

THE BROOKINGS INSTITUTION

DR. MARWAN MUASHER

September 30, 2004

(TRANSCRIPT PREPARED FROM A TAPE RECORDING.)

P R O C E E D I N G S

AMBASSADOR MARTIN INDYK: Good afternoon, ladies and gentlemen. Please go ahead with your meal, but I wanted to get the meeting underway. I welcome you all here to the Saban Center at Brookings for a very important event, the hosting of the Foreign Minister of Jordan, His Excellency Marwan Muasher. I think Marwan is known to all of you, but I will just do a quick introduction.

First of all, on a personal basis, it's a great pleasure to have Marwan here. He and I go back a long way to the days when he was establishing the Jordan Information Bureau here in Washington, which at that time was a unique operation to promote Jordan's image in Washington through public affairs activities. And Marwan did an exceptional job there, so exceptional that subsequently he was appointed Minister of Information in the Government of Jordan, at which point he went about the business of doing away with his job by abandoning the role that the Minister of Information normally played in Jordan, and, of course, in other Arab states, but making it clear that the notion of press censorship and press control by the Ministry of Information was out of date.

That's typical of Marwan, of course. He is a creative thinker and a creative doer, implementer, in so many different ways, and he has manifested this in his long and very distinguished career for somebody so young. While he was here at the Embassy, of course, he participated in the Israel-Jordan negotiations and played an instrumental role in the conclusion of the peace treaty between Israel and Jordan, the tenth anniversary of which we will celebrate in October. I think it's October 25th--24th? The 26th, okay.

After that, Marwan became the first Jordanian Ambassador to the State of Israel, and he and I joined up again because we actually presented our credentials on the very same day in Jerusalem when I became U.S. Ambassador to Israel. We had the

opportunity to work closely together than on Israeli-Jordanian issues, but also on the broader efforts to achieve a comprehensive peace.

Subsequently, as I say, he became Minister of Information in the Jordanian Government, and then, of course, U.S. Ambassador--excuse me, Jordanian Ambassador here in Washington to the United States. And in that capacity, Marwan played a pioneering role--and I see Toni is in the audience; she can attest to this--in driving through the U.S.-Jordan Free Trade Agreement, which was the first free trade agreement struck between the United States and an Arab country. And no mean achievement in itself, but those of us who worked with Marwan in those days came to understand how effective, dare I say even relentless, he was in pursuing his country's interests. And it was a signal achievement indeed that he deserves full credit for.

Since then, he has, of course, risen to the role of Minister of Foreign Affairs in his country where he has quietly, I think, but very effectively--and this is not, I think, generally known--done an extraordinary job in terms of keeping the hope of peace alive in such very difficult circumstances. He would probably deny it, but I believe that it's accurate to say that Marwan was the inspiration behind the road map. I say that simply because he was the first person I ever heard about it from. King Abdallah, of course, pushed this hard. But in so many other ways since then, Marwan has never given up in terms of the effort to find a way to promote peaceful reconciliation between Arab states, the Palestinians, and Israel.

Jordan has a critical interest in such an outcome, but Jordan alone cannot achieve it. And so he has been assiduous in his efforts to promote, coordinate efforts on the inter-Arab level, with the Palestinians, to try to advance this cause of peace in very difficult circumstances.

In that and so many other ways, we have the privilege today of hearing somebody who is truly an extraordinary representative of his country as its most senior

diplomat, but I think also he is a truly extraordinary diplomat in his own right. And, therefore, I'm very grateful to welcome him to the podium today.

I'll explain to you that we're taping this, and that's why we're up here and not down there talking to you, and I hope Marwan will excuse that. But I would ask you, nevertheless, to please welcome him here to the Saban Center. Marwan?

[Applause.]

DR. MUASHER: Thank you very much, Martin, for this introduction. I'll send the check tomorrow morning.

[Laughter.]

DR. MUASHER: Let me start with talking about the peace process. I don't have prepared remarks, but I want to be a bit provocative and share with you some of the concerns that we have on where things stand today.

I don't know that we invented the road map, but we certainly were strong supporters right from the beginning of the road map, and it is for a good reason from Jordan's point of view. The road map for us offers a mechanism to achieve an objective that is of extreme importance to Jordan, which is a two-state solution. We feel that a two-state solution should be the only acceptable outcome of the peace process because any other solution certainly will be detrimental to Jordan's interests, certainly to the Palestinian interest, and I dare say certainly to Israeli interests as well.

This is why we have supported the road map right from the beginning, and this is why we continue to support the road map, even if it is presently experiencing big difficulties.

But I think it is legitimate to ask the question today that no one wants to really face: Are we witnessing the death of the two-state solution? And I think it's legitimate because facts on the ground are pointing in that direction.

We have, on the one hand, a Palestinian leadership which is in total paralysis, which hasn't taken the serious moves it needs to take in order to push the peace process forward, in order to create the conditions that would allow for an honest implementation of the road map. And on the other, we have an Israeli leadership which is publicly stating that the disengagement from Gaza is going to be the end of the road for quite some time to come, that the objective is a long-term interim arrangement in the West Bank, that settlement activity will continue in the West Bank, and that the wall will continue to be built, basically, in our opinion, killing any prospects for a two-state solution.

And what the international community is doing about it is complaining about the performance of the two sides. We complain that the Palestinians are not performing, and we ask them repeatedly, daily almost, to perform, when we know perfectly well that we might go through four more years without them performing.

And in the same vein, we ask the Israeli Government to have this disengagement plan be part of the road map when they are clearly stating it is not part of the road map. And we might also go through another four years of asking the Israelis, you know, to have this as part of a bigger picture, and know perfectly well that it's not going to happen.

And so while we sit here, all of us, and talk about our commitment to the road map, our commitment to the two-state solution, in fact, we're not doing anything to make sure that we arrive at such a solution. This certainly explains Jordan's very strong frustration today with the process. We're frustrated with the Palestinians. We're frustrated with the Israelis. And we're frustrated with the international community because we feel that all we do, including us, is complain, witnessing as we speak the death of a solution, and ask ourselves: Who is the victor out of this process? Who is going to benefit out of this death of the two-state solution? Is it the Palestinians?

Certainly not. Is it Jordan? This is the worst possible scenario that Jordan fears--the death of a two-state solution and the revival of other options at Jordan's expense.

Is it Israel, which has to deal in ten years with a demographic reality which no one can ignore where the number of Palestinians in Israel in ten years' time is going to outnumber the number of Israelis? And what will Israel do in ten years' time? Will it offer to or opt to continue an indefinite occupation of the West Bank? Will it offer Palestinians equal citizenship within the State of Israel? Obviously, these two options are not viable options for Israel. So what is the alternative?

Any way you look at it, we believe that the time has come for a two-state solution to be effected even if the parties are not able by themselves to reach there. And I know nothing will happen between now and the elections, but I think after the elections, we would be fooling ourselves if we are to follow the same pace or the same course and keep demanding performance from both sides when we know perfectly well it's not going to happen, at least not in the way that would lead to a two-state solution. And I think we have a responsibility, all of us, to sit down and revisit this approach, not necessarily to come up with a new approach. We don't need new approaches. We have a mechanism, which is the road map, and we want to stick to that mechanism because it has today acceptance from the international community. Every party to the conflict has accepted the road map, even if on paper, and it is today a Security Council resolution, passed unanimously in the Security Council.

So we have what it takes. We have the mechanism. What we don't have is the political will on both parties to move forward. And perhaps the time has come maybe to define the end game in a clearer way and define the consequences for both parties if they do not engage in this process in a way that would lead to a two-state solution.

I think from at least my meetings in New York last week and from talking to a large number of foreign ministers and countries, I think there is a growing realization that no one can afford this present pace at which things are moving, or not moving. This is not a sustainable option, and that after the U.S. elections, whoever wins, we will have to sit down again and talk about a mechanism injecting life in the road map in a way that would lead to a two-state solution before it is too late.

The disengagement from Gaza is certainly welcome, and we will certainly do everything we can to help it, as long as it is part of the road map. If it becomes an alternative to the road map, it's a disaster. And that position cannot be, you know, overstated. And when we say it has to be part of the road map, there has to be agreement on specific steps to make it part of the road map. What happens on the day after disengagement from Gaza? There has to be agreement on the next steps in the West Bank after disengagement from Gaza. Otherwise, we will be bogged down in the details of the process and of the disengagement from Gaza. How many security people do we want to send? Will the airport open or not open? Who is going to take over Gaza? And we might be bogged down, as Martin and Toni and so many of you know, in the process again while losing sight of the bigger picture, which is where is this process going to lead us to. Is it going to lead us to a two-state solution or not?

This, in Jordan's view, is the main question that has always to be asked. Are we moving in the direction of a two-state solution, or are we moving, as we believe we might, into a disaster--a disaster for everybody?

I will suffice with that for now. I'm grateful for Martin saying that I'm a creative thinker. Unfortunately, I don't have any creative ideas now. We are truly in a very frustrated mode, and it has been a feeling of frustration throughout the region, not just in Jordan, because for the first time in so many years, we feel that we are facing the stark reality of a disaster looming while we are not being able to do much about it.

On Iraq, I don't need to tell you that the situation is bad. You already know that. How do we get ourselves out of this? We believe that there is no alternative but to give every possible support to the interim government in Iraq as they undergo this political process which will lead to elections. The security situation is not going to improve anytime soon, and there are many elements for it to improve. One of these elements, we feel, is bringing back the army. This idea of disbanding the army and the police force last month has only led to a security vacuum, which has been used by everybody--thugs, thieves, terrorists, you name it.

Imagine what would happen if today, you know, Washington takes a decision to send the police force home. It's just simply, you know, a recipe for disaster.

We don't need to bring back the top brass. We don't need to bring back those who worked with the Baathists. We're not being apologists for anyone here. We're being realistic. The process of retraining the police force is a slow one, necessarily. You don't produce, you know, generals overnight. And you have to supplement this process with bringing back the army, with a reversal of the old policy of disbanding it, and make sure that you put Iraqi faces face-to-face with the terrorists and with the insurgents rather than the coalition forces. This is one element that we believe needs to take place.

Another element would be better control of the borders. The borders still can be controlled in a better way. The border between Iran and Iraq has been open--open totally for some time. The borders with other countries are still porous, and a more concerted effort should be made in order to control the border.

The third element that we think should be done is to conduct elections, of course. Elections need to happen, and they need to happen as soon as possible. But we also believe strongly that elections should happen all over Iraq. This idea of partial elections is not going to work. No one will accept--and correct me if I'm wrong--partial elections in the United States. No one--we shouldn't accept it in Iraq either. Iraq is a

mosaic of different groups. To conduct elections in certain places and exclude them from others is going to marginalize, let us say candidly, the Sunni community again. And it is precisely the community that you don't want to marginalize if you are ever to achieve security in Iraq. And, therefore, security is paramount.

At the same time, we understand that there will not be any perfect setting for elections, but when they happen, they must be all over Iraq. Otherwise, we believe it's a formula for civil war.

To us, we have to move towards a system in Iraq that respects majority rule coupled with minority rights. We cannot be talking in Iraq about majority rule period. We cannot be talking about a scenario where a group might use democracy to come to power, use democracy once to come to power, and then deny that right for all other groups. And, therefore, any system has to ensure minority rights in addition to majority rule.

On the question of reform, which is a dear subject to my heart, I'm glad to report to you, Martin, that we finally abolished the Ministry of Information in October of last year. It took eight years, but it finally happened. And it's an example of a difficult process in the Arab world, but also an example of the possibility of reform taking place, even if it does not take place as quickly as we would like it to be, and even if it does not take place as smoothly as we would like it to be.

I think what has been achieved in the Arab world in particular last year has been that reform has become part of what I call the regional discourse, that for the first time we have Arab countries all over the region talking about reform. In a rhetorical way, maybe, but rhetoric is a first step or a necessary first step. There wasn't even rhetoric before last year--or not last year, this year, I guess. The year is not over yet, as much as I would like it to be.

In the Arab Summit in Tunis, I think we went a long way from discussing in February whether the issue should be on the agenda of the summit to a document that finally put a face to reform in our region. Whereas, before, we talked about reform in an abstract sense, today when we talk about reform in the Arab world, we know exactly what we are talking about. We are talking about general freedoms, public freedoms. We are talking about judicial reform. We are talking about women's rights. We are talking about educational reform. We are talking about human rights. And we are talking about economic reform as well. And we are talking about the fight against terrorism, which is also very important, and I will allude to that.

The question today is how do you translate these principles into action plans, because that remains the big challenge of whether the region is serious about what it says or not. In Jordan, we have adopted a gradual process, as we believe will be the case all over, because we strongly believe that democracy cannot be injected overnight. But we also believe that the process, while being gradual, has to be serious and has to lead to tangible results that people can feel. And I believe we have been able to do that in between, say, last year and this year we've abolished the Ministry of Information. We've allowed for private TV and radio to operate. We have four such licenses. We've changed a number of laws dealing with women that would lift all discrimination against them. We've started a three-year judicial reform process that would make the judiciary truly independent from other branches of government. We've started a five-year educational reform process that would encourage critical thinking, introduce the Internet to all schools, et cetera. We've established a human rights center last year that is acting as an ombudsman and has, in fact, been active, including lately on the case of an inmate being--you know, who died in prison, and there's a big investigation going on because of the human rights center in Jordan today.

So we have taken steps. We are being faced with very strong opposition inside the country, whether it is from status quo forces or whether it is from social forces who do not want to talk about issues like women's rights. So this is not a smooth process that will, you know, automatically result in progress that we would like soon. But I believe that it is a very serious one. We in Jordan strongly believe that reform is a necessity for the future of the country and not a luxury that we talk about with outside groups. And this is becoming, you know, more and more built into the national psyche.

And the last issue that I would like to touch upon before I close is the issue of terrorism. We are very concerned about what kind of terrorism we are starting to witness. Jordan, as you know, has taken publicly a very strong stance against any kind of terrorist acts, particularly those that affect civilians. And even on the question of Palestine, we have taken this position.

What we are witnessing today, though, are acts of such heinous character that they are threatening to move the whole region outside the circle of humanity. We are witnessing taking of children as hostages in Russia. We are witnessing the cutting off of heads in Iraq. We are witnessing acts that are committed in the name of Islam but that are labeling the whole region in a very, very dangerous way. And we believe in Jordan that the silent majority cannot stay silent anymore and cannot suffice just with mere condemnation of these acts when they occur. We have to start a countermeasure of some sort to explain to the world that this is not Islam and to explain what Islam is all about. And we feel that if we don't do that soon, we might find ourselves soon outside the circle of humanity. It is something, it is an issue that is paramount on our minds, and it's an issue that we will continue to pursue with a lot of vigor in the next period.

It's very nice to see all these familiar faces. Thank you very much.

[Applause.]

AMBASSADOR INDYK: We'll bring on the lunch if you don't mind.

Thank you very much, Marwan. I think you've certainly given us a lot to discuss under these three headings of the peace process, Iraq, reform--four headings--and terrorism. I want to just begin on the peace process, of course, and just challenge you on something. Actually, the idea that the time has come to lay out again in a clear way the parameters of a final agreement, which is, I think, the thrust of what you're now suggesting, is something that, of course, President Bush is already embarked upon in the letters of assurance to the Government of Israel. He already started to lay out some of the parameters of the questions of settlement blocs and refugees. And it may surprise you that I happen to agree with you for once that it is a good idea for the next administration early on to lay this out.

But the problem I have is it doesn't solve the issue that you referred to, which is there is a fundamental lack of capacity on one side here, on the Palestinian side. And we see this as time goes on, the problem just gets worse; that is to say, the Palestinian Authority is collapsing into a kind of chaos and anarchy, and that situation could be even worse once Israel pulls out of Gaza, could see Gaza really collapse into some kind of warlordism and lack of any function of the Palestinian Authority.

So even if you laid out what the outline should be, how do you get there from here when you don't have the means of addressing that basic problem? Is there a role for the Arab states, for example, in this? What would it be?

DR. MUASHER: I think there are two things that need to happen. The first is, yes, we do need a clearer definition of the end game because what we are talking today is a two-state solution, right? I mean, everyone says we are all for a two-state solution. Well, we don't know what kind of a two-state solution are we talking about. Are we talking about a Sharon-type two-state solution? Are we talking about an Arab-type two-state solution? Are we talking about a viable two-state solution? Are we

talking about any two-state solution? What is a two-state solution? What are the basis elements of a two-state solution?

So, for example, on the Arab side, we know that we're not talking about 50 percent of the West Bank. We're not talking about a non-viable Palestinian state.

These things have to be spelled out. They were, I grant you, spelled out here and there in one way or the other. They were never spelled out in a clear manner to not allow any of the parties to say, yeah, I accept the road map, but, you know, I mean, the Palestinians and the Israelis do this. We accept the road map. On the Israeli side, we have 14 reservations on it. And the Palestinians, the same thing. We accept the road map, but we think Israel should do this before we move. This room for maneuver should no longer be there. We don't have time for maneuvering.

The other element is that it is time to--I have to remind all of us, it is time to implement the strong monitoring mechanism that is in the road map. The monitoring mechanism in the road map was not there by coincidence, because the road map provides a very challenging task of a Palestinian state in three years that is performance--where the steps are performance-based.

How do you marry the two concepts of a performance-based plan but still arrive at a Palestinian state in three years if you don't couple that with a monitoring mechanism? Somebody should be there to say, yeah, the Palestinians are doing what they're supposed to do, or not doing what they're supposed to do. That monitoring mechanism has been killed from day one, and that is why the quartet today suffices with issuing statements. We don't need statements anymore. We need to implement the mechanism.

And so I think the international community has to be very clear on the monitoring mechanism and on the consequences. We are all for going to Mr. Arafat and saying this is what you will get as an end game and this is what you will not get, and you

will be cut off from the rest of the international community if you don't perform. But I think we should equally go to the Israelis and say this option that you are talking about of disengagement and then sitting in the West Bank for an indefinite period of time is directly in contradiction with the road map, and you are not allowed to say it. If you say you accept the road map, you cannot say that you are going to stay indefinitely in the West Bank. If you say you accept the road map, you cannot say you are going to continue settlement activity.

The road map, by the way, is very clear on settlement activity. No settlements, period. No natural growth, no nothing. There is no room for maneuvering on settlements in the road map, as you know.

AMBASSADOR INDYK: Thank you. Let's go to the audience. Ammar, please identify yourself.

MR. ABDULHAMID: Ammar Abdulhamid from Damascus, Syria. I'm a visiting fellow here at the Saban Center. Actually, my question is going to be on Syria, if I'm allowed, because right now there is this ongoing situation between Syria and Jordan. There have been statements concerning the borders between the two countries and the necessity of finalizing the border arrangements.

I want to ask you exactly what's really at stake here. What's the size of the disputed territories? And why raise the issue at this point in time? Are there any objective reasons for that? Have any recent developments taken place that justify this call on the Syrian Government? And now is there any response from the Syrians that's practical?

DR. MUASHER: Let me assure you that the issue has been raised as far back as 1977. It's not a new issue. We've been raising it every single year without any response. We raised it in '77, in '81, in '82, in '85, in '86, in '87, in '92. I can give you the full account of the times that we have raised it.

Syria has infringed on about 125 square kilometers of Jordanian territory. The problem has been compounded recently by a lot of infiltration coming from Syria of terrorists attempting to do terrorist actions in Jordan. We have told the Syrians we don't think it's you who have done it, but that does not mean that the problem does not exist. We do have a lot of infiltration. We need to control the borders in a more efficient manner. And we want to solve this problem once and for all.

This is not, you know, coinciding with American pressure on Syria. This is not an issue that we're bringing up now because we're joining in pressure on Syria. It is an issue that we have brought up for the last 30 years. It is an issue that needs to be solved. We cannot sit still while we continue to get infiltrations from Syria, and we need to cooperate on this issue. We need to solve it in a diplomatic manner, and we've told the Syrians many times let us solve this diplomatically.

I'm happy to report that in the last week the committee has met for the first time, the committee that we asked to meet has met for the first time in order to hopefully finalize the demarcation issue. And I hope that will take place.

Let me mention 1559 because, you know, we have also been maybe criticized by the press--Syria did not officially bring it up--that we took a position on 1559 that is against Syria. We need to make it clear that we had hoped the issue did not have to reach the Security Council. We had hoped that the issue would have been solved before it reached the Security Council.

Now that it did, we are very strongly against any opposition to any Security Council resolution. We are asking Israel every day to implement Resolution 242. We cannot be asking Israel to do that in the same breath that we are opposing a decision by the Security Council. And, therefore, we feel that all of us, including Syria, has to take these Security Council resolutions seriously, and we don't see a way but to comply with the resolution.

AMBASSADOR INDYK: Ambassador Veliotis?

AMBASSADOR VELIOTIS: Nick Veliotis. What would be wrong in Iraq of having elections where security allows and then progressively expanding the area where you will hold the elections where security allows? Otherwise, demanding all elections all over at the same time might hold the elections hostage to three or four areas where you could not have the elections.

DR. MUASHER: Let me try to pose the question in a different manner. What would happen if you hold elections in parts of Iraq that, say, exclude the Sunni Triangle and then not be able to hold elections in the Sunni Triangle for another year? What would happen to those in the Sunni community who will say, look, everybody else has representatives in the new Iraqi legislature but we don't have representatives? What would that do to the feeling of marginalization that already exists within the Sunni community? It would only push them further off.

I think we all agree that the main problem is in the Sunni Triangle, and that solving this problem is going to go a long way to establishing security all over Iraq. This is what we are afraid of, and this is why we are saying security is paramount. We're not going to reach an ideal situation where security is totally guaranteed before we reach elections. But we hope to reach a situation where elections are possible, even if they are not ideal all over Iraq.

AMBASSADOR INDYK: The essence of what you're saying, if I press you, Marwan, is basically stability, security has to take priority now over elections. And that may help to keep the Sunnis in play, but it also may alienate the Shias since Ayatollah Sistani has made very clear he wants elections sooner rather than later.

DR. MUASHER: What we are saying is that the two issues have to be looked at together and not in isolation of each other.

AMBASSADOR INDYK: Ladies first, please. Could you wait for the microphone and identify yourself?

MS. : My name is Nadya Bilbisi (ph) from Arabiyah Television. We heard Prime Minister Allawi and President Bush insisting that January should be the date and shouldn't be held longer than January, and now you're saying that you agree with that and it should be held as soon as possible, but meanwhile acknowledging the security situation on the ground. Will Jordan be in a position to think that January is not a holy date and, therefore, it should be postponed to allow the Sunni Triangle to participate? And what will that time frame be?

DR. MUASHER: We're not going to second-guess the Iraqi Government on this. What we have said right from the beginning is that we support the Iraqi Government in whatever decision it wants to take. Our only advice is that elections should be done all over Iraq. But we are not to judge whether elections in January are possible or not. That is a decision that the Iraqis have to take for themselves.

AMBASSADOR INDYK: I have on my list David Mack, Danielle Pletka, and than Saad Arkat (ph), and Scott Lisensky (ph). Wait for the microphone.

MR. MACK: David Mack from the Middle East Institute. Welcome back to Washington, Marwan.

I know that in general terms Jordan has been cooperative in offering its facilities for the training of Iraqi security forces, police, military. Could you give us a little bit of specifics on that, to the extent you're able to do so?

DR. MUASHER: Yes, we are training close to 35,000 members of the police force in Iraq over a period of two years, and so they come in batches for a period of maybe six to eight weeks each, and then they go back to Iraq. This is the police force.

We are training a far lesser number of the officers from the armed forces. I don't have the exact figure, two thousand maybe, something like this, again, over a two-year period.

Now, as you know, I mean, we pride ourselves on the training we provide, but still you cannot--this is not a mass production machine. You cannot, you know, train people efficiently in a six-week period over functions that might need training for a far longer period of time.

And so what we are saying is, one, the training effort that Jordan is doing is not enough, even 35,000 in two years is not enough to provide security quickly in Iraq. And, therefore, it has to be supplemented--supplemented through training by other countries, but also through bringing parts of the army. We don't see an alternative to that if we are to achieve security anytime soon. Otherwise, we will just face more of the same in a situation that is worsening by the day.

AMBASSADOR INDYK: I just want to understand this because there seems to be a distinction here that at least is not clear to me. Maybe it is to everybody else. You're saying that as well as training, you need to reconstitute parts of the Iraqi Army?

DR. MUASHER: Yes, to bring them back.

AMBASSADOR INDYK: To bring them back. What are we talking about, the officer corps or--

DR. MUASHER: No, look, I mean, you take a decision. It's not a decision that we can take. You want to shave off the first three echelons, four echelons, five echelons? Do that. But, you know, I mean, the Iraqi Army is not a group of dedicated Baathists from top to bottom, and in the end, you know, you need people to do the job. You can't train people in two months over, like I said, jobs that require years of

training. So provide the leadership that you want, do not bring back the top officers, but there is no reason, we think, that you shouldn't look at the rank-and-file part of the army.

AMBASSADOR INDYK: Danielle?

MS. PLETKA: Thank you. Dani Pletka with the American Enterprise Institute. It's lovely to see you.

You spoke very eloquently about the growing depravity of the actions of terrorists in Beslan and in Iraq, and you added, I think courageously, that it's important for Arab governments, Muslim governments to stand up not just to condemn but to actually take back ownership, to paraphrase you, of Islam.

But you didn't actually say how this was going to happen, and I wonder how we get from the will to do it and the rhetoric that you rightly say is important to the actual action.

DR. MUASHER: We're presently looking at ideas of how to do it, but we believe it is imminent that something is done and done soon. I didn't go into specifics on purpose because, I mean, I want to wait a bit longer before our ideas are well developed before we talk about them in greater detail. I can assure you that this is something that is on top of His Majesty's priorities, and it's something that he plans to do something about, and soon, as I said. This cannot go on like this without serious repercussions on the whole region.

AMBASSADOR INDYK: I guess that's interesting. Said?

MR. EREKAT: My name is Said Erekat. Suppose we recognize that the road map was born dead and only Secretary Powell issues its death certificate last night on Al Jazeera, and we recognize that the Palestinian Authority is totally paralyzed and dysfunctional and no more than an albatross around the Palestinians' neck, and nothing is holding Sharon back. Take the idea that Martin came up with at one point, which is some sort of an international custodianship, not reminiscent of, let's say, the British mandate of

something, but something to guarantee that the Palestinians can continue to have some sort of a life and their land does not continue to be gobbled up and so on. Why not push for that idea?

And I also have a very quick question on the terror issue. Why not take an initiative and demand or organize an international conference to define what is really terrorist and what is really a legitimate resistance. Thank you.

DR. MUASHER: I've talked with Martin many times about his idea, and as an idea I think it's a good one, provided that it encompasses the full West Bank, not trusteeship over part of the West Bank. But I am also reluctant, frankly, to throw in new ideas at this stage of such a major departure from the road map and spend another two years debating the validity of this idea before we go to the international community and ask them to endorse it. We don't have two years, is what I'm saying. We just don't have two years. And that is my principal, you know, reluctance with it.

I think on its own merit, if it encompasses the full West Bank, I think it's a good idea. Not if it encompasses part of the West Bank. But I just simply--what I'm simply saying is I don't think we have time to spend debating new ideas when we already have something that has been accepted by the international community.

AMBASSADOR INDYK: Scott Lisensky, Barbara Slavin, Jim Steinberg, Steve Rosen, and (?) and (?) . Scott?

MR. LISENSKY: Scott Lisensky of the U.S. Institute of Peace. Dr. Muasher, thank you for coming. We're talking about the Middle East. We know we're not in the Middle East because the guest of honor would never be separated from his food like we're doing to you.

This is kind of like a ping-pong game, if I could bring you back to Iraq for a minute and ask you about the advice that you just gave, and also about some of Jordan's anxieties. Very simply on the advice, on elections, on the army, on the borders, on all the

issues you laid out, why isn't Jordan's advice being heeded here in Washington? I'd like to get your ideas on that.

But, secondly, on--

DR. MUASHER: Is this a trick question?

[Laughter.]

MR. LISENSKY: We can make it off the record. Martin sets the rules.

And, secondly, on what I call anxieties, Jordan had a lot of anxieties going into the war on a whole range of issues, from energy security to aid, trade, and we've addressed some of those anxieties, supplemental aid packages, talking to the neighbors about oil guarantees. Where are the anxieties today? There's an arms package, I know. There's talk of a supplemental. What's with the oil guarantees with the neighbors? What are your expectations? What are your needs?

DR. MUASHER: On the first question, I don't think I'm the right person to address it to.

On our anxieties, look, we haven't done too bad, even with the war on Iraq. Our economy this year is growing at 7.2 percent, first six months of the year. Our exports to the United States and to Iraq, the new Iraq, are at an all-time high. They have surpassed--our exports to Iraq have surpassed what they used to be under the old regime when we had a protocol agreement between the two governments, and today all of our exports are done through the private sector with all the instability that we are witnessing.

But that doesn't mean that, you know, this is a sustainable situation. We have prices of oil at \$50. When we did our budget, we had calculated it at \$26. So our oil bill would have been doubled were it not for Saudi Arabia, which today, you know, supplies us with 50 percent of our oil needs. But that's not a sustainable situation. We cannot--you know, this is an anomaly. We cannot depend on it forever, and we have to move to a situation where we can do it on our own.

We are very optimistic about the future in Iraq after we ensure stability because, as I said, the potential is great. Not only is the trade volume increasing, but the new Iraq hopefully will have similar political and economic systems to Jordan and, therefore, we expect to have a very close relationship with Iraq, as we do today. We are being very vocal that, regardless of any country's position on the war, if we want to help Iraq now, we have to work with the interim government, we have to support the process that will lead to elections and to eventual stability in the country.

AMBASSADOR INDYK: Just quickly on this, what's the unemployment rate and what's the population growth rate?

DR. MUASHER: Unemployment rate in Jordan hovers around 15 percent. We've been able to maybe reduce it by 1 percent this year, but it's still between 14 to 15 percent.

The population rate is a little bit under 3 percent, so, I mean, we need--and the other statistic that is important for Jordan is the number of people under 15. We have 50 percent of the population--50 percent--under 15 years of age. What that means is that huge numbers are entering the workforce every year, and we need to sustain a growth rate of 7 to 8 percent just to keep the unemployment rate constant. So, I mean, this remains Jordan's--actually one of Jordan's biggest problems.

AMBASSADOR INDYK: Barbara?

MS. SLAVIN: Thanks. I'm a glutton for punishment, seeing you twice today. But I wanted to ask you again about Iraq, and you're trying to be optimistic. Everybody's trying to be optimistic. But what if things don't turn out well? The reports we're getting are increasingly pessimistic--

DR. MUASHER: I think--

MS. SLAVIN: Whoa, whoa, let me finish. I mean, what if--it's fine to say reconstitute the Iraqi Army, but suppose these people don't want to come back. Suppose

many of them are already working for the resistance, particularly in the Sunni areas. Can Jordan insulate itself if Iraq becomes a failed state? And is that something that you're already beginning to look at?

DR. MUASHER: Let me say, first of all, I don't think I'm being optimistic. I think we're trying to offer honest advice, as we have throughout this crisis. We've offered honest advice last year, and we were criticized for doing so. But I think the objective that we and you share is the same.

What we're trying to do is to offer advice on what to do and what not to do in Iraq. And this premise that these people might go and, you know, join the resistance-- it's already being done with part of the people that we train. Some of them go back and join the resistance. But, I mean, no situation is perfect, but I think it is far worse not to reconstitute the army than to do that and risk a small number of joining the insurgency.

I think the benefit of achieving stability in Iraq by far outweighs what might happen in a scenario that you are alluding to. But I'm not being optimistic. On the contrary. I mean, the situation is not going to improve soon unless we are able to address in a serious manner the areas that I alluded to.

MR. STEINBERG: I'm not going to entirely let you off the hook on Iraq, but slightly change the topic. When you were discussing the problem of insecure borders, you made a particular point of the border with Iran. And my question to you is: What role do you believe the Iranian Government is playing in the effort to achieve stability and a political solution in Iraq? And what do you assess their objectives there to be?

DR. MUASHER: Let me say that as neighboring states, we believe that our number one objective should be the preservation of the unity and stability of Iraq. And to achieve that objective, we believe the way to go is not to interfere in Iraq's

internal matters, not to tell the Iraqis the type of system they want to adopt. That's not up to us. That's up to Iraq.

What is not up to--where we are concerned is a situation that might lead to the division of Iraq, because that's not an Iraqi internal matter alone. That's something that will affect the whole region. And to guard against that, we want to commit as neighboring states to the preservation of the territorial integrity of Iraq and, as I said, to a system that ensures that by assuring all groups in Iraq of their rights.

If any group in Iraq feels that their rights are being marginalized, it's a formula for civil war. And this is what we are talking to all countries about, to Iran, to Syria, to ourselves, to Turkey, to--all the neighboring states have a stake in making sure that no group will deny other groups the right to political organization. This is where we are coming from. This is why we have the neighboring states conference in order to make sure that at all times we have a commitment by all neighboring states to this objective.

MR. STEINBERG: Are you satisfied [inaudible].

DR. MUASHER: Jim, I've said what I wanted to say. You're smart enough to...

AMBASSADOR INDYK: He'll answer you over lunch.

Steve Rosen?

MR. ROSEN: As Ambassador, before you were Ambassador, and now as Foreign Minister, you've presided over really a revolution in the quality of the relationship between Jordan and the United States. My question is about the state of the bilateral relationship today, whether you could characterize the relationship not just with the administration but also with the Congress and any problems that exist.

DR. MUASHER: We have very strategic relations with the United States, which we worked very hard at, and it encompasses both parties. I can safely say that we

are among the countries that enjoy an equally strong relationship, no matter what the administration is here, whether it is a Democratic or a Republican administration.

We've particularly worked hard at our relations with Congress. I think Danielle Pletka would attest to that -- [tape ends].

-- we've been doing it for a number of years. Anytime His Majesty is in town, he makes it a point to meet with major Members of Congress, anytime, for any reason. We receive many delegations of visiting Members of Congress in Jordan.

I think that Jordan's situation is understood well by Members of Congress as well as by the administration here, and I think we share a lot of common objectives, whether it is the peace process where we both are working for the same objective, whether it is on Iraq, or whether it is on reform. I think that the objectives of the United States and of Jordan are almost the same. Sometimes we differ over tactics, absolutely, and over mechanisms. But I don't think that we differ over objectives in any significant way.

AMBASSADOR INDYK: We'll take the last two questions if you can hold out.

DR. MUASHER: Please.

MR. DANZIGER: Rafi Danziger from AIPAC. Thank you, Marwan, for the very sober and sobering presentation. I would like to inject a couple of notes of a bit more optimism and would like to get your reactions to that.

Number one, I think the disengagement is much more than about Gaza because if you take the four tiny settlements in the northern West Bank, they break up the contiguity of the huge Palestinian area, and once Israel is out of those settlements, you get an area twice to two and a half times bigger than Gaza, of which Israel withdraws. I think that's significant.

Number two, the administration has said that the disengagement is compatible with the road map. The whole international community, as you know, has endorsed that. And, clearly, Sharon has made clear that the reason he is not willing to say that it's part of the road map is because the--he said the first requirement for the Palestinians to stop the terrorism under the road map, and if he says it's part of the road map, then that (?) the Palestinians of the responsibility. Once they do it, he said, they can't go back to the road map.

On the security barrier, number one, as you know, the Israeli cabinet's decision leaves 88 percent of the West Bank outside the fence, and following the supreme court decision, actually the fence will get even much closer to the agreement than it is today. So that's number one.

And, number two, it's also clear, as has been said, that it's not a final border. It can be changed. And, therefore, I'm not sure this is such a huge problem as I think some people believe it is.

DR. MUASHER: Rafi is among the first people that I talked to when it was not kosher to talk to APEC before the peace process. So he and I go a long way also, and I miss those discussions, Rafi.

I am very well aware of the administration's position and of the Israeli position as well. But let me offer this: It's true that Sharon is going to withdraw from Gaza and from four settlements in the northern West Bank. It's also true that he has publicly stated that he's going to stop over that. So it doesn't matter only that the U.S. says we commit to the road map. We need Israel to commit to the road map, as we know it, as the international community knows it, and we need the Palestinians to commit to the road map as we know it as well. That's my first point.

My second point is I know that Mr. Sharon is saying if the Palestinians, you know, are willing to go back to the road map, I will go back to the road map. But,

frankly, for us this is not enough because if the Palestinians don't go back to the road map, if no progress is made there, the status quo on the ground is not kept static by Mr. Sharon. And, you know, we might face a time that until a future time when the parties are ready to go back to the road map, it might be too late. This is what we are saying. We don't want to reach a situation where it might be too late.

On the security barrier, we've made it clear from day one that we are not against the wall; we are against the course of the wall, because in our opinion, the course, at least as it was published, is going to divide the West Bank into three entities and movement between these three entities--a northern section, a middle section, and a southern section--movement between these three is going to be extremely difficult. We did not only say that. The Israeli Supreme Court said that.

As a result, forget the International Court of Justice, the Israeli Supreme Court agreed that the old course is going to be very problematic.

Now, the Israeli Government told us that they will change the course of the wall to make it very--to make it closer to the green line. How close, how much closer? We don't know yet. General Spiegel was supposed to come to Jordan twice to brief us on the new course. He hasn't done so, so far. So until he does that, we are not in a position to judge whether the new course is going to be problematic or not. We have to wait and see.

And as far as I know, the new course has not been decided yet for us to make a judgment of whether it is, you know, much closer to the green line or whether it is just a bit closer to the green line than the old barrier is.

This is something I must add that Jordan takes very seriously. We don't do it for PR purposes, because if we were to take, you know, a position for popularity, we would not be against suicide bombings for at least, you know, two years, publicly. But we're not looking for popularity here, but we need people to understand that the course of

the wall in Jordan's opinion is threatening a two-state solution which has immediate and direct negative repercussions on Jordan. And this is why Jordan is taking this.

If Israel wants to change the course and assure us that this is not going to be the case, we're still waiting for them to do so.

AMBASSADOR INDYK: Last question from Flint.

MR. LEVERETT: Thank you. Flint Leverett from the Saban Center here at Brookings. Let me add my own welcome back to Washington.

I wanted to return briefly to the discussion of Jordan's economic performance and the question of reform. Jordan under His Majesty has taken some, I think, truly impressive steps on economic policy, the basic regulatory structure in Jordan. The IMF now says that Jordan is the second most open economy in the region after Dubai. At least one of the reasons--

DR. MUASHER: Only the second, they said?

MR. LEVERETT: Sorry. At least one of the reasons Jordan has done this is to become attractive to foreign investors. Your ability to sustain the kinds of growth rates that you need over the long term, your ability to achieve some of the plans that you have for developing Jordan as an IT center in the region, for example, all of this hinges on your ability to attract significantly higher degrees of foreign investment than you've historically been able to.

Given the challenging strategic situation you're in between Iraq and a stalled Israeli-Palestinian peace process, how are you doing at attracting foreign investment? And are you in a situation where even though you may do the right thing in terms of your own economic policy, that until the Iraq situation and the Palestinian situation get put on more poverty trajectories, that there is a built-in limit to how far you can succeed at economic reform?

DR. MUASHER: I couldn't have put it in better terms, Flint. That's exactly our problem. You know, people look at us, we're doing--we're doing well under the circumstances. Seven-percent growth is unprecedented in the whole region. I don't think Dubai has 7-percent growth. They might, but I'm not sure they do.

But you are right, this is not sustainable, because, you know, without the oil subsidy, without aid from the United States, without arrangements like the QIZ, you know, we are not going to be able to sustain this.

Our record on foreign direct investment is mixed. The Free Trade Area, for example, of the United States has been extremely successful in increasing our--under the QIZ arrangement, extremely successful in increasing our exports to the United States, and extremely successful in creating new jobs. Thirty thousand new jobs in the last five years, exports that will top \$1 billion this year from \$10 million in 1999. So in terms of exports and jobs, this has been great.

In terms of investment, we have not had hardly any investment coming from the United States as a result of the Free Trade Area because we are still looked at as a country in an unstable region. Most of the investments so far have come from Southeast Asia or, in the case of the QIZ, some investments from Israel.

Interestingly, we're starting to see Arab investment come to Jordan in a way that we did not witness before. Kuwait today probably is the number one foreign investor in Jordan. So we have gone a long way from the Gulf crisis. Egypt is investing heavily in Jordan as well. Real estate is at an all-time high because Iraqis and Syrians are buying property in Jordan, a lot of property. But you are right. In the long run, unless we are able to attract foreign direct investment in much higher numbers, we are not going to be able to solve the problem of unemployment that we have.

AMBASSADOR INDYK: Marwan, thank you very much. Every time I listen to you, I come to appreciate more what a skilled diplomat you are, but also what an

effective analyst you are, and I think we've all benefited from that today. And we wish you to go from strength to strength. Good luck to you. Thank you.

[Applause.]

AMBASSADOR INDYK: Thank you very much, ladies and gentlemen. That concludes our session. You're welcome to stay around and finish your cookies and coffee.

- - -