



The Saban Forum 2012

פורום סבן

A U.S.-Israeli Dialogue

U.S.-Israeli Relations in
a Changing Environment

Washington, D.C.

November 30-December 2, 2012



FRONT COVER:

TOP: Chairman of the Saban Forum Haim Saban and Secretary of State Hillary Rodham Clinton.

BOTTOM (CLOCKWISE): Defense Minister Ehud Barak, Palestinian Prime Minister Salam Fayyad, former Foreign Minister Tzipi Livni, former Prime Minister Ehud Olmert, former Secretary of State Condoleezza Rice.



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THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION

U.S.-Israeli Relations in
a Changing Environment

Washington, D.C.

November 30-December 2, 2012



Speakers and Moderators

ELLIOTT ABRAMS
GABI ASHKENAZI
EHUD BARAK
HILLARY RODHAM CLINTON
WILLIAM J. CLINTON
ILANA DAYAN
JACKSON DIEHL
RAHM EMANUEL

SALAM FAYYAD
ROBERT FORD
DAVID GREGORY
STEPHEN HADLEY
EPHRAIM HALEVY
DAVID IGNATIUS
MARTIN INDYK

NASSER JUDEH
AVIGDOR LIEBERMAN
JOSEPH LIEBERMAN
TZIPI LIVNI
JOHN MCCAIN
DAN MERIDOR
EHUD OLMERT

MICHAEL OREN
DAVID REMNICK
CONDOLEEZZA RICE
BRUCE RIEDEL
DENNIS ROSS
HAIM SABAN
DAVID SANGER

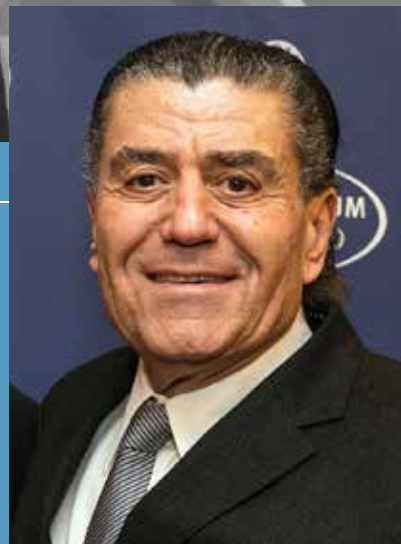
SILVAN SHALOM
ROBERT SIEGEL
SHIBLEY TELHAMI
DANA WEISS
LEON WIESELTIER
TAMARA WITTES
AMOS YADLIN

ABOVE: John Kerry, Hillary Rodham Clinton, and Ronald Cohen.

FACING PAGE: Top: Salam Fayyad and Haim Saban. BOTTOM: Ron Prosor, Avigdor Lieberman, and Martin Indyk.

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A Letter from the Chairman



In December 2012, the Saban Forum brought together leading government officials, journalists, and policy experts for two days to discuss the most pressing challenges facing the United States and Israel. Our Forum met just after another round of Hamas-Israel violence, as the war in Syria continued to deepen and Iran's nuclear centrifuges continued to spin.

When the Saban Forum convened in 2011, we found ourselves in the middle of a shifting Middle East order known as the Arab Awakening. In 2012, new governments emerged in Tunisia, Libya, and Egypt which were increasingly sensitive to popular will and more subject to Islamist influence. In the midst of all this regional turmoil, Israeli-Palestinian peace seemed a distant dream. The Palestine Liberation Organization sought recognition of statehood from the United Nations, Hamas gained traction at Fatah's expense, and new episodes of violence with rocket attacks from Gaza made renewed negotiations seem further in the distance.

In the face of such uncertainty, it's more important than ever for Washington and Jerusalem to build a common understanding of these profound developments and their strategic implications. We discussed how our two countries, who have long had shared interests in the Middle East, could find ways to move forward together, despite sometimes differing perspectives on regional developments.

We were honored to have several leading officials join us at the Forum, including Secretary of State Hillary Rodham Clinton, who delivered keynote remarks, as well as President William J. Clinton, former Prime Minister Ehud Olmert, Foreign Minister Avigdor Lieberman, Prime Minister Salam Fayyad, former Secretary of State Condoleezza Rice, Defense Minister Ehud Barak, Foreign Minister Nasser Judeh, Senator Joseph Lieberman, former Foreign Minister Tzipi Livni, and the mayor of Chicago, Rahm Emanuel.

The purpose of the Saban Forum is to foster dialogue and debate among our participants. For this reason, we hold the Forum under the "Chatham House Rule," meaning that participants are free to use the information discussed, but neither the identity nor the affiliation of the speakers may be revealed. But given the import of the issues, and the wisdom of our participants, we also feel it is vital to share the key conclusions of the gathering. What follows is our summary of the discussions, as well as transcripts of those sessions that were held on the record.

I hope these proceedings offer new insight into the challenges facing the Middle East and the strategic implications of U.S. and Israeli policy decisions.

HAIM SABAN
Chairman, The Saban Forum

American Participants



ELLIOTT ABRAMS

Senior Fellow for Middle Eastern Studies, Council on Foreign Relations.



STEPHEN BREYER

Associate Justice, United States Supreme Court.



GARY ACKERMAN

United States House of Representatives (NY-5).



CHARLES BRONFMAN

Chairman, The Andrea and Charles Bronfman Philanthropies.



ALAN BATKIN

Vice Chairman, Eton Park Capital Management; Former Vice Chairman, Kissinger Associates, Inc.; Trustee, The Brookings Institution.



DANIEL L. BYMAN

Director of Research, Saban Center for Middle East Policy at the Brookings Institution; Professor, Security Studies Program of Georgetown University.



JEREMY BEN-AMI

Founder and President, J-Street.



PAUL CEJAS

Chief Executive Officer, PLC Investments, Inc.; Trustee, The Brookings Institution; Member, Foreign Policy Leadership Committee, The Brookings Institution.



SAMUEL R. BERGER

Chair, Albright Stonebridge Group; former National Security Advisor.



ADAM CHESNOFF

President and Chief Operating Officer, Saban Capital Group, Inc.



HOWARD BERMAN

United States Representative (CA-28); Ranking Member, Committee on Foreign Affairs.



HILLARY RODHAM CLINTON

Secretary of State.

American Participants (continued)



WILLIAM J. CLINTON
42nd President of the United States; Founder, William J. Clinton Foundation.



ALFONSO FANJUL
Chairman and CEO, Fanjul Corp. and Florida Crystals Corporation; Member, Foreign Policy Leadership Committee, The Brookings Institution.



ELIE DEKEL
President, Saban Brands.



SCOTT FIELD
Middle East Manager of the Skoll Global Threats Fund.



JACKSON DIEHL
Deputy Editorial Page Editor, *The Washington Post*.



DAVID FISHER
Chairman Emeritus, Capital Group International; Member, Foreign Policy Leadership Committee, The Brookings Institution.



MICHAEL DORAN
Roger Hertog Senior Fellow, Saban Center for Middle East Policy at the Brookings Institution.



ROBERT S. FORD
Special Advisor on Syria, United States Department of State.



KHALED ELGINDY
Research Fellow, Saban Center for Middle East Policy at the Brookings Institution.



FRED GLUCKMAN
Senior Vice President and Chief Financial Officer, Saban Capital Group.



RAHM EMANUEL
Mayor of Chicago.



STEPHEN HADLEY
Principal, RiceHadleyGates LLC, and Senior Advisor for International Affairs, U.S. Institute of Peace.

American Participants (continued)



JANE HARMAN

Director, President, and CEO, The Woodrow Wilson International Center for Scholars.



DAVID MAKOVSKY

Ziegler Distinguished Fellow and Director of the Project on the Middle East Peace Process, Washington Institute for Near East Policy.



DAVID IGNATIUS

Associate Editor and Foreign-Affairs Columnist, *The Washington Post*.



ROBERT MALLEY

Director of the Middle East and North Africa Program, the International Crisis Group.



MARTIN INDYK

Convener of The Saban Forum; Vice President and Director of Foreign Policy at Brookings; former U.S. Ambassador to Israel.



SUZANNE MALONEY

Senior Fellow, Saban Center for Middle East Policy at the Brookings Institution.



EDWARD LAMONT

Chairman, Lamont Digital Systems; Member, Foreign Policy Leadership Committee, The Brookings Institution.



JOHN MCCAIN

United States Senator (AZ).



JOSEPH I. LIEBERMAN

United States Senator (CT).



AYMAN MOHYELDIN

Foreign Correspondent, *NBC News* (Cairo).



NITA LOWEY

United States Representative (NY-18).



MICHAEL O'HANLON

Senior Fellow in the 21st Century Defense Initiative and Director of Research, Foreign Policy Program at the Brookings Institution.

American Participants (continued)



CHARLES PEREZ

Chairman, Charles A LLC.



DAVID RUBENSTEIN

Co-Founder and Managing Director, The Carlyle Group.; Trustee, The Brookings Institution; Member, Foreign Policy Leadership Committee, The Brookings Institution.



KENNETH M. POLLACK

Senior Fellow, Saban Center for Middle East Policy at the Brookings Institution.



CHERYL SABAN

Founder, Self Worth Foundation; U.S. Representative to the General Assembly of the United Nations.



DAVID REMNICK

Editor-in-Chief, *The New Yorker*.



HAIM SABAN

Chairman, The Saban Forum; Chairman and Chief Executive Officer, Saban Capital Group; Trustee, The Brookings Institution.



CONDOLEEZA RICE

Professor of political economy and political science, Stanford University, Senior Fellow on Public Policy, the Hoover Institution; Founding Partner, RiceHadleyGates, LLC.



NATAN SACHS

Research Fellow, Saban Center for Middle East Policy at the Brookings Institution.



BRUCE RIEDEL

Senior Fellow, Saban Center for Middle East Policy at the Brookings Institution.



KARIM SADJADPOUR

Senior Associate, Middle East Program, Carnegie Endowment for International Peace.



DENNIS ROSS

Former Special Assistant to the President and Senior Director for the Central Region, National Security Staff, Executive Office of the President.



GARY SAMORE

White House Coordinator for Arms Control and the Weapons of Mass Destruction & Special Assistant to the President, Executive Office of the President.

American Participants (continued)



DAVID E. SANGER

Chief Washington Correspondent,
The New York Times.



JAMES STEINBERG

Dean of the Maxwell School and
University Professor of Social
Science, International Affairs and
Law, Syracuse University; Former
Deputy Secretary of State.



BENNY SHABTAI

Founder and CEO, Raymond Weil
USA Watch Company; founder
and CEO, Di Modolo; Gala
Chairman of Friends of Israel
Defense Forces.



STROBE TALBOTT

President, The Brookings
Institution.



DANIEL SHAPIRO

United States Ambassador to
Israel.



PUNEET TALWAR

Senior Director for Iran, Iraq, and
the Gulf States, National Security
Council in the Executive Office of
the President.



ROBERT SIEGEL

Senior Host of "All Things
Considered," *National Public
Radio*.



SHIBLEY TELHAMI

Nonresident Senior Fellow, Saban
Center for Middle East Policy at
Brookings; Anwar Sadat Professor
for Peace and Development,
University of Maryland.



STEVEN SIMON

Senior Director for Middle East
and North Africa, National
Security Council.



GEORGE TENET

Chairman, Allen & Company;
Former Director of Central
Intelligence.



JAY SNYDER

Principal, HBJ Investments
LLC; Member, Foreign Policy
Leadership Committee, The
Brookings Institution.



ANDREW H. TISCH

Co-Chairman of the Board of
Directors, Chairman of the
Executive Committee, Loews
Corporation; Trustee, The
Brookings Institution.

American Participants (continued)



TONI VERSTANDIG

Executive Vice President, S. Daniel Abraham Center for Middle East Peace.



EZRA K. ZILKHA

President, Zilkha & Sons; Honorary Trustee, The Brookings Institution.



LEON WIESELTIER

Literary Editor, *The New Republic*.



MORTIMER B. ZUCKERMAN

Co-Founder, Chairman, and CEO, Boston Properties Inc.; Chairman and Editor-in-Chief of U.S. News & World Report; Member, Foreign Policy Leadership Committee, The Brookings Institution.



TAMARA COFMAN WITTES

Senior Fellow and Director, Saban Center for Middle East Policy at the Brookings Institution.

Israeli Participants



UZI ARAD

Former National Security Advisor to the Prime Minister of Israel.



RAMI BEN-BARAK

Visiting Fellow, Saban Center for Middle East Policy at the Brookings Institution.



DAN ARBELL

Guest Scholar, Saban Center for Middle East Policy at the Brookings Institution; Scholar-in-Residence, Center for Israeli Studies at American University.



ALUF BENN

Editor-in-Chief, *Ha'aretz*.



GABI ASHKENAZI

Chairman of the Board of Directors of Shemen Oil and Gas Resources, Ltd; Former Chief of Staff of the Israel Defense Forces.



BEN CASPIT

Senior Columnist, *Ma'ariv*.



EHUD BARAK

Minister of Defense, the State of Israel.



DANI DAYAN

Chairman, YESHA Council, the Council of Jewish Communities in Judea, Samaria, and Gaza Strip.



NAHUM BARNEA

Political Columnist, *Yedioth Ahronoth*.



ILANA DAYAN

Anchorwoman for “*Uvda*”, Channel 2 News.



RONNIE BAR-ON

Chairman of Knesset Foreign Affairs and Defense Committee (Kadima).



YARON DEKEL

Israeli Army Radio Editor-in-Chief, the Israel Defense Forces.

Israeli Participants (continued)



SHLOMO DOVRAT

Co-Founder, Viola Group; General Partner and Co-Founder, Carmel Ventures.



MICHAEL HERZOG

International Fellow, Washington Institute for Near East Policy; Senior Fellow, Jewish People's Policy Institute.



DAN GILLERMAN

President, Gillerman Global; Chairman, Markstone Capital Group; Former Permanent Representative for Israel to the United Nations.



FORSAN HUSSEIN

Chief Executive Officer, the Jerusalem International YMCA.



MOSHE HALBERTAL

Gruss Professor, New York University School of Law; Professor of Jewish Thought and Philosophy, Hebrew University.



TAMAR ISH-SHALOM

Anchorwoman, *Channel 10 News*.



EFRAIM HALEVY

Head, Shasha Center for Strategic Studies at the Federmann School of Public Policy and Government at the Hebrew University of Jerusalem.



DALIA ITZIK

Member of Knesset (Kadima); Chairperson, Kadima Parliamentary Group.



AYALA HASSON

Diplomatic Correspondent and Analyst, Channel 1; Anchor, *Yoman*, Channel 1; Anchor, *Reshet Bet*, Israel Broadcasting Authority Radio.



ASAAD JOUBRAN

Vice President, IC Power.



ISAAC HERZOG

Chairman of the Labor Party and Member of Knesset.



YNON KREIZ

Former Chairman and Chief Executive Officer, Endemol.

Israeli Participants (continued)



YONIT LEVI

Lead Anchor, *Channel 2 News*.



EHUD OLMERT

Former Prime Minister of the State of Israel.



YARIV LEVIN

Chairman of the Knesset House Committee and Member of Knesset (Likud).



MICHAEL OREN

Ambassador of Israel to the United States.



AVIGDOR LIEBERMAN

Minister of Foreign Affairs and head of the Israel Beytenu Party.



RON PROSOR

Permanent Representative of Israel to the United Nations.



RACHEL LIEL

Executive Director in Israel, *The New Israel Fund*.



ITAMAR RABINOVICH

Distinguished Nonresident Senior Fellow, Saban Center at Brookings; Professor Emeritus, Tel Aviv University; Distinguished Global Professor, NYU.



TZIPI LIVNI

Former Foreign Minister and Vice Prime Minister of Israel.



ELON SHALEV

Senior Advisor, Saban Capital Group.



DAN MERIDOR

Deputy Prime Minister and Minister of Intelligence and Atomic Energy.



SILVAN SHALOM

Vice Prime Minister of Israel.

Israeli Participants (continued)



MEIR SHAMIR

CEO and Principal Stockholder,
Mivtach Shamir Holdings Ltd.



DANA WEISS

Moderator, Channel 2 News' *Meet
the Press*.



ARI SHAVIT

Senior Correspondent, *Ha'aretz*.



AMOS YADLIN

Director, The Institute for
National Security Studies (INSS);
Former Chief of Israel Defense
Intelligence.



YOSEF VARDI

Principal, International
Technologies Ventures.

International Participants



RONALD COHEN

Chairman, The Portland Trust; Member, Foreign Policy Leadership Committee, The Brookings Institution.



DAVID KAMENETZKY

Member of the Management Team, Mars, Incorporated; Member, Foreign Policy Leadership Committee, The Brookings Institution.



SALAM FAYYAD

Prime Minister, Palestinian National Authority.



DAVID MENTON

Managing Partner, Synova Capital.



JON HANSSEN-BAUER

Special Representative for the Middle East, Norwegian Ministry of Foreign Affairs.



SALMAN SHAIKH

Director, Brookings Doha Center; Fellow, Saban Center for Middle East Policy at Brookings.



NASSER JUDEH

Foreign Minister, Hashemite Kingdom of Jordan.



POJU ZABLUDOWICZ

Chairman and CEO of Tamares; Member, Foreign Policy Leadership Committee, The Brookings Institution.



TOP: Tzipi Livni, Nahum Barnea, and David Remnick. BOTTOM: Amos Yadlin, Charles Perez, Dan Gillerman and Dana Weiss.



Strobe Talbott.

Program

Friday, November 30, 2012

THE BROOKINGS INSTITUTION

- 10:00 AM** *Attitudes Toward a Middle East in Crisis: Surveys of Arab and Jewish Opinion in Israel*
- Shibley Telhami, *Saban Center for Middle East Policy at The Brookings Institution*
- Dana Weiss, *Israel Channel Two News*

WILLARD INTERCONTINENTAL HOTEL

- 5:00 PM** **Reception**
- 6:00 PM** **Welcoming Remarks**
- Haim Saban, *Chairman, The Saban Forum*
- Martin Indyk, *Vice President and Director, The Foreign Policy Program, The Brookings Institution*
- 6:30 PM** **A Conversation with Foreign Minister Avigdor Lieberman**
- MODERATOR: Robert Siegel, *National Public Radio*
- 7:30 PM** **Dinner**
- 8:30 PM** **A Salute to Secretary of State Hillary Rodham Clinton**
- FOLLOWED BY:
- A Keynote Speech by the Secretary of State**
- MODERATOR: Tamara Wittes, *Director, Saban Center for Middle East Policy at The Brookings Institution*

Saturday, December 1, 2012

- 7:30 AM** **Registration**
- 8:30 AM** **A Conversation with Prime Minister Salam Fayyad**
- MODERATOR: Martin Indyk, *Foreign Policy at The Brookings Institution*
- 9:15 AM** **A Conversation with Defense Minister Ehud Barak**
- MODERATOR: David Remnick, *The New Yorker Magazine*
- 10:00 AM** **Coffee Break**
- 10:30 AM** **Dialogue Session 1: Turmoil in the Middle East**
- A MODERATED CONVERSATION WITH:
- Silvan Shalom, *Vice Prime Minister and Minister for Regional Development*
- Robert Ford, *U.S. Ambassador to Syria and Deputy Assistant Secretary of State for Near Eastern Affairs*
- Stephen Hadley, *former National Security Adviser and Senior Adviser, U.S. Institute of Peace*
- Ephraim Halevy, *former National Security Adviser and Director of the Mossad*
- MODERATOR: Bruce Riedel, *Senior Fellow, Saban Center for Middle East Policy at The Brookings Institution*
- 12:30 PM** **Luncheon Session: A Conversation with Mayor of Chicago Rahm Emanuel and former Foreign Minister Tzipi Livni**
- MODERATOR: Leon Wieseltier, *The New Republic*
- 2:00 PM** **Break/Iran War Game Simulation (optional)**



THE FOLGER SHAKESPEARE LIBRARY

- 5:30 PM A Conversation with President William J. Clinton**
- MODERATOR: David Gregory, *NBC's Meet the Press*
- 6:30 PM Reception**
- 7:30 PM Dinner is Served in the Old Reading Room**
- 8:30 PM A Conversation with former Prime Minister Ehud Olmert**
- MODERATOR: David Ignatius, *The Washington Post*

Sunday, December 2, 2012

WILLARD INTERCONTINENTAL HOTEL

- 8:00 AM Registration**
- 8:30 AM What To Do About Syria?**
- A CONVERSATION WITH:
- Former Secretary of State Condoleezza Rice**
Jordanian Foreign Minister Nasser Judeh
Senator Joseph Lieberman (I-Connecticut)
- MODERATOR: Jackson Diehl, *The Washington Post*

9:30 AM Coffee Break

- 10:00 AM Dialogue Session 2: U.S.-Israel Relations in the Wake of the American Elections**
- Michael Oren, *Israeli Ambassador to the United States*
 Gabi Ashkenazi, *former IDF Chief of Staff*
 Elliott Abrams, *Council on Foreign Relations*
 Martin Indyk, *Foreign Policy at The Brookings Institution*
- MODERATOR: Ilana Dayan, *Israel Channel 2's Uvdah Program*

12:30 PM Luncheon Session: What to do about Iran?

- Senator John McCain (*R-Arizona*)
 Dan Meridor, *Deputy Prime Minister and Minister for Intelligence and Atomic Energy*
 Dennis Ross, *Counselor, The Washington Institute for Near East Policy and former NSC Senior Director for the Central Region*
 Amos Yadlin, *Director, Institute for National Security Studies, former Director IDF Military Intelligence*
- MODERATOR: David Sanger, *The New York Times*

2:00 PM Saban Forum 2012 adjourns



Ronnie Bar-On, Yosef Vardi, and Haim Saban.



KEYNOTE ADDRESS BY:

Secretary of State Hillary Rodham Clinton



I am somewhat overwhelmed, but I'm obviously thinking I should sit down. I prepared some remarks for tonight, but then I thought maybe we could just watch that video a few more times. And then the next time I could count the hairstyles, which, you know, is one of my favorite pastimes. I think I now know what it feels like to be one of Haim's Mighty Morphin Power Rangers.

Well, I guess we should expect nothing less from Haim Saban, who's a friend, a colleague, a mentor, an inspiration to so many of us here tonight. He certainly has always challenged me to make the most of America's place in the world and especially our close friendship with Israel. And it is extremely humbling to be honored by the Saban Forum in front of so many Americans and Israelis whom I know and respect so greatly, and I am so appreciative of all those very much-too-kind words. I can't wait to show my husband.

And speaking of spouses, I want to acknowledge my dear friend Cheryl Saban, who's been doing heroic work as a public delegate with our team at the United Nations. There are so many friends here and it's always a little dangerous—in fact, a lot dangerous—to acknowledge or point out any, but obviously I want to thank Martin Indyk and Tamara Wittes and all the thinkers and scholars whose insights help us navigate this very difficult, challenging time.

I also want to say a special word to two friends who are retiring. One, Senator Joe Lieberman, who is leaving the Senate and going into standup comedy I'm told. He's got a lot of good lines. I've heard many of them over the years. But he and Hadassah deserve some very well-merited time for themselves. And, of course, Ehud Barak, who's announced his retirement. And so we want to wish you very much happiness in the future as well.

Let me also acknowledge the chairman of my authorizing and oversight committee, Senator John Kerry. Thank you, John. And Teresa Heinz, it's wonderful seeing you here as well. My congresswoman, Nita Lowey, who does such a great job in every way and is, as they say, moving on up, which we're happy to hear. I saw Howard Berman here, and I think we all want to pay a great acknowledgement and gratitude to Howard.

There are some others that I just want briefly to mention, other members of Congress. I know there are some here, but I can't see everyone. I want to also acknowledge Foreign Minister Lieberman; Deputy Prime Minister Meridor; Ambassador Oren; our ambassador, Dan Shapiro; my former deputy secretary, Jim Steinberg; everyone who's made this journey to be with us tonight.

I think that we have a lot to celebrate because for years we have told you, our Israeli friends, that America has Israel's back and this month we proved it again. When Israel responded to a rain of rockets, when sirens sounded and schools emptied and air raid



shelters filled, America's next move was never in question. President Obama and I stood before the international community and supported Israel's right to defend itself from a threat no country would tolerate. The Iron Dome system, invented by Israel, underwritten by America, knocked rockets out of the sky like never before.

We supported regional and international efforts to de-escalate the conflict and then seized on a diplomatic opening when it came. Working closely with President Obama from halfway around the world, I left the East Asia Summit in Cambodia to fly to Tel Aviv, to drive to Jerusalem, to meet with the prime minister and members of the inner cabinet; to go the next day to Ramallah, then back to the prime minister's office, and then to Cairo. And we were able to play a role in enabling the ceasefire to occur.

That fragile ceasefire is holding. The skies above Israel are clear. And we are beginning to see the efforts to rebuild and resume daily life. But the world knows, and always will know, that whenever Israel is threatened, the United States will be there.

Now, that's a good thing because we believe in our shared values. We understand we both live in a complicated and dangerous world. We're in the midst of a transformative moment in the Middle East, one that offers as many questions, in fact, more questions than answers; and one that poses new challenges to Israel's place in the emerging regional order. As the story unfolds, all of us must work together to seize the promise and meet these challenges of this dynamic, changing Middle East.

In the past month alone, we've seen both the promise and those challenges. We've seen post-revolutionary Egypt work with the United States to help Israel broker a ceasefire and protect Egypt's peace treaty with Israel. We have seen cutting-edge defenses protect Israel, cities and rural areas. We have seen Israel fight for, and win, a stop to rocket fire from Gaza. But we've also seen the challenge of turning a ceasefire into a lasting calm, of helping Palestinians committed to peace find a more constructive path to pursue it, of putting Israel's peace with Egypt on a stronger foundation, of making sure that Iran can never acquire a nuclear weapon.

And just yesterday, as you know, the United Nations General Assembly voted to grant the Palestinian Authority non-member observer state status, a step that will not bring us any closer to peace. When it comes a region full of uncertainty, upheaval, revolution, this much is constant and clear: America and Israel are in it together.

This is a friendship that comes naturally to us. Americans honor Israel as a homeland dreamed of for generations and finally achieved by pioneering men and women in my lifetime. We share bedrock beliefs in freedom, equality, democracy, and the right to live without fear. What threatens Israel, threatens America. And what strengthens Israel, strengthens us. Our two governments maintain not just the formal U.S.-Israel strategic dialogue, but a daily dialogue, sometimes an hourly dialogue, at every level. In a season of tight budgets, U.S. assistance to Israel is at a record high. And over the past few weeks, I have heard from Israelis the gratitude they felt when, after hearing the sirens, they saw a second rocket launch and knew that was Iron Dome making them safer. America has helped keep Israel's qualitative military edge as strong as ever. And Prime Minister Netanyahu has described our security cooperation and overall partnership with Israel as unprecedented.

Our shared obsession with innovation is also bringing us closer together. Google Executive Chairman Eric Schmidt recently called Israel the most important high-tech center in the world, after the United States. So it is not surprise that our diplomatic challenge is not only about a dialogue of strategic and political interests, including not just our soldiers and our politicians, but increasingly including our techies and our venture capitalists and our entrepreneurs. And it's no surprise that since Israel signed America's first-ever Free Trade Agreement back in 1985, trade between us has increased from five billion to more than 35 billion.

But all that we hope to accomplish together depends on keeping Israelis safe to pursue their passions in peace and security. It depends on ensuring Israel's future as a secure, democratic Jewish state. So tonight I want to speak about four of the goals that our countries must pursue together to make that happen in a new Middle East.

First, Iranian-made missiles and rockets launched from Gaza at Tel Aviv and Jerusalem only drove home what we already know: America, Israel, and the entire international community must prevent Iran from acquiring a nuclear weapon.

This is a commitment that President Obama has made and repeated because we know very well the Iranian regime already exports terrorism, not only to Israel's doorstep, but across the world. If we had a map I could put up there, I could show you what we track and plot on that map, the evidence of terrorism, mostly—thankfully—plots foiled or unsuccessful; unfortunately, as in Bulgaria, some that succeeded. But those plots, those activities of Iran, directly and through their agents, stretches from Mexico to Thailand. We see Iran bringing repression to Syria. We see Iran brutalizing their own people. So a nuclear Iran is not simply a threat to Israel. It is a threat to all nations and risks opening the floodgates on nuclear proliferation around the world. When it comes to Iran's nuclear threat, the United States does not have a policy of containment. We have a policy of prevention, built on the dual tracks of pressure and engagement, while keeping all options on the table.

The United States is ratcheting up the pressure to sharpen the choices facing Iran's leadership. We've had our own sanctions in place for many years, but we never had a coalition like the one we have built over the last four years. We convinced all 27 nations of the European Union to stop importing Iranian oil and all 20 major global importers of Iranian oil, including Japan, India, China, and Turkey, to make significant cuts. Iran today exports more than 1 million fewer barrels of crude each day than it did just last year. Iran's currency is worth less than half of what it was last November.

The pressure is real and it is growing. And let me add, we take pride in the coalition we have assembled, but no pleasure in the hardship that Iran's choices have caused its own people to endure. We are making every effort to ensure that sanctions don't deprive Iranians of food, medicines, and other humanitarian goods.

I travel the world working to help people everywhere take part in the global economy. And we never lose sight of the fact that Iranians deserve this no less than any other people. America's goal is to change the Iranian leadership's calculus. We have worked with the P5+1 to put a credible offer on the table. If there is a viable diplomatic deal to be had, we will pursue it. And should Iran finally be ready to engage in serious negotiations, we are ready.





When Iran is prepared to take confidence-building measures that are verifiable, we are prepared to reciprocate. What we will not do is talk indefinitely. The window for negotiation will not stay open forever. President Obama has made that clear and by now I think it should be clear this is a president who does not bluff. He says what he means and he means what he says.

The second shared goal I want to discuss is this: now that rocket fire from Gaza has stopped, America and Israel have to work together with partners in the region to turn the ceasefire into a lasting calm. Now, we have no illusions about those who launched the rockets. They had every intention of hiding behind civilians in Gaza and killing civilians in Israel, and they would have killed more of each if they could have. They even fired poorly aimed rockets at Jerusalem, endangering Palestinians as well as Israelis, Muslim holy sites as well as those of Christians and Jews.

As we said throughout the crisis, Israel retains every right to defend itself against such attacks. But a lasting ceasefire is essential for the people of Israel whose communities lie in the path of these rockets. The people of Gaza deserve better, too. Half the Gaza population are under the age of 18. These children, who didn't choose where they were born, have now seen two military conflicts in the last four years. Like all children, our children, they deserve better.

Just as Israel cannot accept the threat of rockets, none of us can be satisfied with a situation that condemns people on both sides to conflict every few years. Those who fire the rockets are responsible for the violence that follows, but everyone, all parties in the region and people of good faith outside of the region, have a role to play in keeping or making peace.

Israel can keep working energetically with Egypt to implement the ceasefire to keep the rockets out, but also work to try to advance the needs of the people of Gaza. For its part, Egypt can use its unique relationship with Hamas and the other Palestinian factions in Gaza to make clear that it opposes provocation and escalation on its borders. And we look to Egypt to intensify its efforts to crack down on weapons smuggling from Libya and Sudan into Gaza. I am convinced that if more rockets are allowed to enter Gaza through the tunnels, that will certainly pave the way for more fighting again soon. We are ready to help and to support Egyptian efforts to bring security and economic development to the Sinai.

Others who are close to Hamas and the other factions in Gaza, including Turkey and Qatar, can and should make clear that another violent confrontation is in no one's interest. Hamas itself, which has condemned those it rules to violence and misery, faces a choice between the future of Gaza and its fight with Israel. America has shown that we are willing to work with Islamists who reject violence and work toward real democracy, but we will never work with terrorists. Hamas knows what it needs to do if it wishes to reunite the Palestinians and rejoin the international community. It must reject violence, honor past agreements with Israel, and recognize Israel's right to exist. Of course, the most lasting solution to the stalemate in Gaza would be a comprehensive peace between Israel and all Palestinians led by their legitimate representative, the Palestinian Authority.

Which brings me to the third goal we must pursue together. At a time when violence commands attention, America and Israel must do better at demonstrating not just the



costs of extremism, but the benefits of cooperation and coexistence. For example, we have to convince Palestinians that direct negotiations with Israel represent not just the best, but the only path to the independent state they deserve. America supports the goal of a Palestinian state living side by side in peace and security with Israel, but this week's vote at the U.N. won't bring any Palestinians any closer to that goal. It may bring new challenges for the United Nations' system and for Israel, but this week's vote should give all of us pause. All sides need to consider carefully the path ahead.

Palestinian leaders need to ask themselves what unilateral action can really accomplish for their people. President Abbas took a step in the wrong direction this week. We opposed his resolution, but we also need to see that the Palestinian Authority in the West Bank still offers the most compelling alternative to rockets and permanent resistance. At a time when religious extremists claim to offer rewards in the hereafter, Israel needs to help those committed to peace deliver for their people in the here and now.

The leaders of the West Bank, President Abbas and Prime Minister Fayyad, deserve credit for their real achievements on the ground. They made their streets safe again. They brought a measure of peace. They overhauled governing institutions. They have cooperated with Israel to help enhance Israel's security. And we have to be honest with ourselves that right now all of this needs our political and economic support to be sustainable. It also needs a political horizon.

So particularly, in light of today's announcement, let me reiterate that this administration, like previous administrations, has been very clear with Israel that these activities set back the cause of a negotiated peace. We all need to work together to find a path forward in negotiations that can finally deliver on a two-state solution. That must remain our goal. And if and when the parties are ready to enter into direct negotiations to solve the conflict, President Obama will be a full partner.

Now, some will say that given the disappointments of the past and the uncertainties of today now is not the time even to contemplate a return to serious negotiations, that it should be enough for Israel just to muddle through, dealing with whatever crisis arises. But the dynamics of ideology and religion, of technology and demography conspire to make that impossible. Without progress toward peace extremists will grow stronger and moderates will be weakened and pushed away. Without peace Israel will be forced to build ever more powerful defenses against ever more dangerous rockets. And without peace the inexorable math of demographics will one day force Israelis to choose between preserving their democracy and remaining a Jewish homeland.

A strong Israeli military is always essential, but no defense is perfect. And over the long run, nothing would do more to secure Israel's future as a Jewish democratic state than a comprehensive peace.

And that leads me to my fourth goal. At a time when the Arab world is remaking itself right before our eyes, America and Israel have to work together to do what we can to ensure that democratic change brings the region closer to peace and security, not farther away. But there is no going back to the way things were.

We are not naïve about the risks these changes are bringing and we recognize that for Israel they hit close to home. And so even as the United States supports democratic transitions in Egypt and Tunisia, in Libya and Yemen, we are also making clear that rights



and freedoms come with responsibilities. All states must address threats arising from inside their borders, fight terrorism and extremism, and honor their international commitments. And working closely with them on these critical issues does not mean we seek a return to the old bargain. Honoring obligations abroad does not lessen the need for these governments to respect fundamental rights, build strong checks and balances and seek inclusive dialogue at home.

Egypt's recent declarations and the decision to hold a vote on the constitution despite social unrest and a lack of consensus across Egypt's political spectrum raise concerns for the United States, the international community, and, most importantly, for Egyptians. To redeem the promise of their revolution Egypt will need a constitution that protects the rights of all, creates strong institutions, and reflects an inclusive process.

Egypt will be strongest and so will our partnership if Egypt is democratic and united behind a common understanding of what democracy means. Democracy is not one election, one time. Democracy is respecting minority rights. Democracy is a free and independent media. Democracy is an independent judiciary. Democracy requires hard work and it only begins, not ends, with elections.

And let me add that the work of building consensus does not belong to new democracies alone. America will need broad-based support to end our impasse over our budget. Israel will need the same to solve your challenges.

Next door, the Syrian people are fighting for their rights and freedoms. A violent struggle against a tyrant is unfolding so close to Israel you can see it from the hilltops of the Golan Heights. Instability in Syria threatens all of us. But the safest and best path forward for Syria and its neighbors is to help the opposition build on its current momentum and bring about a political transition within Syria. The United States is using humanitarian aid, non-lethal assistance to the opposition, intensive diplomatic engagement, working with the Syrian people to try to bring about that political transition.

So there's a lot on our plates. And for me this is a remarkable moment in history. If we were just to step back for a time and look at what is happening around the world. But it is also a time that is fraught with anxiety and insecurity, uncertainty and danger. So we need to strengthen our consultations and collaboration on all of the issues that we face together. And we need to support the men and women in our militaries, in our diplomacy who represent the United States and Israel at every turn so well. There is a lot of hard work ahead of us, but for me there is no doubt that working together we are up to whatever task confronts us.

Protecting Israel's future is not simply a question of policy for me. It's personal. I've talked with some of you I've known for a while about the first trip Bill and I took to Israel so many years ago, shortly after our daughter was born. And I have seen the great accomplishments, the pride of the desert blooming and the startups springing up. I've held hands with the victims of terrorism in their hospital rooms, visited a bombed-out pizzeria in Jerusalem, walked along the fence near Gilo, and I know with all my heart how important it is that our relationship go from strength to strength.

As I prepare to trade in my post as Secretary of State for a little more rest and relaxation, I look forward to returning to Israel as a private citizen on a commercial plane, walking the streets of the old city, sitting in a café in Tel Aviv, visiting the many Israelis and

Palestinians I have gotten to know over the years. And, of course, it is not state secret that I hope to become a grandmother someday. And one day I hope to take my grandchildren to visit Israel, to see this country that I care so much about. And when I do, I hope we will find a thriving Israel, secure and finally at peace alongside a Palestinian state, in a region where more people than ever before, men and women, have the opportunity to live up to their God-given potential. That and nothing less is the future we must never stop working to deliver.

Thank you all very much.



SABAN FORUM
פורום סבן



A CONVERSATION WITH

Secretary of State Hillary Rodham Clinton

With Tamara Cofman Wittes, Moderator
Saban Center for Middle East Policy at The Brookings Institution

The Saban Forum held an off-the-record conversation with Secretary of State Hillary Rodham Clinton as she reflected on her tenure in the U.S. State Department, which included turmoil in the Middle East, increased focus on Iran's nuclear capabilities and continuing efforts to reach a diplomatic solution to the Israeli-Palestinian conflict.

Iran has presented significant diplomatic challenges, and is an issue that has consumed significant amount of her time and attention due to the perils that the Iranian government and its nuclear program continue to pose to the stability of the Middle East. A nuclear Iran alone would be a grave danger, but the Iranian threat is more complex because it presents a web of interconnected short- and long-term challenges. Iran's nuclear program, its concerted effort to destabilize countries like Bahrain and Yemen, and its acts of terror around the globe (most recently in Washington, D.C., against the ambassador of Saudi Arabia) are all intertwined and must be addressed together. Moreover, the United States should counter the Iranian threat with the help of both the international community and U.S. allies in the region.

On the issue of the Israeli-Palestinian conflict, the Palestinian Authority has made some accomplishments in the West Bank, without financial and natural resources. The Palestinian Authority has built security forces that cooperate with the Israel Defense Forces to bolster security in the West Bank as well as in Israel. Gains in security have been accompanied with modest entrepreneurial successes. Of greater significance, the Palestinian Authority has remained secular: nationalist, but secular and moderate. The more the Israeli government can do to encourage these positive trends in the West Bank, the greater the prospects for the revival of the Israeli-Palestinian peace talks.

There are divisions among the various Israeli political factions over the Palestinian Authority leadership which contribute to the current stalemate. In particular, some completely dismiss President Mahmoud Abbas, while others believe that he simply does not have the leverage to strike a peace accord. President Abbas should be given time to prove whether or not he is a reliable partner-- the more generous the Israeli government and its people can be with providing assistance to the West Bank, and thus demonstrating to the Palestinian people that cooperation can lead to prosperity, the more secure Israel will become. Despite the lack of a comprehensive agreement, both sides should continue to build mutual trust.

In those nations most affected by the Arab Spring, we hope to see them liberated from the yoke of repression and avoid being oppressed by the emerging new forms of social management based on ideology and intolerance. People across the Middle East launched revolutions to overthrow dictators—not to replace one form of dictatorship

with another, the dictatorship of a mob. There is a concern about new leaders emerging from the Arab Spring who lack political experience, platform, and organization. Islamist groups, by contrast, have strong organization and well-defined political agenda. To preclude Islamist or extremist groups from filling the political vacuums created by the revolutions, leaders of the Arab Spring should develop skills for governance together with a political gene in order to connect effectively with ordinary citizens and gain their support. These new leaders require the support of the international community and training to learn how to run a democracy and build societies that value tolerance and compromise.

One participant asked about the possibility of resuming the P5+1 negotiations with Tehran soon enough to resolve the Iranian nuclear issue, given the limited time that many believe remains until Iran develops the capacity to build a nuclear weapon. Secretary Clinton stated that the P5+1 group has been working actively to engage Tehran in multilateral negotiations to resolve the impasse on the nuclear issue. Simultaneously, Washington has signaled to Tehran that the United States is open to conduct bilateral negotiations with Iran. However, little progress has been made so far because Tehran has expressed no interest to negotiate.

Another participant asked Secretary Clinton if, as an observer of and a participant in the Israeli-Palestinian peace talks, she ever witnessed a genuine breakthrough moment over the past two decades that could resolve the long-standing conflict. Secretary Clinton felt that there were missed opportunities, such as in 1947; during the peace negotiations in Oslo in the 1990s; and, more recently, during the ten-month freeze on building settlements in the West Bank announced by the Israeli government with the intention of resuming stalled peace talks with the Palestinians. Still, peace can be attained, she said. But it will require more patience on the Israeli side and more goodwill and reciprocation on the Palestinian side. Expressing her faith in the feasibility of Israeli-Palestinian reconciliation, Secretary Clinton urged both sides not to give up but continue to seek ways to deliver a lasting peace to both nations. Peace is always worth pursuing.





A CONVERSATION WITH

Israeli Foreign Minister Avigdor Lieberman

With Robert Siegel, Moderator
National Public Radio



The Saban Forum's Friday evening program featured an on-the-record conversation Israeli Foreign Minister Avigdor Lieberman, moderated by Robert Siegel, host of NPR's *All Things Considered*. Participants discussed the vote on the Palestinians' member-state status at the United Nations General Assembly, and challenges in Israel's domestic politics.

The conversation began by addressing the issue of the construction of 3,000 new housing units in the West Bank and East Jerusalem, which was announced one day following the decision of the United Nations General Assembly to recognize Palestine as a non-member observer state. Siegel asked what message the Israeli government intended to send to the Palestinians and to the United States, in approving the new construction. Lieberman countered that Israel has had to contend for many years with misunderstandings and misrepresentations. The first misunderstanding is that Israel's ongoing conflict with the Palestinians is at the heart of the Middle East conflict, and the second misrepresentation is that the settlements and construction in Jerusalem are the biggest obstacles to peace. In Lieberman's opinion, the 'land for peace' strategy has failed to result in peace. Lieberman noted that in 2010, as a gesture of goodwill, Israel agreed to a ten-month freeze in settlement construction to create an opportunity for Israeli and Palestinian negotiators to resume talks. Yet, at the end of that period, negotiations remained at a standstill. According to Lieberman, it is not Israel's goal to provoke, but Israel has a right to define its capital, and to make decisions regarding construction. The current construction projects in the settlements today are considered an element of Israel's security.

On the matter of the Palestinian referendum at the United Nations, Siegel brought up the issue of a draft paper that had been attributed to Lieberman, where Lieberman claimed to be looking forward to the UN vote, claiming that in response to such a vote, overthrowing the Palestinian leadership would remain Israel's only viable option. Lieberman countered by noting that the decision to topple the Abbas government is a Palestinian domestic issue, stating that it is not Israel's role to interfere in the domestic policy of any country, including the policies of the Palestinian Authority. Lieberman noted that the real challenge in Palestinian society is not the issue of statehood at the UN. Rather it is the current fiscal crisis in the West Bank economy, affecting unemployment, healthcare, personal security and education. Lieberman went on to attribute this state of poverty and misery as the driving force behind the Arab Spring, reiterating his previous point that the ongoing Israeli-Palestinian dispute is not at the heart of the Middle East conflict. Lieberman noted that the biggest problem in most Arab countries as well as in the Palestinian territories is the absence of a middle class. In Lieberman's view, the backbone of very stable countries, democratic countries, is the existence of the middle class.



Siegel conceded that the Israeli-Palestinian conflict may not be the central conflict of the entire region, but pressed Lieberman as to whether he regards Israel's unresolved issues with the Palestinians as a central conflict for Israel that requires a resolution. Lieberman suggested that a comprehensive solution with the Palestinians was necessary, but that this would depend on the Palestinians, as over the years, goodwill gestures made by previous Israeli governments towards the Palestinians were rejected.

In discussing Hamas' standing in the region following Operation Pillar of Defense, Lieberman stated that due to the failures of Mahmoud Abbas, the Palestinian Authority no longer exists. At present, according to Lieberman, there are two different entities—one entity 'Hamastan' exists in the Gaza Strip, and a different entity—'Fatahland' exists in Judea and Samaria. That the Palestinians are incapable of holding elections is a direct result of the failures of Abbas' administration. Lieberman said that Abbas lost control of Gaza, and this was due not to Israeli policies, but rather to his corrupt and ineffective administration. Despite the Palestinian Authority President's success in obtaining the upgrade in status at the UN General Assembly, today there is a generational rift within Fatah, thus if Mahmoud Abbas were to move for elections at present, according to Lieberman, he would lose.

On the state of the Israeli-Palestinian conflict, Siegel asked what Lieberman aspires to in the long term, in regards to resuming a peace process—does he favor continuing the status quo or a negotiated peace. Lieberman noted that what is necessary is an improved economic environment for the Palestinians, especially in the West Bank. Lieberman takes issue with what he describes as the Western view of the peace process—that as a result of peace the Israelis and Palestinians will see security and prosperity. For Lieberman the opposite is true—peace is the result of first having established security and second prosperity. Thus for Lieberman, the key to resolving the longstanding dispute between the Israelis and the Palestinians lies in developing the Palestinian economy.

Siegel countered by asking what role Lieberman feels that the Obama administration, in the president's second term, should play in working to advance the peace process. After expressing his appreciation for the recent efforts of the United States to broker a cease-fire between Israel and Hamas, and for standing with Israel at the United Nations on the matter of the Palestinian vote, Lieberman stated that in his opinion, the ongoing conflict between the Israelis and Palestinians can be resolved. The international community would fare better by focusing on the biggest challenge to international security today, Iran's support for terrorism and the country's nuclear ambitions.

Lieberman said that while the Iranians can exist without their proxies—Hezbollah, Hamas, and the Islamic jihad—these groups cannot exist without Iran. The terrorist activity witnessed in Afghanistan, Iraq, and recently in East Africa, is attributable to Iranian support. Siegel asked whether Lieberman believes the Obama administration will make every effort to ensure that Iran does not obtain nuclear capabilities. Lieberman noted that the assessments of the major intelligence organizations in the world, including the CIA and the Mossad, are in sync, and that the time has come for political decisions to be made. Lieberman said that he has no doubt that the United States understands the nature of the threat of a nuclear Iran and will take the appropriate steps to prevent this reality, noting however, that sanctions alone will not be sufficient in accomplishing this objective.

On the matter of domestic politics in Israel and the upcoming elections, an American participant inquired as to Lieberman's assessment of what many Americans perceive as a dramatic, rightward shift in Israeli politics. Lieberman noted that one of the major problems in Israel's domestic politics today is the presence of too many parties, rendering it difficult to establish a coalition, among other difficulties. Lieberman believes that in its current state, the political system in Israel is complicated and ineffective and requires a significant change. In Lieberman's view, the decision for Yisrael Beiteinu to participate in the current elections by running with Likud as one party is the first in a series of political reforms that are necessary to improve the country's political system.



Egyptian Ambassador Mohamed Tawfik asking Foreign Minister Lieberman a question.



A CONVERSATION WITH

Prime Minister Salam Fayyad

With Martin Indyk, Moderator
Foreign Policy at the Brookings Institution



Saturday's first session opened with an off-the-record conversation focused on the state of Palestinian politics in the aftermath of the United Nations General Assembly vote to recognize Palestine as a non-member observer state. Participants discussed the significance of the UN vote, and what should be done to enhance peace prospects in the midst of regional instability.

An American participant began by stating that the vote at the United Nations may have granted the Palestinians non-member observer status, but not much has changed on the ground. Another participant agreed with these remarks and pointed out that while the change of status is a victory for the Palestinian people, it is largely symbolic and conditions in the West Bank remain largely the same before the vote. However, the participant argued that, through the United Nations, Palestine can receive an increase in international attention to its concerns and interests, which may be positive for the peace process. The participant expressed belief that, following the change of UN status, the Palestinians and Israelis alike should be more proactive to engage in negotiations.

There was discussion of a suggestion from an Israeli participant in a prior session that the Palestinians must achieve a per capita GDP of at least \$10,000 before negotiations on a two-state solution can be taken seriously, as prosperity and development reinforce democratic and peaceful behavior. Others emphasized that it is unlikely that any significant economic development can be sustained in the West Bank or Gaza precisely due to the heavy restrictions placed on the Palestinians by Israel, which stifle prospects for growth. Israel exerts direct control over 60% of the landmass of the West Bank, an area referred to as Area C. One participant noted that, if the Palestinian Authority were able to control this land without Israeli restrictions, Palestinian citizens could use the resources there in an economically productive manner. In addition, Palestinian civil institutions would be much more effective with control of this land. Palestinians need a state in order to control their own resources, after which prosperity will follow. The United States should take the initiative to be a strong leader in finding a solution to this end.

Have the Palestinians failed in their attempts to convince Israelis they have a partner for peace? While peace effort after peace effort has failed, the Palestinians would rather try and fail than not try at all. Great accomplishments have still come out of negotiations, one participant noted, such as the lessening of violence in the West Bank. Yet, the participant continued, the same cannot be said regarding the recent Israeli operation in Gaza. Force is simply a short-term solution to a long-term problem, and security cannot be sustained in



this manner. Hamas has evolved over the years, but still needs to reconsider its stance on the end goal of its Israel policy. The participant argued that this is necessary to convince the Israelis that they still have a partner for peace.

With regard to Egypt's growing regional influence, one American participant questioned what President Morsi could do if he wanted to moderate the behavior of Hamas and attempt to reconcile the Fatah with their opposing faction. A Palestinian participant said it is not in Egypt's favor to have a faction such as Hamas in control directly across the border. Egypt should ensure they discuss all issues with the Palestinian Authority, which will ultimately control a future Palestinian state following a peace agreement. One participant picked up on the point of peace, and said the Palestinians once had a partner for peace in Ehud Olmert, yet rejected the plan. The Palestinian participant stated that it was a mistake and the Palestinians wish they could have that chance back. While one cannot go back in time, the parties can revisit at past concepts. The participant said even though the U.S. election is over, nothing is likely to happen until after the Israeli elections. Politics should be set aside because the time for peace is now. Both Palestinians and Israelis need to be assured of a home and security.



Top: Stephen Hadley, Bruce Riedel, and Efraim Halevy. Bottom: Ilana Dayan.



A CONVERSATION WITH

Defense Minister Ehud Barak

With David Remnick, Moderator
The New Yorker Magazine

The Saban Forum's Saturday morning agenda featured an off-the-record discussion of potential Palestine-Israel peace negotiations, the conflict with Iran, and the overall condition of Israeli politics.

The discussion began on the status of the Israel-Palestine negotiations. One participant argued that a nation cannot choose its neighbors, and Israel must learn to live with what is at its feet. For one, Israel must decide if it will strike a deal with Ismail Haniya or Mahmoud Abbas. Surely Israel is having to choose between very bad and extremely bad alternatives. However, this is a decision Israel must make in order to acknowledge the will of two different entities: the will of a Jewish state which requires a Jewish majority, and the will of a Palestinian nation that wishes to express its political will and cannot be bribed by economic assistance. This must be done in the form of a two state solution, in order to preserve a Jewish majority Israeli state.

A participant acknowledged that things moved much more swiftly during the time of Yasir Arafat and even during the time of Ehud Olmert, and indeed the peace process has slowed down significantly during the time of Netanyahu. The decision to go to the United Nations for non-member observer status only slowed things further, and triggered the decision to establish 3,000 new settlements. There was ample discussion on the E-1 project, and whether or not it would foster peace negotiations. Yitzakh Rabin had drafted the E-1 plan that permitted bridges and tunnels to connect the greater West Bank to one another to enable the Palestinians to have a contiguous piece of land. All of this must be put on the table, one participant said, and using settlements as an excuse to not come to the negotiating table is unacceptable. It was also stated that the United States should not require Israel to halt all settlement activity before launching a new round of peace talks.

Iran was yet another topic of great discussion. While the United States and Israel have diagnosed the situation together, Israel reserves the right to act according to its best interests. Iran is watching carefully as the United States leaves Iraq and Afghanistan, and it is desperately trying to fill the void that remains. However, Iran does not act carelessly, and has made note of the mistakes of its neighbors, Syria and Iraq. For Israel, containing Iran's actions is not a simple task and finding unity of purpose and political will in order to coordinate action against Iran will be difficult. Iran claims to have changed its behavior, and there is evidence to prove that this change has delayed the war by eight months. An Israeli participant reminded the group that Reagan did not want Pakistan to become nuclear either, and despite Israel warning the United States administration at the time, Pakistan ultimately did become nuclear. It is for this reason that Israel will continue to keep the Iranian situation in consideration, despite the fact that it remains a complicated situation for the international community. Quite simply, the Israeli participant said, Israel



cannot delegate the responsibility of its future and security even into the hands of the most trusted ally, the United States.

Finally, the panel explored Israel's future and how Israel's most recent actions reflect, at least partially, the current political atmosphere. With elections around the corner, concessions on foreign policy are always more difficult to secure. The Israeli public finds a number of issues pressing at this time, and while the Israeli-Palestinian relationship is of concern, it is not the only topic Israelis want to discuss for the January 2013 elections.



TOP: Ehud Olmert and Dennis Ross. MIDDLE: Cheryl Saban, Ehud Barak and David Remnick.
BOTTOM: David Ignatius and Aluf Ben



A CONVERSATION WITH

President William J. Clinton

With David Gregory, Moderator
NBC's Meet the Press



The Saban Forum's Saturday evening program at the Folger Shakespeare Library began with a conversation with President William J. Clinton. The off-the-record discussion was moderated by David Gregory, anchor of *NBC's Meet the Press*, and focused on U.S. domestic politics and Middle East policy.

The first topic of discussion was the continued difficult economic position of the United States. Voters are more sophisticated than they were in the past, and are prepared to consider a serious fiscal plan. Policymakers should have real debates over healthcare costs and budget fixes.

In the Middle East, the Arab Awakening presents challenges for U.S. policy. It is difficult to have a doctrine for dealing with various states in transition or internal conflict; but the United States should be systematically engaged in promoting peace, human rights, and economic success.

Democratic transitions are long and winding roads. In the United States, women did not get to vote until the 20th Century; other nations should not be held to a standard of immediate success. However, policymakers still must stand for U.S. values and security interests.

There are serious concerns about Syria transitioning into a democracy. The first step of every democracy, including the United States, tends to be majority rule without minority rights. This is where Iraq currently stands, as a Shi'a majority autocracy. Syria is even more complex internally than Iraq; but, ultimately, no democracy will thrive in Syria without managing the competing segments of society. Bahrain is another problem for the United States. However, if it is handled well the violent conflict can go back to figuring out economic tensions between the majority Shi'a and minority Sunni populations.

Iran is one of the most difficult problems the United States faces. If a nuclear Iran creates a regional arms race, there would be increased risks of proliferation to non-state actors, a problem that already keeps world leaders awake at night. Having a nuclear weapon is a status symbol, like an American buying a fancy car. Majorities in every country, not just Iran, will say they want to be a nuclear-armed country: it is proof that they are important.

A question for Israel is whether it is better to deal with the Iranian or Palestinian issue first. One view is that reaching an agreement with the Palestinians before dealing with Iran could give Israel more options and allow it to build allies.

Israel cannot be expected to sign a peace agreement if the leaders of Hamas do not accept the Palestinian Authority's position and continue to speak about Israel the way they do. Hamas has been strengthened by the recent Gaza fighting; but it is also a moment where Egyptian president Mohamed Morsi could have tremendous impact if he could get Hamas to compromise. Prime Minister Benjamin Netanyahu might be able to reach an



agreement most Israelis would support, but some question whether his own government would support it.

The Palestinian Authority went to the United Nations seeking statehood recognition because it felt it had nothing to lose. Going to the United Nations was the non-violent way of doing what Hamas does to get attention; and when the Palestinian Authority is not trying to get attention it is rewarded with new Israeli settlements. The Palestinians should have been negotiating during Israel's ten-month settlement freeze, but today the Palestinian Authority is weakened vis-à-vis Hamas. Cutting aid to the Palestinian Authority following its UN statehood bid weakens it further.

American and Israeli policymakers need to think about where they want to be in five years and work backwards from there. The United States must take a different path with the Palestinians; but it will not abandon Israel's security needs. The United States and Israel must create a joint strategy instead of just reacting to events. The two sides will not agree on everything, but each will know where the other stands and be able to work together.



Haim Saban, Cheryl Saban and President William J. Clinton.



A CONVERSATION WITH

Former Prime Minister Ehud Olmert

With David Ignatius, Moderator
The Washington Post

The Saban Forum's Saturday evening program at the Folger Shakespeare Library concluded with an on-the-record conversation with former Israeli Prime Minister Ehud Olmert. The discussion was moderated by David Ignatius of *The Washington Post*, and focused on domestic politics in Israel, the current state of the relationship between Israel and the United States, and the prospects for resuming the peace process in light of the Palestinian referendum at the United Nations General Assembly.

The conversation began by addressing the upcoming elections in Israel. David Ignatius began by asking Olmert whether he would announce his plans to run for prime minister in the Israeli elections, with the filing deadline for candidates less than a week after the Forum was scheduled to conclude. Olmert refused to address whether or not he would run in the 2013 Israeli elections, stating that it would not be appropriate or proper to make an announcement regarding Israeli politics from the United States. Olmert did pledge that he would play an active role in the elections as in his opinion. In Olmert's view, reaching a peace agreement with the Palestinians is the primary responsibility of every Israeli government. Olmert lamented that the current government is not dedicated to the pursuit of peace in a realistic way and has not made a sufficient effort to move forward with the Palestinians, and therefore it is imperative that the current government must change, as the two-state solution remains the most fundamental issue on the national agenda of the State of Israel.

In discussing the peace process, Ignatius raised the issue of peace negotiations with the Palestinians, asking whether it is possible for the parties to return to where they were in September 2008, when they appeared close to a deal, without returning to square one. Olmert suggested that it is a mistake for new administrations in the United States to attempt to commence peace negotiations as though nothing had existed previously, referencing attempts made by former presidents Bill Clinton and George W. Bush. In Olmert's view, Arafat was not a real partner for peace, but Abu Mazen is. Olmert noted that during the negotiations he had conducted, he believed that peace with the Palestinians was possible and that the parties had been close to a deal, had circumstances not prevented it. Reflecting on the negotiations, Olmert said that certain aspects are emotionally very painful for Israelis, particularly regarding concessions that Israel will likely have to make involving Jerusalem. Yet, despite this difficulty, there remains no alternative. It

is Olmert's view that time is running out for Israel, but not for the Palestinians, and that reaching a two-state solution is imperative for Israel. In Olmert's view, regardless of who is in power, an agreement very close to the one he negotiated with Abu Mazen in 2008 will ultimately be the agreement that the parties will sign. Therefore, according to Olmert, whoever serves as the next prime minister should adopt its parameters and resume the negotiations.

Ignatius brought up the recent escalation of violence in Gaza, asking Olmert to comment on his experience as prime minister during Operation Cast Lead in December 2008 – January 2009, in comparison with the Netanyahu's government's decision-making during Operation Pillar of Defense. Olmert noted that he supported Netanyahu's decision to target Jabari, given that he was a terrorist perpetrator of the worst kind. Regarding Netanyahu's decision not to escalate the conflict by ordering a ground operation, Olmert stated that a primary difference between his war in Gaza and the recent operation under Netanyahu, is that Olmert's decisions during Cast Lead had an umbrella of international legitimacy due to his active pursuit of peace with the Palestinians during his term. The international community understood that Olmert's government was primarily committed to achieving a peace agreement and that the reason Israel had to attack Gaza was to end impunity for cross-border attacks emanating from the Gaza Strip targeting Israeli civilians. According to Olmert, when the government is involved in the peace process in a genuine manner, the international community is prepared to support Israel's decisions.

On the state of the Israeli-Palestinian relationship, an American participant asked whether in the process of explaining his efforts to broker a peace agreement with Abu Mazen, Olmert was confirming the narrative of those who claim that Israel has no partner in the peace process. Olmert countered that Abu Mazen is the best partner for peace that Israel has had thus far. Olmert further stated that for Israel, the most important thing is not whether a deal would be completed, but that there is a signature of the official representative of the Palestinian people, democratically elected and recognized by the international community. Even if additional commitments remain, for the first time there will be an agreement signed by the representative of the Palestinian people, and approved by the UN, that will determine the borders for a Palestinian state and forever guarantee a two-state solution, not a one-state solution for two peoples. Olmert noted that there is no need for recognition of a "Jewish state," as forcing the Palestinians to recognize this creates a condition that prevents the negotiations from going forward.

An Israeli participant asked why, if in Olmert's opinion Abu Mazen is the best partner in peace negotiations Israel has ever dealt with, the Palestinian leader did not conclude the deal with Olmert in 2008. Olmert noted that while Abu Mazen has to face his own opposition both in the Palestinian Authority and in Hamas, as well as obstacles placed before the Palestinians by the Israelis that will ensure the Palestinians do not rush to the negotiating table, it is essential for Israel's security that the government exhaust every possible opportunity to build up the necessary processes and acquire international support, rather than make excuses.

On the matter of the vote to upgrade the Palestinians' status at the United Nations to the status of non-member observer state, an Israeli participant asked Olmert how he would have instructed Israel's UN ambassador to vote had Olmert been serving as prime



minister. Olmert responded by stating that in his opinion as a former prime minister, the most critical issue for Israel is to prevent the eventuality of one state for two peoples. While there may be some aspects of the Palestinian's member-state vote that merit the concern of the Israeli government, for instance the prospect of the Palestinians bringing an action against Israel in the International Criminal Court, this vote was the first time that the UN officially recognized the part of the solution that Israel publicly claims to support. Olmert said that had he been prime minister over the past several years, he would have actively worked to prevent the situation between the two sides from reaching this point, by engaging with Abu Mazen in the first place, and would have continued efforts to create relationships of trust with the Palestinians.



A CONVERSATION WITH

Mayor of Chicago Rahm Emanuel and Former Foreign Minister Tzipi Livni

With Leon Wieseltier, Moderator
The New Republic



The Saban Forum's Saturday luncheon session featured an off-the-record discussion of U.S.-Israeli relations in the aftermath of President Barack Obama's reelection. Participants noted that the U.S. relationship is critical to Israel, throwing a spotlight on apparent diplomatic tensions between Washington and Jerusalem. Participants also forecasted Israel's January elections and considered steps for both the United States and Israel to build relations with other Middle Eastern states.

Participants discussed Israel's reactions to the United Nations vote that granted observer state status to Palestine. An Israeli participant noted the Israeli government's decision to approve new settlement activity in the West Bank the day after the UN vote was counterproductive, because it created challenges for the U.S.-Israeli relationship after the United States had stood with Israel against the UN bid. An American participant agreed, arguing that the White House should explain to the Israeli government why the decision to build more settlements hurts the peace process. The participant added that it is absolutely necessary for the United States to publicly voice condemnations of the continued growth of the settlements. Remaining silent, the participant said, would only project an aura of weakness and imply that the U.S. is unable to handle its relationship with Israel.

Participants discussed Benjamin Netanyahu's treatment of President Obama in the past, including the extent to which the Israeli prime minister seemingly interfered in the recent U.S. election. That Netanyahu showed clear discontent with Obama during a visit to Washington was seen as a particular affront, one participant said, and as an attempt to make Israel appear to be the senior partner in the bilateral relationship. Despite this, the participant argued, the Obama administration should be ready to forget the past tensions and move forward. While the U.S. should apply its leverage over Israel whenever U.S. credibility or interests are at stake, such leverage has limits because the United States will never abandon Israel's true security needs. For example, the United States would not let political considerations interfere with its support for Israel's Iron Dome rocket defense system, which proved its critical importance during the recent conflict with Hamas.

Transitioning to the then-upcoming Israeli elections, an Israeli participant said that, because the U.S.-Israeli alliance is such a central pillar of Israeli security, Israeli voters pay attention to how their leaders interact with the U.S. administration and congressional



leaders. One Israeli participant voiced disapproval that Prime Minister Netanyahu seems to govern as if the Israeli-Palestinian conflict is not a priority. Indeed, hope for a two-state solution among Israelis is dying, which is why the participant felt the elections needed to be refocused on the peace process. However, one of the difficulties in moving the peace process forward is that none of the major Israeli political leaders believe the peace process is Israel's first priority. A participant noted that, in addition to the Likud-led coalition's ignorance of the peace process, Labor—which has traditionally been very active in pursuing peace—has abandoned the issue in favor of a focus on social issues. Thus, attempts by opposition figures to work together against Netanyahu's coalition and its poor track record on the peace process during the election campaign failed due to the differing priorities of the opposition parties.

Participants then spoke about the effects of right-wing politics in the United States and Israel. An American participant spoke about the Republican party's move toward more conservative positions in the past few years. Historically, such a shift away from mainstream positions has tended to cost political parties support. According to this participant, the Republican party will destroy itself unless it can find a way to bring the country together under its policies. Meanwhile, an Israeli participant spoke of a similar turn toward conservatism in Israel, arguing that Netanyahu has been very effective at creating a sense of fear in order to consolidate power behind a Likud that is moving ever further to the right. The participant said that Netanyahu's defiant rhetoric has created a sense in Israel that the outside world is united against Israelis' efforts to ensure their own security, and thus Israel must remain politically united to protect its rights. Some felt that the Likud government had striven to create a politics of national identity, wherein disagreement is seen as detrimental to the Israeli ethos, in spite of the legitimate debates ongoing in Israel, both on economic issues and in the societal clash between the authority of secular law and that of religious law.

The discussion shifted to the topic of the Arab Awakening, which, an Israeli participant pointed out, Israelis viewed from the start as being an "Arab Winter," thanks to the fall of leaders like Egypt's Hosni Mubarak who, while authoritarian at home, ensured stability vis-à-vis Israel. Thus, the stability in the Middle East that Israel seeks appears more unlikely in the near future. An Israeli participant argued that Israel must take the initiative to reestablish positive relations with Turkey, Jordan, and other Arab countries. As the region becomes more uncertain, a genuine attempt to bring peace between the Israelis and Palestinians is the best possible diplomatic step for Israel. An American participant added that, for its part, U.S. diplomacy in the Middle East must revolve around defending U.S. values and standing up for human rights, particularly in Syria.

The discussion concluded with American and Israeli participants emphasizing that, despite their disagreements, Israel and the United States still share the same basic values and aspirations. However, as an Israeli participant noted, the different ideas of how to implement these shared philosophies can put a strain on the bilateral relationship.



Haim Saban and Rahm Emanuel.



DIALOGUE SESSION 1:

Turmoil in the Middle East

A Conversation with
Silvan Shalom, Robert Ford, Stephen Hadley, and Ephraim Halevy, Moderated by Bruce Riedel



In the first off-the-record dialogue session of the weekend, participants discussed the Arab Awakening and its effect on U.S. and Israeli interests, and on Israeli relations with its neighbors. Many participants agreed on the need to quickly end the Syrian civil war while ensuring the outcome is not worse for Israel than the Asad regime. Some American and Israeli participants thought relations could be maintained with a Muslim Brotherhood-led Egypt and other Islamist-led governments, while other participants warned this would only be possible in the short term.

An Israeli participant began the session by saying the monarchies have so far survived the Arab Awakening because they have more legitimacy than the republics. Also, the Gulf monarchies are able to use their economic wealth to silence dissent. However, it is hard to predict if these monarchies will survive because it is difficult to assess how they function internally. The Hashemite Kingdom of Jordan is strategically important to Israel, but the situation in Jordan is extremely unclear. Change in Jordan would be extremely troubling for Israel, which has taken Jordan for granted over the years.

An American participant remarked that authoritarianism is not stable. The issue now is that formerly authoritarian regimes are in transition, and the United States needs to step forward and do what it can to promote positive outcomes. The failed transition after the fall of the Iranian shah has been a problem for the United States for four decades.

One participant noted that the most troubling issue today is Syria, which risks becoming a sectarian war that will affect its neighbors. Bashar al-Asad may inevitably fall, but the timing is important. The longer the conflict lasts the worse it will be. There is already an increasing role by al-Qa'ida in the Syrian conflict, and it appears the terrorist group is seeking to establish in Syria the regional base it failed to achieve in Iraq.

Another participant agreed that al-Qa'ida has been developing a presence in Syria since mid-2011. What is most striking, the participant said, is how al-Qa'ida is adapting in Syria. The group calls itself *Jabhat al-Nusra* (the Victory Front) and hides its link to al-Qa'ida in Iraq, of which it is an affiliate. In contrast to other branches, al-Qa'ida in Syria works with other armed groups, handing out weapons to attract followers. The standard sectarianism of al-Qa'ida is also more subtly advertised by Jabhat al-Nusra.



An American participant said Syria is the most urgent U.S. priority in the Middle East, but it is getting inadequate attention. If the United States gives Syrian opposition fighters the proper weapons they can create their own “no-fly zone” without U.S. boots on the ground. Supporting the opposition with arms sends the message that Assad is going sooner rather than later. It also puts America in a position to have maximum influence to manage the situation the day after.

An Israeli participant said the United States and Israel must look at the Syria issue as much bigger than Syria itself. Iran is doing everything it can to keep its interests in Syria. Although Israel wants to counter Iranian influence in the region, the outcome of the Assad regime’s demise might be the rise of a Muslim Brotherhood- or an al-Qa’ida-dominated state instead. Such an outcome might be much worse for Israel than the Assad regime. Israel needs to prepare for an extremist takeover of Syria, which could undermine stability in Iraq, Turkey, Saudi Arabia, and other Middle Eastern states.

Another Israeli noted that, although Syria could become Iran’s Achilles’ heel in the Middle East. Israeli policymakers must come up with a better plan than sitting back and watching the crisis unfold. The quiet along the Israeli-Syrian border could be shattered. However, the deadlock in formulating a better policy is exacerbated by the possibility that outcome of the Syrian conflict may be worse for Israel than the Assad regime.

On the transitioning Arab states, an Israeli participant said the outcome of democracy in the Middle East only brings extremists to power. For these actors, democracy is a tool to keep themselves in power for good. The next step for the Muslim Brotherhood, whose affiliates have gained across the region, is to spread its vision of Islam around world and undermine global interests of the West. In Egypt, the Brotherhood is trying to implement its preferred ideology, but is doing so step by step. Ayatollah Khomeini also did not change Iran immediately, but acted step by step. The United States and Israel need to make sure something similar does not happen in Egypt, Tunisia, or among the Palestinians.

The participant noted that Egypt, under President Mohamed Morsi, proved during the recent Israeli operation in Gaza that it can play a positive mediation role. However, a key to understanding Morsi’s actions is that he needs to maintain a close relationship with the United States because of Egyptian economic concerns. This is not a long-term intention for Egypt’s Islamists or other regional newcomers. Moderate dictators are much better at keeping Israeli interests. The United States has the power to tell new regional leaders that a good relationship with the United States depends on their having good relations with Israel.

An American participant pointed out that the United States could not have saved those moderate dictators. U.S. policymakers need to deal with emerging trends, although they cannot transform the Islamists. Today can be compared to President Eisenhower’s recognition in the 1950s that radical Arab nationalism was the wave of the future and needed to be accommodated. An Israeli participant agreed that the periods were comparable, but the initial sense that U.S. policymakers could moderate Arab nationalism was wrong. Turkey should be a major player in establishing order. Another Israeli participant agreed with this last point, and emphasized that Israel must reestablish relations with Turkey to have it as a go-between for Israel with the transitioning Arab countries.





Another American participant noted the main emerging trend in the region is the Muslim Brotherhood and likeminded governments working together across the region for a common purpose. Egypt, Turkey, and Qatar see Hamas as part of this alliance, and Jordan may be next. U.S. policymakers need to figure out how to engage this phenomenon while protecting U.S. and Israeli interests. Following the Gaza ceasefire, Israel has an opening to strengthen relations with Morsi's Egypt by advancing Israeli-Palestinian peace. An American participant agreed that the Egyptian Muslim Brotherhood, which achieved power by working peacefully within the system, has leverage over Hamas that the former Egyptian regime did not. However, the United States has put so much focus on the Egyptian-Israeli Peace Treaty as a "red line" that Morsi acts as if that is the only criteria on maintaining relations.

An Israeli participant said Israel must attempt to work with the Muslim Brotherhood in Egypt, even if its ideology is abhorrent. If Prime Minister Netanyahu can work with Morsi, as was done during the Gaza ceasefire, he can work with the other Brotherhood inspired groups. Indeed, Israel has made agreements with another Brotherhood group in recent years: Hamas. It is a "diplomatic fiction" that Israel does not talk to Hamas, but diplomatic fiction and what Henry Kissinger called "constructive ambiguity" are important tools.





What To Do About Syria?

A Conversation with
Secretary of State Condoleezza Rice, Jordanian Foreign Minister Nasser Judeh,
and Senator Joseph Lieberman, Moderated by Jackson Diehl



The Saban Forum held an off-the-record discussion between former Secretary of State Condoleezza Rice, Jordanian Foreign Minister Nasser Judeh, and Senator Joseph Lieberman about the Syrian conflict and its effects on regional stability. Much of the discussion among the participants focused on whether the United States needs to establish a more significant role in helping the opposition and that it is only a matter of time before the al-Asad regime falls.

One American participant pointed out that the situation in Syria is much different than that of Libya, when the United States and other states intervened. Syria is part of a separate region with the potential for varying consequences due to its border states. The United States has thus far passed on the chance to arm the opposition and enact a no-fly-zone over Syria, while many top political figures have been supportive of such a move. In the meantime, al-Qa'ida has been able to assert its influence on the ground among the rebels.

Another American added that it is not too late in the conflict for the United States to get involved, and to not would be disastrous. Such an act would help national and strategic interests by aiding the citizens of Syria, of which 40,000 have been killed so far, and would assist in dismantling one of Iran's key allies. When the Asad regime collapses, United States leverage over Iran and its nuclear program could improve. The rebels began as Syrian patriots, and are now heavily influenced by al-Qa'ida and other Islamist groups. If intervention is deemed necessary, a coalition of states should be formed to act quickly.

One participant laid out three elements for a successful U.S. effort to resolve the crisis. First, an opposition coalition should create a vision of a post-Asad Syria inclusive for everyone, and the U.S. must recognize this opposition. Second, regional allies should be brought to the table. Unlike many, the U.S. can provide weapons while others may contribute by other methods. Several allies in the area may question talk of U.S. involvement, but assuring them a role will help calm this skepticism. Finally, no more time can be wasted at the United Nations. Russia will not pull support for Asad if there is a chance his regime will survive, and China has no special interests at stake, thus making the UN Security Council irrelevant in this scenario. A coalition of the willing is needed to take action.

One participant brought up the effects the Syrian conflict may have on the region as a whole, not simply on bordering states. Sectarian violence is of significant concern and may spill over into other countries. There are over 245,000 Syrian nationals in Jordan,



which has a population of only six million. Economic effects are certainly being felt, especially in areas such as education, health care, water, and energy.

An American participant questioned the role of Iran and whether or not it would need to be a part of negotiations regarding the outcome of Syria. Other participants argued that it would be a mistake to involve the Iranians in any resolution and would delay a focus on their nuclear program build-up. The Iranians know the fall of the Asad regime is damaging to their own security, and would not favor the transitional government supported by a coalition of other states. Several factors, such as a fragmented international community, relatively still strong Asad regime, and a divided opposition are playing into the favor of the Iranians.

Whatever the United States does in Syria will ripple around the region and potentially the world. The United States cannot stand by and watch a corruptive regime kill its citizens while another Middle Eastern state rises as a regional hegemon. An American participant noted two possible outcomes: 1) as the opposition becomes stronger, the Asad regime will become more genocidal; or 2), the conflict between factions will grow and chaos will ensue. All groups, including Islamists, must be engaged in a coalition. Political Islam is going to exist; there is no suppressing it.



Nasser Judeh, Haim Saban, Martin Indyk, Tamara Cofman Wittes, and Joseph Lieberman.



DIALOGUE SESSION 2:

U.S.–Israel Relations in the Wake of the American Elections

A Conversation with
Gabi Ashkenazi, Elliott Abrams, Michael Oren, and Martin Indyk, Moderated by Ilana Dayan



The second off-the-record dialogue session of the Saban Forum addressed the nature of U.S.-Israel relations and the recurring diplomatic tensions between Washington and Tel Aviv. Participants discussed the implications of Israel becoming a partisan issue in U.S. politics. One participant took the opportunity to point out the declining support for Israel among Democrats in the United States and cited several public opinion polls to corroborate his argument.

A second participant underscored the historic ties between the United States and Israel and the leaders' commitment to work closely to address the issues the two countries face in the Middle East. He stated that both Romney and Obama are strong supporters of Israel. According to the speaker, Israel belongs to a small "club" of democracies with effective militaries and it has repeatedly sided with the United States on vital issues. Hence, whether the U.S. administration is Republican or Democratic, Washington will continue to support Israel out of strategic considerations.

A third participant suggested that Israel should not become a political issue in the United States. Although historically Israeli officials have interfered with American politics—while their American counterparts have intervened in Israel's electoral politics—Washington and Tel Aviv should start to respect the principle of non-interference in each other's domestic affairs. For instance, Prime Minister Benjamin Netanyahu's apparent preference for candidate Romney only contributed to bad personal relationships between Prime Minister Netanyahu and President Obama. The speaker concluded that it was important to transcend personalities and focus on a more significant problem: the United States' disengagement from the Middle East.

An Israeli participant official observed that it would be difficult to ignore personal relationships between high-level American and Israeli officials. In his view, constructive relationships between leaders forge stronger ties between the countries they represent. He felt that the Israeli government should make an effort to improve its relations with the Obama administration. Noting that the shift in U.S. foreign policy toward Asia has raised concerns in Israel, the speaker identified several areas—including Iran's nuclear program and the ongoing Syrian crisis—that presented an opportunity for American and Israeli officials to foster close cooperation between Washington and Tel Aviv.

Another participant disagreed that relations between the United States and Israel have deteriorated. He cited public and private dialogues that regularly occur between American and Israeli officials; values and interests that the two countries share; and continual security cooperation between the two allies.



An American participant said that despite the United States' pivot to Asia, the Obama administration will continue to support local allies. But he advised that the Israeli government demonstrate a deeper understanding of U.S. foreign policy and an appreciation for the political and security assistance which it receives from the Obama administration, by exercising restraint in the Gaza Strip and avoiding an uncompromising stance on Iran. To illustrate his point, the speaker cited the Israeli government's announcement to build Jewish settlements in geographically sensitive areas of the West Bank and Jerusalem undertaken in response to the Palestinian Authority's success in obtaining observer state status from the United Nations General Assembly in November 2012. The announcement came in the wake of the ceasefire mediated by the United States and Egypt that ended eight days of bombing and airstrikes between Hamas and Israel. As a result, many U.S. officials perceived Israel's move to be counterproductive to the Obama administration's peacemaking effort and to finding a durable solution to the Israeli-Palestinian conflict. The speaker asserted that Israel could still strengthen its relations with the United States if it took initiative on the peace process. But without Israel making adjustments to its approach, relations between Washington and Tel Aviv were unlikely to improve.

The dialogue featured diverse opinions on the impact of Israeli policies at home and in ties with Washington. Cleavages among the Israeli participants stood out as the most notable aspect of the dialogue. One Israeli participant condemned the Israeli government's recent decision to build settlements. He felt that this punitive measure damaged Israel's reputation. Another Israeli concurred that the Likud Party's hard-line stance jeopardized democracy in Israel. In contrast, one Israeli participant observed that Israel had a right to defend itself and its citizens by taking whatever measures were necessary.

The participants concluded by discussing strategies to prevent further deterioration in U.S.-Israeli relations and to promote peace between Israel and the Palestinians. One participant suggested that the U.S.-Israel relationship should not be held hostage to the failed peace process. Instead, the two countries should focus on their long-term, strategic partnership. Stressing the value of preventive action, an American participant pointed to a Palestinian Authority on the verge of financial collapse and economic woes that add to the mounting unrest in the West Bank. Most participants agreed that the Israeli-Palestinian conflict was not a problem that could fix itself, therefore, a two-state solution should be given a chance.



TOP: Dan Meridor, Nita Lowey,
and Ron Prosor. MIDDLE: Dan
Gillerman, Michael Herzog, and
Ari Shavit. BOTTOM: Rachel Liel.



What To Do About Iran?

John McCain, Dan Meridor, Dennis Ross, Amos Yadlin, Moderated by David Sanger



The 2012 Saban Forum concluded with an off-the-record luncheon discussion on American and Israeli policies toward Iran. Participants discussed the effects of the increasing sanctions against Iran, the prospects for and necessary elements of a nuclear deal with Tehran, the possibility of military action against Iran, and the challenges of coordinating American and Israeli policy.

Much of the debate focused on the likelihood of a sanctions regime bringing about Iranian acceptance of Western demands regarding its nuclear program. One American participant acknowledged that sanctions have a mixed track record in international history, but can work given sufficient time, citing examples such as Slobodan Milosevic's acceptance of the Dayton Peace Accords. An Israeli participant agreed that the intensity of the current sanctions regime has earned Iran's attention. While the Supreme Leader hasn't changed his approach yet, strengthening the sanctions regime further—while signaling that America is serious in its threat of eventual military force—is the right policy to pursue. An American participant added that if sanctions are indeed continued and strengthened, the already noticeable economic effects on Iranians will be massive by the end of 2013. An Israeli participant responded that a steady increase in sanctions will put the Islamic Republic in a state of panic, making its leadership aware that it has a limited amount of time before it must make a deal to avoid a total collapse of the state.

Another topic that concerned participants was the challenge of maintaining unity between the United States and Israel on Iran. One participant was critical of the Obama administration's efforts on this front, saying that the American president hadn't struck a close and essential relationship with Prime Minister Netanyahu, on Iran or on other issues. He noted, however, that intelligence cooperation between the two nations is as close as ever, and any hypothetical decision to launch a strike would necessarily be made cooperatively, although each nation may have a different redline. Another participant agreed that the Israeli-American intelligence relationship is strong, but noted that each nation had different factors influencing their decision-making. The United States, he argued, traumatized by the long war in Iraq and not fearing any direct attack from Iran, would be more reluctant to decide that force is necessary than Israel.

Participants also discussed the credibility of American and Israeli military threats against Iran. One Israeli participant emphasized that there is still hope for a combination of sanctions and diplomacy to prompt a deal with Iran, but that the threat of military strike must be made real. This would entail going beyond the current statements of all options being on the table and making visible preparations for war to convey a verifiable

threat. Another participant argued that senior Obama administration defense officials had undermined the pressure put on Iran by signaling publicly that they were telling their Israeli counterparts to refrain from striking Iran, thus making threats of military action far less convincing. An Israeli participant argued that such talk was not as much of a problem as the excessive public talk of military action by certain Israeli politicians, which he argued created unrealistic expectations—and strengthened Iranian suspicions that Israeli military threats are nothing more than blustery rhetoric. Many participants felt that now is not the time to strike, but that more disciplined and united messaging is needed to convince Iran that it will face military attack if it does not satisfy international concerns about its nuclear program.

The session explored potential components of an agreement that would be acceptable both to Iran and to the international community. One American participant argued that that a possible deal would likely have to take one of two forms. The first would officially recognize Iran's right to enrich uranium but see Iran forgo that right in favor of importing needed reactor fuel from a third party. The second would allow limited enrichment to the five percent level, along with numerous stringent safeguards and intrusive verification mechanisms to ensure that Iran maintained fewer than 1000 centrifuges and never stockpiled more than one bomb's worth of low-enriched uranium. Another American participant emphasized that Khamenei likely fears that the ultimate Western goal is to overthrow the Islamic Republic, a deal would therefore have to be seen by the Supreme Leader as something that would boost chances for regime survival. Another American, pointing to Iranian support for Hezbollah, the alleged plot to assassinate Saudi Arabian Ambassador Adel al-Jubeir in Washington, and reports of Islamic Revolutionary Guard Corps officers supporting the Syrian government in its civil war, argued that any truly satisfactory deal should go far beyond the nuclear issue and address the activities of the Iranian military and its proxies throughout the world.

Participants debated the likelihood of an agreement being struck with Iran. An American participant worried that Iranian fears that the nuclear issue is a mere pretense to antagonize Iran – with the end goal being regime change – might make Iranian acceptance of any deal with the West impossible. He noted that some analysts suggest that Khamenei fears the same gruesome fate that befell Muammar Qaddafi and Saddam Hussein, two leaders who abandoned their nuclear programs. However, another American participant argued that in spite of defiant Iranian rhetoric, Khamenei can be convinced to change his mind—after all, he noted, Ayatollah Ruhollah Khomeini said he would continue the war with Iraq until victory, until a number of factors forced him to reconsider and accept a peace agreement. An Israeli participant agreed that pressure can bring Iran to the table—Khamenei may still believe that the United States is trying to overthrow him, but if the political costs of continuing to suffer economic sanctions and international isolation are even more unacceptable, he will rationally decide to choose what he sees as the lesser of two evils and accept a nuclear deal with the West.



Top: Dennis Ross, Amos Yadlin, and Dan Meridor. Bottom: David Sanger, Dennis Ross, Amos Yadlin, Dan Meridor, and John McCain.





ABOVE: Strobe Talbott and President William J. Clinton.

FACING PAGE: Top: Nahum Barnea. MIDDLE: Condoleeza Rice, Nasser Judeh, and Aluf Benn.
BOTTOM: Efraim Halevy, Stephen Breyer, and Ilana Dayan.



Mortimer B. Zuckerman, Silvan Shalom, and Haim Saban.



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THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION

1775 Massachusetts Avenue, NW
Washington, DC 20036
Phone: 202-797-6462, Fax: 202-797-2481
www.brookings.edu/sabancenter