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MEET THE PRESS AT BROOKINGS:

EGYPT, TUNISIA, AND THE CHANGING STRATEGIC LANDSCAPE
IN THE MIDDLE EAST

Washington, D.C.
Thursday, February 3, 2011

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P R O C E E D I N G S

MR. INDYK: Good morning, ladies and gentlemen. Welcome to another session of Meet the Press at Brookings with David Gregory. I'm Martin Indyk, the director of the Foreign Policy program, and we're bringing this to you together with the Saban Center for Middle East policy at Brookings. The director, Ken Pollack, is with us this morning on the panel as well. He's an expert on U.S. national security and military affairs and has been the director of Persian Gulf Affairs at the National Security Council; more importantly for this morning, he's the author of *A Path Out of the Desert: A Grand Strategy for America in the Middle East*, which deals specifically with the kinds of challenges we're dealing with at the moment.

We're also very glad to welcome to Meet the Press at Brookings Jennifer Windsor, who is the Associate Dean of Programs and Studies at the School of Foreign Service at Georgetown University. She was previously, for a decade, the executive director of Freedom House.

Anouar Boukhars is Professor of Political Science and International Studies at McDaniel College. He is an expert on the politics of North Africa and has just completed a policy analysis paper for us, which you can find on our website, called "The Perils of Incomplete Liberalization" about the challenges of politics in North Africa.

And on the big screen or the small screen we see Shadi Hamid, who's going to join the discussion. He is the director of research at our Brookings Doha Center in Qatar, an Egyptian by nationality who focuses on Islamic political parties and is a expert on the Muslim Brotherhood. You can read his very interesting pieces on the Brookings website as well.

Sitting next to him up there is Ibrahim Sharqieh, who's the deputy director of the Brookings Doha Center.

We have an audience in Doha, and we're going to bring them in as well.

Well, ladies and gentlemen, I don't have to tell you that revolution is in the air in Egypt and across the Middle East. I never thought in 35 years of studying the Middle East that I would in my lifetime see the events that are unfolding before our eyes at this moment. It's a time of great exhilaration for the people of the Middle East and a very scary time, not just for the authoritarian leaders there but for those who wonder about where this vital and volatile region will head.

We are indeed in uncharted waters, and so we're very grateful to David Gregory for hosting this panel discussion today. Hopefully we will come out of it with some kind of way ahead for the region and for the United States.

David.

MR. GREGORY: Thank you, Martin. Welcome to all of you here, to those watching on television, to our adjacent room at Brookings, and to the audience in Doha. This has got to be the most exciting conversation thus far for Meet the Press at Brookings, because we're in a breaking news situation; and for journalists like me it just doesn't get any more exciting or more vital to have a conversation like this, to be surrounded by such expertise at a time when there's, frankly, a good deal of confusion surrounding what's happening on the ground.

And that's where I want to begin, because the question of what's happening and what does it mean I think is all the more important, given how much uncertainty. And let me stay with Martin, and then we'll have everybody touch initially on the panel.

What is happening, Martin? What do we make of this state of confusion?

MR. INDYK: Well, that's exactly right. We're not exactly sure what's happening. What we can see is Tahrir Square -- Liberation Square -- in Cairo, which is now kind of recovering from the battles of the last 24 hours. The Army seems to have moved into position between the competing camps of demonstrators calling for Mubarak

to go and those who are saying it's enough and supporting him. The prime minister has just apologized for the actions of the thugs yesterday.

But the big question is what will the army do and, particularly, what will the army do tomorrow. Friday is a time when everybody will be coming out to the mosques to pray and then coming out to the street to demonstrate. One can assume that will happen across Egypt and not just in Cairo, and now the big question mark is does Mubarak have a strategy for in fact staying in power and of seeing a transition to his people.

MR. GREGORY: Let me pick up on that point.

Shadi Hamid, who is in Doha, let me go to you on this question. The end game is here for Mubarak -- how do you read it? What is he doing? Is he vying for more time?

MR. HAMID: Well, he doesn't want to leave power, so he's planning on staying until September when presidential elections will be held, and this is where the big gap between the protesters and the regime is. The protesters have been clear about what their single, overarching demand is, and that is for Mubarak to step down, not in several months but immediately. And I think actually yesterday what we saw was the official start of the counterrevolution. I think people got caught up with the euphoria of the first few days and forgot that this is an effective, strong regime. They know how to manage opposition. So, what we've seen yesterday was a concerted effort on the part of the regime to regain momentum, and I think we really saw a shift in mood yesterday compared to previous days where we saw in some cases over a million protesters.

MR. GREGORY: And, Ken, let me bring you into this, because we want to touch all the pieces, and Shadi can talk about the Muslim Brotherhood as well and other opposition groups who have been somewhat silent here.

EI Baradei has said nobody's sitting down for conversations with the

Mubarak regime until he actually leaves power. So, talk a little bit about where protesters stand at this moment. I mean, they understand that if they're not in the streets, if they're not forcing the issue, they lose a lot of momentum.

MR. POLLACK: Absolutely. The one thing that the protesters have going for them right now is actually international media spotlight on them. The Mubarak regime, as Shadi has pointed out, doesn't want to leave power. They are not ready to go gently into that good night. But they are being constrained by the international media attention on them, and that's why in many ways it's critical that the protesters are able to keep the media with them. It's why you've seen the counterrevolutionary forces, the pro-government forces, trying to beat up journalists to try to shut down coverage of Tahrir Square, because once the media spotlight is gone, their freedom of action is going to be greatly enhanced.

MR. GREGORY: Anouar, your take on -- this is not happening a vacuum. This has been a broader movement up until this point. What's immediately happening regionally beyond what we're seeing in Cairo?

MR. BOUKHARS: Sure. I mean, everybody's watching. I mean, the autocrats -- I mean, from Algeria to -- you know, to Yemen and elsewhere -- are routing for Mubarak, because this is the scenario we are witnessing or are seeing unfold in Egypt. That's what we expected to unfold in Tunisia, but it never did. I mean, the surprise for the people and for other autocrats is how quickly that regime crumbled.

I mean, when he -- when Ben Ali in Tunisia -- I mean, he left and he called his counterpart in Algeria. I mean, he was stunned that he didn't -- that he was at fault and he said an Algerian would never do that. An Algerian president would never flee and we never did. I remember in 1990 -- the 1990s -- I mean, this is a regime that was willing to fight and to take the country into a catastrophic civil war that cost 200,000 people. So, that's what we're looking at. So, the people are, as you said, as Martin said,

there's really exhilaration, fascinating, from Morocco to Algeria and elsewhere what's going, and they're just looking at how this thing is going to move.

So, that's where we are. I mean, from Morocco to where I am from and Algeria and Mauritania everybody's watching the reaction also of the United States.

MR. GREGORY: Jennifer Windsor, let me bring you into this. Talk about a freedom movement that's around the region. The King of Jordan dissolves his cabinet. The leader of Yemen saying, you know, he'll walk out of power later on in the year. Mubarak, himself, announcing that he'll be done by September even though they're calling for him to leave now. This is quite an effect.

MS. WINDSOR: Well, it certainly is unprecedented. Egypt is in a region which is considered to be one of the most repressive in the world and freedom has his annual survey. There were and there have been some signs of small movements forward, especially, I would say, on the part of civic groups and independent media, satellite, and bloggers really trying to open things up, even in repressive countries. So, I'm rooting for them. I think that this tells everybody that said that the Middle East is not capable, does not really want freedom there's obviously constituency out there. It's too soon to tell where it's going to go. There's many, many steps. There's a long road ahead in terms of getting from protests on the streets to a democratic system in place. But they are moving now, and I think it's going to have massive implications throughout the region.

MR. GREGORY: I want to talk about the U.S. response, but I want to go quickly back to Shadi, because I think one piece of this is, again -- and we're talking a lot about it in this country, Shadi -- is the Muslim Brotherhood. Where are they? Were they caught flatfooted? You know, are they poised to become a major force here? What's happening there?

MR. HAMID: Well, I think till now the Brotherhood has played a relatively

limited role. They have not been very visible in the protests. But that's by design. The Brotherhood is well aware that if they have a problem in role, this will stoke the fears of the international community and particularly the U.S. So, the Brotherhood is sensitive about that.

They are starting to become more active, and actually we're just speaking to some Muslim Brother figures over the phone today to get a better sense of what their strategy is. They do plan to get more involved. But, again, they're trying to emphasize that they do not have any leadership aspirations, that they're lending their support behind Nobel Laureate Mohamed ElBaradei as a potential leader of an interim government or at least for now an opposition coalition.

It's interesting to note, though, that the Brotherhood has kind of moved and tried to make some public statements to allay some fears, so there have been several leaders who have said they will abide by the peace treaty. There was one who said that just the other day and another who said we will affirm all past international treaties. Now, again, we don't know -- the argument can be made how genuine are the Brotherhood leaders when they say this. But I think it is interesting that they have gone out of their way to make that point to the international media.

MR. GREGORY: Let me -- can we bring you in on this on this one narrow point of Mohamed ElBaradei, former head of the IAEA Nobel Laureate. Is he like Wolensa here or not?

MR. POLLACK: This is going to be one of the great questions here. Revolutions are, inherently, unstable and unpredictable situations. Mohamed ElBaradei might be the leader that Egypt needs to transition to democracy, but, you know, there are a lot of historical examples that ought to make us very cautious. Alexander Kerensky, Mefty Bozergan -- there have been lots of kind of good, moderate liberals who inserted into a revolutionary situation who were swept away. And one of the things we ought to

think about when we think about both the Brotherhood and the situation of the opposition today is the Muslim Brotherhood -- they're the Mensheviks of the Egyptian revolution. The Bolsheviks of the Egyptian revolution are sitting in caves in Pakistan, and I think that Ayman al-Zawahiri, an Egyptian Islamic Jihad, which is a critical element of Al-Qaeda, are probably right now, if they haven't already done so, thinking this is our moment, this is the revolution we have been trying to create for 30 years in Egypt, and my guess is that like Lenin through that sealed train through Germany in World War I, they are trying as hard as they can to get their people back to Egypt to stir up the situation, to seize this revolution from the moderates himself --

MR. GREGORY: Exactly, and he was part of the Brotherhood himself. The founding kind of intellectual father of al-Qaeda, indeed Egyptian.

MR. POLLACK: ElBaradei and the liberals -- they have to not only deal with Mubarak; they also have to deal with the extremists who are now going to be flooding back into --

MR. GREGORY: I want to come back to this. It's a fascinating topic. Go ahead on this one.

MR. INDYK: -- because it's very interesting to see that even though we don't see the military acting in the square; they're acting on the borders. They're controlling the borders. They're controlling the airport. They've just sent with Israeli approval some more forces into the Sinai to ensure that nothing comes out of Gaza or goes into Gaza that's going to create a problem for them. So, the kind of silent hand of the military is still there and functioning.

MR. GREGORY: Well, would you expand on that, because as a military regime, the institution of the military -- it's important and it's potential -- and Jennifer, you can comment on this as well -- for becoming part of the caretaker government.

MR. INDYK: Well, this goes to Anouar's point about what happened in

Tunisia. There we saw the Army playing the role of the constringer holding the ring so that an orderly process of transition could take place. Will the military play that role in Egypt or will it basically back Mubarak and try to maintain the regime that has given them so many privileges? It's basically been a military regime since 1952. It's a stretch to imagine that they're going to, overnight, turn into democrats. But that's what we need them to be in order to get out of this crisis in a way that provides for an orderly transition to a democratic government.

MR. GREGORY: What does it mean, Jennifer, that they are staying on the sidelines at this point as these protests unfold?

MS. WINDSOR: Well, it's actually critical. And any past successful civic demonstration has ultimately been about splitting the security forces from the regime, and the security forces need to feel that they will not be punished, all of them, in a post-transition period. I might say in the case of Egypt it's very important to look at the security situation. It's not monolithic. And what I thought about the thugs was this was the intelligence services, which are really the kind of cutting edge, really brutal part of the security services in Egypt asserting themselves. And so there could be a struggle between the army and the intelligence services. And, of course, the Vice President comes from the intelligence community. So there could be a struggle right now internally, and the ability of the civic movement to be able to continue to split the military, to continue to keep the army on its side is going to be very critical. And that means they need to stay disciplined, as disciplined as they can, given their size.

And clearly what was happening yesterday was the ability -- the thugs wanted to actually turn this into a chaotic, violent scene that then would have to be -- order would have to be restored.

MR. GREGORY: Let me get to how the Obama administration is handling this. And I'm sure everybody has got a view and can interpret. Martin, start off interpreting

where they are and where they've been.

MR. INDYK: Well, they've been playing catch up, not surprisingly, because it's a very fast moving situation.

I mean, last Tuesday this whole thing started. We're in the ninth day. And they've moved from talking about Egypt as a stable country and Mubarak is not a dictator to saying he's got to go and he's got to go now. So, it -- this is a dramatic shift in policy that's taken place. And we're kind of watching it in real time.

So now having, I think, succeeded on two fronts so far, which is to press the military not to open fire on the demonstrators, using the leverage of our military assistance and the contacts we have with the generals. And on the other hand, getting Mubarak to say that he won't stand again.

But, they fell short. Because what they really needed to say -- to get Mubarak to do was to say I'm going now, I'm handing over to Omar Suleiman and Suleiman would then be the one to oversee the transition. Mubarak himself has no credibility with the opposition for the transition.

So, the administration gets high marks for avoiding the bloodshed so far, but I would say -- only B minus in terms of getting what had to be done, which was to get Mubarak to leave now.

MR. GREGORY: Shadi, do you -- in Doha -- do you think the administration expected when the President spoke to Mubarak and said it's time that he would get the message and leave?

MR. HAMID: Well knowing what we know about Mubarak, I don't think that should have been the expectation. He's a survivor, if nothing else, and it's hard to envision him stepping down voluntarily.

I think, though, if we look at the Obama administration's statements, they're definitely hedging their bets. And I think if we look over the course of the past week they've

been behind the curve. Yes, their tone has become -- has gotten a little bit more tough with the Mubarak regime, but they always seemed to be reacting to events rather than shaping them.

And I think a lot of people misinterpreted the word "orderly transition", the famous statement that there should be an orderly transition. That doesn't mean that Mubarak has to step down immediately. A transition could mean a variety of things, including laying down a procedure over the next six to seven months leading up to the presidential elections.

And again, to emphasize what the protesters wanted was not Mubarak to not run again. They wanted him to leave immediately. So in that sense there's a big gap between what the Obama administration has been saying and what the Egyptian protesters want.

And I think there is widespread disappointment now in Tahrir Square and elsewhere about the Obama administration's response. We're hearing a lot of criticism and they're asking where is the U.S., where is the international community.

MR. GREGORY: But Anouar, is that realistic? I mean, does the United States have a responsibility to look at events and think about how that transformation actually occurs?

MR. BOUKHARS: Well, let's start -- I mean, the United States misunderstood the whole region and underestimated, really, what was going on. I mean, Ken wrote a terrific book about this situation two years ago. The storm is coming; it's only a matter of time. It's only -- all we need is a galvanizing event and for everything to explode.

So, yes. I mean, the civil society, the public -- from what I hear in Morocco and Algeria. I mean, they are waiting for the United States to rethink its strategy. They are waiting for the United States to show some leadership. Obviously the Obama administration, I think, must be -- from my view, I mean, congratulated for this evolution we have seen in a matter of week. Talking from stability, orderly transition, and then we want to

transition now.

I think, from an American standpoint, the scenario is for the standoff to persist. Because we all know that there are forces lurking in the shadows. I mean, waiting to take advantage of this situation.

The fears, like in Iran, is that the opposition might radicalize. So, that's why I think the United -- from what I hear, I mean, from the streets -- is that the United States should be more firm, for the simple reason that it has huge leverage over the military. And the military, finally, are the decider in there.

So that's what the public think.

MR. GREGORY: Well, Ken, pick up on this point, then. You've been in the room in these kinds of situations. What's the calculation going on right now.

MR. POLLACK: Well, first, let me start with one point that Anouar made which is very important, needs to be reinforced. Which is, time -- just allowing this situation is very problematic. In particular, it could cause the disintegration of the military. Which as Martin has already pointed out, would be disastrous for Egypt. That will allow the situation to dissolve into chaos. So that's one thing the administration has got to worry about, bolstering the military.

But there's a second issue --

MR. GREGORY: Can I just follow on that? What would cause the military to disintegrate?

MR. POLLACK: Moralization.

MR. GREGORY: And they would just --

MR. POLLACK: And a sense --

MR. GREGORY: -- leave, they would just flee --

MR. POLLACK: -- that the Egyptian people were moving in one direction that their own leadership and their officer corps were moving at a completely different

direction with the troops. And remember, this is a draftee army. So, they come from the people. Having them feel like they're caught in between.

MR. GREGORY: Okay.

MR. POLLACK: But for the U.S., there's another set of issues which we've already been starting to wrestle with. Which is, on the one hand it's clear the protesters want Mubarak to leave. To leave immediately, as Shadi said. On the other hand, these kind of transitions are extraordinarily difficult to make them turn out well. Most revolutions don't turn out well. And one of the most important things here is that you can't have everything all at once. Which of course is exactly what the people want. Completely understandably.

But think about it this way. If the administration calls for elections now, if there are elections now in Egypt, it would be the absolute worst thing for Egyptian democracy in the long term. It's a lesson that hopefully this administration is going to learn from the failings of its predecessor.

MR. GREGORY: Why? Why would it be so bad?

MR. POLLACK: Look what happened with Hamas in 2006? In Gaza -- look what happened in Iraq in 2004, 2005. You have premature elections before you have political parties that are truly representative, before you have an established order, before you have a way of conducting this -- before you have a constitution, you will get the worst elements in society taking over.

MR. GREGORY: And you -- this is your area. Do you disagree?

MS. WINDSOR: I do. I think that we always wishfully wait for elections to be held in places where everybody's tolerant, all the political parties are formed, the rules are very clear. This is never the case, and elections are going to happen whether we like it or not.

And in fact, they could be a galvanizing force. If they're moved up -- I think six months is too little time. I think you should think about calling elections maybe three

months -- it doesn't have to be tomorrow, it's going to take a while. And, yes, there will be a scramble among political parties to figure out how to compete. And there has to be tremendous pressure from the international community to make sure that these elections are as free and fair as possible, which they have not been in many years.

I would just say that I think the Obama administration, you need to turn back the clock a little bit to look at the performance of the Obama administration. There was a very, very stupid decision that the Obama administration made right off the bat to cut off assistance to civil society groups, assistance that had been started under the Bush administration. And that was a -- it was basically so that they could get the relationship back on track. There was a decision made that alienated a lot of civil society groups on the ground, because they felt that the government -- the Obama administration, even though they were brought in, a democratic process was actually turning their backs on the civil society.

So there's a lot to make up for, I think, in the United States, with the people of Egypt.

MR. INDYK: Let me just say quickly -- maybe you can answer this. But the problem I have with your prescription here is that Mubarak has so effectively suppressed the political parties of the center -- of the secular center -- and allowed the Muslim Brotherhood to organize. They have an infrastructure.

The secular parties do not. You bring up the elections to three months from now, then you're basically handing the elections to the Muslim Brotherhood. Is that the (inaudible) you want?

MS. WINDSOR: I don't think that's a -- first of all, I think that the role of civic and youth movements and forcing political parties to get their act together should not be underestimated. That certainly was the case in Serbia, in Ukraine. The political parties would have continued to sort of factionalize and figure out who was going to be there.

I think ElBaradei is not a charismatic figure, but people might be willing to unify around him. He's not particularly frightening to the outside world. And I think the Muslim Brotherhood, if they're -- they're not dumb. I think that they would want to be part of a coalition government and then work towards it. They are great strategists.

MR. GREGORY: Shadi, can you comment on an aspect of this? I've talked to former diplomats, former administration figures, who say that some of this fear of the Brotherhood, you know, taking over -- the Islamist nature of this would not necessarily take root in Egypt the way it might have in other countries. And, furthermore, some of the concerns -- Martin mentioned this on *Meet the Press* on Sunday. Going back to the Iranian revolution and the Shah. That this is 30 years hence. That we're in a different place.

What's your perspective?

MR. HAMID: Well, I don't think you can really compare Iran to Egypt today. The Brotherhood renounced violence decades ago, it has committed itself to a democratic process, it's evolved over time. The Brotherhood of yesterday is not the Brotherhood of today.

Yes, there are things that we as Americans won't be comfortable with in terms of their position, say, on women's rights and minority rights. But I think we have to recognize that they aren't extremists like -- in, say, Iran or elsewhere.

In terms of what their objectives are here, they aren't going to try to win an election, even if they could. Islamists in some ways purposely lose elections. They never run full slates. So if we look at Egypt, Jordan, Bahrain, Kuwait, they never run more than 50 percent of the total districts or the total seats.

Why? Because they are, again, aware that this would either provoke the regime or provoke the international community. They do remember what happened in Algeria when Islamists didn't win. They remember 2006 with Hamas. So there is a certain degree of pragmatism here about what they're willing to do.

And I'll just say one more thing on that is, the Brotherhood's focus now is going to be rebuilding their organization. They've been repressed increasingly in the last several years. They want to be able to rebuild their membership, get their message out, reengage in preaching social and educational activities. They're not interested in power just yet. Maybe down the road they will be more, but I think they have a more specific focus in the short run.

MR. GREGORY: Let me -- I'm going to bring back a couple of real-time items. First of all, Martin. Israel. Just describe what's happening there, the level of anxiety. We've heard very little from Prime Minister Netanyahu.

MR. INDYK: Well, believe it or not, today in Israel they are totally preoccupied with a fight between the Defense Minister and the Chief of Staff about who is going to take over the Chief of Staff. So, Cairo is burning but they're having a little argument about who's going to be in what chair, believe it or not. That's totally fixated them at the moment.

But, they are deeply concerned about what this means for the Egypt-Israel Peace Treaty, for the common strategic alliance that has been built up over 30 years between Egypt and Israel. With common enemies, whether it's al-Qaeda or extremist Palestinian groups -- in particular, Hamas in Gaza. And, of course, Iran. And if the Mubarak -- while Mubarak is leaving they're entering into a whole new world which can be highly problematic for them.

We could be seeing -- I don't think so, by the way. But from their point of view they're very concerned that this will be the unraveling of the whole peace process. The Egypt-Israel Peace Treaty, they look at Jordan and wonder what will happen there as well. And so, they're -- I think feel that they cannot influence events. Horrified that the Obama administration has kind of given up on Mubarak, and they wonder what does this mean for how the Obama administration will behave towards King Abdullah of Jordan. Or, towards

Israel when it comes to the bottom line of will the United States be with Israel when it's in trouble.

MR. GREGORY: Ken, I want to stay real-time and ask a question that, you know, my team and I are asking as we think about our program on Sunday, which will be dedicated in large measure to this story. Which is, what are some of the scenarios we're looking at? Okay, we have a long term scenario which is, do we stay at this sort of impasse until September? What would cause Mubarak to leave in the next two days? What do you think about it in terms of immediate steps?

Obviously, the White House is watching and is in this holding pattern as well.

MR. POLLACK: Sure. I think that, you know, obviously -- again, it's a revolution. And revolutions are inherently unpredictable and we can look to all kinds of different revolutionists for some guidance.

One possibility is a continued standoff for some period of time. But again, history suggests that it won't be forever. That other forces will come in and start to pull things, probably in a very negative direction. Again, the army could start to unravel, the moderate opposition could start to unravel, they could become radicalized. You could see Egypt moving into a very chaotic situation like Iran in the early days after the Shah's departure where it wasn't clear exactly who was going to be in charge and there was a fight among the different opposition groups over who was going to be in charge.

Another scenario is one that Martin sketched out and I think it's one that a lot of folks in Europe and the United States and the region would like to see which is Mubarak being moved off-center but the army stepping in under Omar Suleiman or some other transitional figure and effectively playing the role of the old Turkish military, supervising a transition, an orderly transition, to democracy. I think in many ways that's the scenario that many people in Washington would like to see happen. But another one is that the military

decides that the situation is getting completely out of hand and they need to step in and crack down. We shouldn't rule that out either.

MR. GREGORY: Anouar, the U.S. government has to be concerned about some kind of oil shock as a result of all this. Where do we stand?

MR. BOUKHARS: Well, again, I mean, if this -- I mean, oil barrels are at \$90 and it's, you know, running \$100 in London and if this thing is protracted, I mean, we can expect that to go even up with consequences for this fragile recession, obviously.

Just for the scenarios, I mean, there is obviously the Tunisian scenario which is still unfolding and nobody really knows where it's going, where the military, I mean, plays -- is playing, I think, an important role, and I think we should expect that -- probably that scenario to unfold in Egypt as well.

As for the -- for Israel, I don't think we should -- look, Israel or the United States, I think they have to adjust to a new environment, I mean, whether it's the Muslim Brotherhood that takes over, whether it's ElBaradei or whoever takes over. This is a new environment. I don't think whoever is in charge would dismantle the peace treaty with Israel but there is going to be, you know, I mean, a new relationship.

MR. GREGORY: All right, let me -- I want to get to some questions here and I'll ask everybody to be pointed and brief in their questions. We're going to try to do that in our responses as well so we can really keep this conversation going and as we get ready to do that both here and in Doha, Shadi, let me just get a quick comment from you, if I may, on implications for oil prices. What's your take from there?

MR. HAMID: Well, oil prices have gone up significantly along with a whole list of economic consequences. I mean, this is going to have a devastating effect on the regional economy, it already has, and we're talking about stock market crashes that we haven't seen, really, in decades in terms of Egypt's stock markets, Saudi Arabia's stock market, so there really is a panic here in terms of the economic situation.

So, the real worry, I think, is if these protests continue indefinitely and there isn't more reassurance about stability in Egypt and in the broader region, we're going to see a continued decline in the regional economy and that will, of course, have an effect on the U.S. economy.

MR. GREGORY: All right, let's go --

MR. INDYK: Can I say --

MR. GREGORY: Yes, go ahead. Please.

MR. INDYK: Hundred dollars a barrel oil for the Iranians does a lot to take down the pain of the sanctions that we're putting on them, so they must be sitting there rubbing their hands with glee at the moment.

MR. GREGORY: It does -- Ken, talk about Iran. That has not come up yet --

MR. POLLACK: I was hoping that we were going to get to that, because, yeah, I think we need to recognize that, first, the Iranians don't see this the way that we do. We see this as an oppressed people rising up against an autocratic, callous, corrupt, government. To us it looks like Iran. The Iranian leadership is looking at this as an anti-American movement. They think this is playing to their advantage. They also see Hosni Mubarak, the most anti-Iranian of all American allies, now going down. They see chaos in one of America's most important allies. I think that they right now feel like they are very much advantaged. Add to that Martin's point about oil prices and I think that, again, one of the things that we have to worry about is to what extent do the Iranians see it in their interest to stoke the flames in Egypt, to make the situation worse? I'll come back to my Lenin analogy of the Kaiser's government helping to move Lenin to Russia purposely to stoke the flames of revolution there.

We've seen Iran and al-Qaeda tacitly cooperate in the past. It's one of the things I think we have to be very attuned to right now is the potential for both of these groups

to see it in their interest to make the situation in Egypt even worse.

MR. GREGORY: Do you want to make a comment on that, Jennifer?

MS. WINDSOR: Well, I actually would say that the Iranian government is not impervious to public pressure having just dealt with the green revolution. In fact, I thought it was interesting that they stepped up their repression of their picking up people, even more people than were picking up, executing some people, so they are also not -- they are worried internally too that this might reignite an opposition movement which they have successfully, for now, repressed.

MR. GREGORY: All right, let's get to our audience. We'll start in the back. Yes? Young lady, yes? They'll bring a microphone to you.

MS. COOK: Hello, I'm -- are we meant to state our names and things like that?

MR. GREGORY: Sure.

MS. COOK: Hailey Cook with the U.S.-Libya Business Association. So, my question is what do events in Egypt and Tunisia mean for Libya?

MR. GREGORY: Anyone?

MR. BOUKHARS: Well, I mean, we heard what Gaddafi said, I mean, and how even his rhetoric has evolved from expressing support for Ben Ali and lecturing the Tunisian people and warning them of what Mubarak is warning his people right now, of chaos. And then now he becomes, obviously, a champion, he said, of the people, but definitely, I mean, he is worried. I mean, he has been in power for decades and he's really concerned.

Obviously, Libyan society, it has different social conditions. Its make up differs from that of Tunisia and Algeria, but that doesn't give solace to al-Gaddafi.

So, yeah, he's as worried as everybody in that region including obviously Morocco.

MR. GREGORY: Yes, sir. In the back.

MR. BOSCO: Thank you. Joe Bosco with the CSIS. I particularly appreciated Ms. Windsor's comments. I thought they were astute.

I wanted to ask a question beyond the region. Obviously there are governments around the world that are watching this situation. I think particularly of the one in Beijing which the last time saw a region swept with revolution was in the 1980s and that resulted in China in Tiananmen Square. I notice they've been censoring the news from Egypt except when the violence started to emerge, they're broadcasting that. Would you comment on the situation in China?

MR. GREGORY: Martin?

MR. INDYK: Well, just quickly, I think you've captured the answer in your question. One thing that I understand has happened is the Chinese have told Mubarak, hang in there, we've got your back. And not surprisingly, the Russian government has done the same thing.

MR. GREGORY: Those autocrats stick together.

Let me go to Doha, if I can, if you have a question ready.

SPEAKER: Thank you very much for giving us the opportunity to ask questions.

What does this change mean for the U.S. in terms of the future balance of power in the region? The U.S. recently lost Lebanon, probably Tunisia, and now Egypt. Where is this new balance of power leaving the United States in the region?

MR. GREGORY: Right. Ken, obviously the government is concerned about what would take Mubarak's place.

MR. POLLACK: Yeah, look, this is obviously a critical question but I'd like to start with a point that Jennifer made before which is that the Obama Administration came out of the gate, they gave a wonderful speech at Cairo, and then did nothing about it, in fact,

turned their back on the efforts of political, economic, and social reform, and I think that the way that the United States needs to come out of it is to recognize that mistake exactly as Jennifer was suggesting and realize that that is the way the United States is going to have to redefine its role in the future, that the United States needs to be an engine of change to enable reform, hopefully not as explosively as it has happened in Egypt, hopefully convince all of the other Arab allies in the region that they too need to move down this path.

MR. GREGORY: But I want to ask Jennifer on this point as well because there's a big conversation about the Bush Administration, the freedom agenda, President Bush's second inaugural pushing specifically very hard on Egypt's door for reform and then stepping back. What's more important, that there was the likes of the Administration talking about what was coming, that freedom was coming, or the disappointment associated with not continuing to push?

MS. WINDSOR: I actually think that the opening in the first -- the fact that the Middle East was put on the political reform agenda was revolutionary. There was -- no administration had ever thought of democracy and human rights in the Middle East. It just was off the table.

So, even though there was great disappointment when the Bush Administration sort of eased back after the Hamas, which I think is a completely different situation, and frankly, the elections in Egypt where the Muslim Brotherhood had a relatively strong showing, I thought that was a mistake and -- but I think that people then were reenergized and looking to the Obama Administration to really sort of recommit themselves to reform and this decision, even before the Cairo speech, to cut off all assistance, was terrible.

So, yes, we need to get back on the track. Does it need to be with the second inaugural, with that kind of language? No. But it needs to be real and words need to be followed by real actions and that's not what this Administration has done so far in

democracy and human rights.

MR. GREGORY: Martin, do you have a slightly different take more in defense of what the Administration's done vis-à-vis Egypt?

MR. INDYK: Well, this is somewhat of a personal odyssey for me. In the 1990s, in the Clinton Administration, balance of power was all that I thought was important here, stability was critically important. Of course, Mubarak at that point was facing a really violent Islamic extremist movement, but, you know, we have to get with it. The tide of history is moving in a very clear direction and if we wring our hands and say the balance of power, you know, we have to worry about stability -- no, we have to get on the side of the people who are demanding freedom because that's what we believe in above all. Then the question is, how do we, in that context, protect our interests? And that's the critical question.

You know, the King of Jordan, another ally of the United States, has said that he now wants to embark on rapid political reform. Okay, we've got to go with him on that. We've got to help him move on that front. We've got to do the same thing with all of the autocratic leaders that have suddenly got religion --

MR. GREGORY: Right.

MR. INDYK: -- at least verbally, we've got to get behind them because this is going to create an opportunity for us to lead a dramatic change towards democracy in this part of the world.

MR. GREGORY: And yet it is -- you know, it is amazing that we can have conversations, kind of fundamental conversations about the Middle East and we almost take for granted, oh well, Jordan, of course, there's no democracy there yet. Queen Noor was on Hardball last night saying, yes, but there's certain reforms that are going to take place now. It seems almost obscene that you could ignore the elephant in the room, but, yes, it is a kingdom. I mean, it is so far from the sentiment on the street to your point.

Let's get back to questions here --

MR. INDYK: Well, so Britain is a kingdom, you see, but you can have a constitution --

MR. GREGORY: Right, okay.

Shadi, you wanted to make a point? Go ahead.

MR. HAMID: Oh, yeah, sure. I just wanted to add to Martin's point. I mean, I think there's a real danger here that the Obama Administration will be remembered as resisting change, and that's a big danger. Let's say hypothetically this spreads throughout the region and we do see changes, we do see autocrats stepping down. The last thing we want is the future leaders of these countries to think we weren't on their side when it counted.

So, I think there's an opportunity here. It's still not too late. If the Obama Administration gets ahead of this, they can really -- because we know that U.S. credibility is still very low under Obama. U.S. favorability ratings are still very low throughout the Middle East. This is a chance for us to regain influence and to understand how the region is changing and reorient fundamentally our foreign policy. And a lot of people were talking about a fundamental reorientation after 9/11, but we didn't actually do it. So, I think now's the chance to take that post-9/11 rhetoric and make it a reality.

MR. GREGORY: Back to our questions here. Yes.

SPEAKER: Yes, my name is (inaudible) from (inaudible) Daily Newspaper. I'm not so sure how kindly Zohari would look at being called a Bolshevik.

My question is, considering that Mubarak has been the shepherd, basically, of the Palestinian-Israeli talks, what does it do to the future of this process considering that the least enthusiastic in the region has been the Palestinian Authority -- for what's going on in Egypt?

MR. INDYK: The Palestinian leadership in the West Bank has relied on Egypt for political cover, particularly for the effort to engage in negotiations with Israel to try

to resolve the Palestinian conflict with Israel in that way, and they, therefore, are feeling, I think, somewhat like Israel, a little naked at the moment in these circumstances and not able to do anything about it. But what's interesting is that the two elements that are fueling the revolt here, lack of political freedom and lack of economic opportunity, at least on the economic opportunity front, West Bank Palestinians are doing quite well today. And so they don't have the same unhappiness about their economic circumstances. And Abu Mazen has just taken actions against Mohammad Dahlan, putting him under investigation and signaling that he's going to take corruption and anti-corruption measures seriously.

So they don't have, it seems, a problem like many of the other Arab autocrats have at the moment. They have announced municipal elections.

What does it mean for the Israeli-Palestinian negotiations? Well, they were already dead in the water. This is not going to revive them. It's going to cause a massive distraction, and nobody imagines that by solving the Palestinian problem your going to be able to deal with what's happening in Egypt -- at least most people don't believe that. Having said that, while the focus is everywhere else, it would be a hell of a good time for the Israelis and Palestinians -- Palestinian leadership -- to actually resolve their differences, take advantage of the fact that nobody is focused on them.

There are things that can be done on the ground by the Israelis, like withdrawing the army from B areas, which would give the Palestinians a sense that something is actually happening positive for them.

MR. GREGORY: Is this a huge opportunity for Netanyahu, as Tom Friedman suggested in his column yesterday, bust through the gates here and put down your own plan?

SPEAKER: I agree completely with Tom that this is the moment that the Israelis should find a way to do something to defuse the Palestinian issue before what's happening in the rest of the Arab world comes around again -- and it inevitably will -- to

focus on the Palestinian problem. That's the way that Israel gets on the side of history.

MR. GREGORY: Jennifer, I want to ask a question that's just -- I want to make sure I get to it. And we'll take a few extra minutes, that way, if everybody is willing, for additional questions.

I wrote down here: What's the spark? What sparked this? How did we get to this moment? You know, in my coverage of Washington and of the Iraq War, I remember -- let's put aside the huge debates about WMD and all the rest -- but what was said in some circles was: After 9-11 the United States grabbed the region by the scruff of the neck; decapitated one of its leaders; and basically sent a message that we will change the face of this region and re-orient it -- and Shadi just made mention of that.

As chaotic as Iraq was in that transition, is there a connection between that and what we're seeing today?

MS. WINDSOR: No.

MR. GREGORY: You don't buy it.

MS. WINDSOR: I don't buy it. Of course everything is connected, but Egypt has had its own story for a long time. I first went to Egypt in 1985 when there were hopes that Mubarak would start opening up then. So one cannot believe that there haven't been more crises in Egypt. All of the ingredients have been there.

So the spark was really about Tunisia and the events there, and was also about WikiLeaks. And that helped Tunisia. But it was this sense that if they can do it in Tunisia -- and Tunisia was considered to be absolutely immovable. Nobody even talked about politics in Tunisia because the chance of change was so distant. They talked about French politics there, because there was nothing to talk about in Tunisia.

So for Tunisia to go down was really what I think sparked something that has been building for a long time in Egypt, and actually got people off into the streets.

And I would say just one point on the Internet. The fact that the Egyptian

Government cut off the Internet and cut off Facebook and cell phone technologies was the worst possible thing they could have done. Because people had to get out from behind their computers and out of the cafés into the streets. So for those that are looking at turning these kinds of communication devices off, they better think twice.

MR. GREGORY: But Anouar, what about that? Because before the notion of speaking of the Egyptian quality of a revolution. Before the concept of nationalism we talked about Arab nationalism, Pan-Arab nationalism, that went beyond these artificial borders that were the creation of the Europeans.

In this particular case, is there anything to that? Whether it's a direct link to Iraq, there is this notion of some kind of freedom movement that was gaining steam over time.

MR. BOUKHARS: Let's make sure there is no link, obviously, between Iraq and then what we are seeing, it is certainly not between President Bush's freedom agenda and what we are seeing. Certainly not on the view of the people. If you -- in the streets that's a bit laughable. That's what the people say about the Bush freedom agenda.

But what we are seeing is -- this is really a revolution about frustrated expectations. We hear about the rise of prices -- that's what triggered it. It's only part of the story. We have seen riots before. But for people -- you wrote about it, Ken, in your book -- for people who live in the region, or people who travel to the region, people who speak to the region -- in the last few years we have seen a gap that become intolerable. A gap between what people expect and what the state can deliver. Why the autocratic state could not keep up with people's demands. That we have been seeing in the last, I think, three to four years.

For Tunisia, you are right. We didn't expect the revolution. But remember -- in 2008 riots broke out. That was a first in Tunisia. That's where people

start talking -- but maybe something is going on. That in Tunisia or Morocco we see riots, people burned themselves. The self-immolation didn't start in Tunisia right away, or for graduates going on strike. It started also in Morocco.

But I think that's what I see happening all over the place.

MR. GREGORY: Again, it's mentioned a couple of times. Path out of the desert -- the central thesis being what?

SPEAKER: The essential point was that the Middle East, the Arab states, have reached a pre-revolutionary state because of the enormous frustration with the economic, social, and political stagnation of the region.

What I did in that book was I went back to the old literature on revolutions, and I pointed out that everything that Crane, Brinton, and Theda Scotch-Ball -- and these wonderful scholars of revolution have been writing about -- it's all there in the Middle East. And it was only a matter of time. It was either going to be a gradual process of reform, or it was going to be a sudden explosive process of revolution.

And the last point on that -- it's also important to keep in mind that the terrorism that we face is born of the exact same problem. The terrorists, the Iman Al Zawahiri's, the Osama Bin Laden, they are frustrated revolutionaries. They all tried to start revolutions in their own countries, and like other groups -- Russians before them -- they turned to terrorism when they found they couldn't start the social revolution. And they went after us because they saw us as the power standing behind the governments that they were seeking to overthrow.

MR. GREGORY: Right.

SPEAKER: So all these problems --

MR. GREGORY: But before we make them too nostalgic, they are also nihilists who are evil and --

SPEAKER: But again, they are always there.

MR. GREGORY: Killings of --

SPEAKER: Those people are always there.

MR. GREGORY: Yes.

SPEAKER: You will always find those people who will see the frustration and the anger of the people, and they will take it to a ridiculous extreme.

MR. GREGORY: All right.

SPEAKER: And they will use violence.

MR. GREGORY: Let's get back to our questions. Sure --

MR. MITCHELL: Thanks. Garrett Mitchell for "The Mitchell Report." I want to try to link two thoughts here.

One is the picture of David Gregory and Martin Indyk sitting before that Twitter board on Sunday, and Martin making the observation that what you're seeing here is the 21st century revolution mode, or the new revolution. And then to the comment that was made in Doha about how this is going to force a fundamental realignment in American foreign policy.

My question is: Are we talking solely about the Middle East, and arguably South Asia? Or if this is a serious suggestion that this is going force some realignment -- fundamental realignment -- in American foreign policy, is that irrespective of geography? Is what is being proposed here, or suggested here, that America is going to have to narrow the gap between its values and its interests in dealing with countries, not only in the Middle East and South Asia but elsewhere?

MR. GREGORY: Jennifer?

MS. WINDSOR: I hope so.

SPEAKER: A set up.

MS. WINDSOR: Yes, as a democracy and human rights advocate, we would hope that would be the case. And each Administration, I think, has sort of taken

this on and grappled with it. And in certain cases they've stepped back.

But I think what you've seen in the Obama Administration is they've tried engagement with a number of large authoritarian countries. And they haven't actually gotten much in return. So, I know that they tried to portray Russia -- okay, there have been some gains -- or China, but you also see -- and Iran, they were started with engagement. And North Korea. So they've tried a lot. I think they are finding that engagement is not even bringing in results on the national security side, and it's at tremendous expense of our values.

So I think they are going to have to realign themselves -- whether it will be that the gap between our values and our interests really does change. Probably not across the board. But I think it might in some cases, and I hope it does.

MR. GREGORY: Ibrahim, were almost ready for another question in Doha. But Shadi, I want you to comment on something.

There is this expectation beyond Egypt. I shouldn't say "an expectation" -- "a fear" that's raised -- that this is somehow the opening for an Islamist political movement to take root in Egypt and beyond. In the more extreme cases, it's been talked about as a return to the Caliphate.

What's fact and fiction based on your expertise?

MR. SHARQIEH: Well, none of these groups are talking about an Islamic Caliphate or anything like that. Again, I think some of these fears are a little bit exaggerated. But I think there are legitimate concerns about the Brotherhood's position on the peace treaty, on counter-terrorism cooperation with the U.S. The U.S. -- we can't escape this -- the U.S. does have national security interests that will be affected by this.

That's why I think the way to address that is to engage with opposition groups before they come to power rather than afterwards when it's too late. Because you don't have leverage after they are in power. We have leverage with them now. And

that's why dialog has to start.

Quite frankly, we should have started a dialog with some of these groups years ago, and that way we could have been prepared. We could have said: Well, we've had that conversation with the Brotherhood. We told them that this is a red line or that's a red line, and there was an exchange of views.

So I think we're a little bit late in the game, but I think it's time to start now and reaching out.

MR. GREGORY: And Ibrahim, do you have a question from Doha?

SPEAKER: Yes, thank you. Can you please comment on the silence of the Arab leaders, and what country do you think will be next, if any?

MR. GREGORY: Anouar?

MR. BOUKHARS: Well, I mean, goodness. I don't see what they can say. We have seen utter silence from Morocco to Algier. It's only Libya's leader Mohammad al-Gaddafi who came up, as I said, at first and supported this. But obviously all of them are nervous. All Arab autocrats. So that explains, obviously, why they are silent -- because they are not, they don't like what they are seeing and they are terrified. What happens if Mubarak does actually leave, or fall? Because remember, Tunisia was just the spark, or the trigger, but as one scholar put it, Egypt is really the prize. Because the way Egypt goes, the way the Arab world will go, as we have seen it in the 1950s with the ascent of Nasser, Arab nationalism. We have seen it with the rise of political Islam.

So that's why they are -- the sign is, there's nothing to say. Are you going to stand with the people --with the same demands? You people have the same demands as what we are seeing in Egypt. So they are just going to wait and see, and praying that Mubarak dug in his heels and wait till September and take it from there.

MR. GREGORY: Shadi, I'd like your perspective on that as well. There are so many countries who play an important role, diplomatically, strategically in the

counter-terror fight -- I think about where you are sitting, I think about Persian Gulf countries -- but who are autocratic.

What must they be thinking right now?

MR. HAMID: Well, if I was a regime official in any of these countries, I'd be pacing in my room right now wondering what to do.

MR. GREGORY: Your big palatial room.

MR. HAMID: A lot of internal discussions going on right now about how to respond to this. They are nervous, and I think one thing is that if they see the U.S. putting pressure on Mubarak, then they'll start to wonder if they might be next. And that has a positive demonstration effect, where they can start to initiate reforms rather than wait for their own resolution. And that way we can start to have a gradual transition beginning throughout the region.

I think it also makes us all realize -- or them realize -- that supporting Western interests isn't going to be enough. That they have to go beyond that and really address the demands of their people. And there is a widespread perception in the Arab world that these leaders are part of the Western orbit, and that's their main concern. And the people aren't provided for and democracy is not a consideration. So, that's what I'd say on that.

SPEAKER: Can I --

MR. GREGORY: Yeah, go ahead.

SPEAKER: It was mentioned but we haven't talked about it, which is Syria.

MR. GREGORY: Yeah, I thought about that a minute ago.

MR. INDYK: The point here is that nobody's really noticed that this is a Sunni revolution. It's an Egyptian revolution obviously, but for Sunnis in Syria this is a Sunni revolution. They've suffered under the brutal hand of the Alawi regime, a minority

regime of the Assads, and they're coming out in the streets tomorrow. We'll see exactly where that goes. It may not go very far, but the regime itself is a fairly hollow regime. It has the ability to break heads; we saw that in Hama, but that was back in the 1970s. And it's a big question mark there as to whether the Syrians -- the Syrian leader was kind of cocky about it -- I wonder whether they're going to be immune from this.

MR. GREGORY: Let me come back here to Barry Schweid, who's here in Washington.

MR. SCHWEID: Thank you. Just a word or two, if you have time, about Saudi Arabia. It has been loosening a bit, but very quietly at its own pace. It's aware -- clearly it's aware of what's going on in the world, but can the Saudis get by with their methodical slow progress in expanding democracy, human rights, et cetera? Or do they have to step it up now or risk a revolution?

SPEAKER: Barry, I think it's a great question and obviously, from the perspective of American interests, as important as Egypt is, Saudi Arabia is an order of magnitude even more important because of its role in the oil economy.

I think what you're seeing in Saudi Arabia, though, so far, is exactly the point that you're making, which is King Abdullah five or six years ago said to his people I understand your unhappiness. I am going to make changes to accommodate you. Now, they aren't as far and as fast as Saudi liberals would like them to go, but what I think you're seeing here is, again, another constant of human history, which is people don't like to revolt. It takes a lot to drive people to revolution. And if a government says to the people we understand your plight and we're going to change, typically that's all the people need to hear. So the key in Saudi Arabia is about continuing this.

It's a little bit like Aesop's fables. I actually use this in my book, "The Tortoise and the Hare." It's less about how fast you go, it's much more about the constancy. And so what I worry about in Saudi Arabia is the death of King Abdullah and

his replacement by a new monarch who will not have the same attitude about the importance of reform. I mean, we should remember, he took on the bureaucracy. He took on members of his own family. He has had to fight hard for even the limited changes that he's been able to make. And it wouldn't be very surprising if, when he died, you got another member of the royal family who perhaps wasn't interested in it. If that happened, that could be calamitous because, again, the Saudi people are not expecting constant change.

And, again, go back to Crane Brinton, his "J-Curve." Revolutions occur when all of a sudden expectations are dashed.

MR. GREGORY: Final question here in Washington, way in the back.

MR. VOEGELI: Thank you. Peter Voegeli, Swiss Public Radio.

So far the Obama Administration reacted to the events and I wonder what you think do they really want. Is the first priority just stability? Do they want to have a military regime or do they want to have a transition government backed by a military regime? What do they want?

MR. GREGORY: Jennifer, what do you think they want?

MS. WINDSOR: I think they want an orderly transition where everything stays within boundaries. So I think anything that -- they don't like chaos on the streets, but they also -- they certainly, I don't think, are in favor of the military coming in because that would be a huge -- that would not necessarily serve their interests in the long term. So I think that they're trying to figure out how do you strengthen and put your weight behind more moderate leadership there and transition away from Mubarak.

I would add that probably in a lot of Arab countries right now the leaders are transferring their money out. (Laughter) So I would not be surprised if some of the delay for President Mubarak and his family and colleagues is because they are repositioning their assets. And so I think those that track financial flows could see which

of the leaders are the most nervous by tracking those flows.

MR. INDYK: Can I just say, what the administration would like is an orderly transition. They're not going to get that.

MS. WINDSOR: Yeah.

MR. INDYK: What they'd prefer then is a peaceful transition.

MS. WINDSOR: Right.

MR. INDYK: That is to say that the military doesn't fire on the people and thereby eliminate its ability, the military's ability, to steer the situation. Because our leverage in this situation is with the military in terms of the influence we have on them and with the bully pulpit in terms of making clear that we support the demands. Beyond that, there's not a lot we can do about where this goes except to hope and pray that it comes out okay.

MR. GREGORY: And, Martin, I want to give you one more final word, which is for all of us watching this, with all the uncertainty, what are the big questions you have in your mind about literally the days to come?

MR. INDYK: The big question is what will the military do? We need to keep our eye on the military. They are the key actors now. Will they tell Mubarak, you know, for the good of the country you need to leave sooner rather than later and we'll oversee the transition? Will they decide to confront the demonstrators, clear them out of Tahrir Square, and impose a new military order?

And then, of course, what will the demonstrators do? Are they exhausted as they appear to be now? Will they come out in major -- tens of thousands on Friday as a further manifestation of their commitment to seeing Mubarak go? Or is there going to be now a kind of opportunity for the military to reassert order in a way that will clamp things down for the time being?

But this is not going to be resolved -- famous last words -- in the next day

or two. I think we really have to imagine that this is going to take months, if not years, to sort itself out before we know that there's a new government in place there.

MR. GREGORY: We are going to leave it there. This conversation should go on, can go on, and indeed will go on.

And, you know, if there is -- to these professionals who dedicate themselves to this region of the world with their interests and their ideas and their scholarship, there couldn't be a more dynamic and interesting time. And, you know, as my eight-year-old who asked me last night while watching the news, he said, Daddy, why is it that people are willing to die for their freedom? And I said, because it's that important to people, as Americans and to people around the world.

This is a big moment. This is a big moment, and we'll keep the conversation going. Thank you very much. (Applause)

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