with Jewish community leaders in, help me here, it was Ohio, Cleveland, I think, he said that that doesn't mean that he has to support the positions of right-wing parties or advocates in Israel, and I think that that's what we'll see is the difference. The big test I suspect will come down to the question of the settlements freeze especially if it's a Netanyahu government, especially if it's a narrow right-wing government. Netanyahu has already come out and said we want to build new settlements but we need to have natural growth. George Mitchell back in 2000 when he made his recommendations as part of his Mitchell Report on the origins of the intifada said there needs to be a settlements freeze including natural growth. So I think that where the argument may end come down to is the question of whether there will be natural growth or not and that could create a fair degree of tension with the Netanyahu government just as it did in Clinton's time.

MS. WITTES: Stan, the politics of fear.

MR. GREENBERG: I'm not sure fear is the right word but there certainly were a million Israelis who were caught up daily with the rockets, not just the million caught up in it, the reporting of the rockets and people's response to the rockets was a substantial part of the environment over the past 3 months or post I think the last 3 months. But there is a bigger piece here. The Israelis watched what happened from Lebanon, the rockets coming into Israel and while it's true the international community became part of the peace agreement there's the sense that the world is indulgent about another country -- terrorists firing rockets into Israel and that Israel unlike any other country is supposed to remain indifferent to that or patient with that happening. What happened here from Gaza is there developed a consensus across party -- not across party, across society that no government, no country other than Israel would ever be allowed to permit it to see this kind of rockets coming into -- its civilians being threatened without acting and they developed I think consensus to block them from considering criticism about the action. And I believe that consensus which was deep and resisted the kind of external attacks on Israel for the way it dealt with civilian populations, but that consensus was very much part of the environment that I think froze out a lot of -- thinking about peace, relations with neighboring states, the world. The most important thing was for Israel to reassert its right to defend itself

and that consensus I think did create a partisan environment that was hard for parties outside the right.

MS. WITTES: Thank you. Why don't we get some questions from further back in the room. This gentleman on the aisle right here.

MR. BARAZI: My name is Tamam Barazi from -- magazine. Ambassador Indyk, you are always talking about Syria. Obsessed with Syria.

MR. INDYK: I talk about (inaudible)

MR. BARASI: Tell me what about -- I mean there are theories in Washington that the Obama administration is ignoring Syria currently in spite of many congressmen going and Assad making it like he's meeting with the Executive Branch. They don't explain that to the people. But the theory goes that they will deal with Iran and if they have a deal with Iran then neutralize Syria. So why they should begin with the smaller problem if the bigger saw Syria as neutralized? Secondly, on Syria, you said about the Vienna connection, the ambassador there which -- but Syria denied it. They always deny these things. Do you have proof of that?

MR. INDYK: It's early days for the Obama administration and there are some significant issues that need to be resolved in the bilateral relationship between the United States and Syria so I think we

should not take the fact that Mitchell hasn't turned up in Damascus yet as an indicator of an interest or lack of interest in pursuing Syrian negotiations. I think that the groundwork has to be prepared carefully partly because of the issues in dispute and partly because of the experience again which was very clear in the 1990s that when we chased after the Syrians, and we did chase after them, Warren Christopher made 16 trips to Damascus, they tended to slow down, take advantage of the fact that they were now appearing to be the center of the Arab world which they very much like to be, and so Assad kept on adding conditions, requirements. The more attention we paid, the less progress we made and that's the lesson from the 1990s that I think the Obama administration would be well advised to pay attention to. The second point, again all I can say is in a shameless act of self-promotion read my book.

MS. WITTES: A little bit further back. Steve?

MR. : You didn't mention Iran and that's common in talking about government formation in Israel. The Iran issue is not playing much of a role, and yet virtually all the parties in Israel identify it as the number-one problem facing the country. You could also say that it is the issue that has the most potential for Israel-Israeli tensions over the coming 12 months, even more than settlements, because we are approaching the final Iranian sprint to nuclear weapons and something either will or won't be done about it. So my question is, do you think it will play any role in

government formation? I assume the answer is no. Will it be resolved between the Obama administration and the Netanyahu government?

MS. WITTES: Thank you. Stan, we saw these parties trying to out-tough each other on Iran throughout the campaign. So can we expect a very hard-line government guideline on Iran?

MR. GREENBERG: Again I'm going to mostly defer, but I will say there is no doubt that Ehud Barak with whom I've had direct experience believes it's an existential fundamental threat and so it stretches certainly from that part of the spectrum to the right. But I'd also stress with Bibi, and I've met with him many times on this issue because we work on Israel's position in Europe and deal with the Iran issue and he is very focused on it, and it's his number-one issue, and the only thing I would say on that it's possible it's so central in terms of his wanting to get U.S. support for dealing with it in a serious way that I wouldn't rule out that he tries to create some space for himself on that issue by dealing with more flexibility on the --

MR. INDYK: But the question of what will be the posture of the new Netanyahu-led government when it comes to the Obama administration's approach of engaging with Iran, will they be opposed to it? I don't think so. I actually sense that notwithstanding what David is saying and writes in his book about the desire to take preventive military action last year, what I see now is there is, and I agree with Stanley, remarkable

consensus from Barak on the left to Netanyahu and Lieberman on the right that now they are willing to give diplomacy a chance perhaps for tactical reasons believing that it's not likely to work but then having tried, Obama will understand that he has to look to other more serious options, sanctions and then perhaps military action. But also because, and this was my experience in dealing with Netanyahu on the Iran issue in the 1990s when he was concerned about it then as he is -- well, I guess he's more concerned now, but nevertheless it was the focus then, there was a preference to find a way to get Iran through diplomacy to give up on its nuclear weapons ambitions, that there was a willingness on the part of a right-wing government in Israel to accept the logic that it was better if you could change the person in -- the approach of the Iranian government on this issue than to have to take military action to deal with this problem. So I think they're prepared to give it a chance, and for reasons that I don't really understand, I can guess at them, but my sense is that their horizon, the time horizon has actually stretched a little, that whereas we've heard in the past 6 months before they cross the nuclear -- threshold and we have to act within 6 months, the 6 months passed quite a long time ago and my sense is that they're prepared for a 1-year kind of time horizon to see if this diplomacy can actually work.

MS. WITTES: Thank you. You all have put forward to many excellent questions and we have covered so much ground that I'm grateful



for this rich discussion. I want to make sure that you have time to buy books for these two gentlemen to sign. So if you will do me the favor of letting them sneak out to the table in front where they can do you the honor of the signature on your books, thank you all for coming and thank you to our two authors for a wonderful discussion.

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