

U.S. DEPARTMENT OF STATE

Remarks at the Brookings Institution's 2015 Saban Forum

REMARKS

John Kerry
Secretary of State

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SECRETARY KERRY: Thank you all very, very much. Thank you, Bruce, for a very generous introduction. And thank you, ladies and gentlemen; I apologize that we are starting a few moments late. I'm delighted to be here, distinguished members of Congress. Steny and Nita I know are here, and Jolie Ruben, my former colleague and longtime friend, and I think Bogie Ya'alon is out there somewhere. And Bogie, good to see you, my friend. And also Bougie Herzog is somewhere here. And oh my gosh, yes, madam, thank you for leading Wilson and all you've been doing. Appreciate it very, very much, Jane. Thank you.

I'm really pleased that I could come here to be with you before I head back to Paris, where on Monday we sort of get into the ministerial period of the climate change negotiation. Let me just begin by thanking my very good friend, Martin Indyk. As we all know, Martin has invested literally decades of his extraordinary career in exploring ways and turning over every stone to try to help Israelis and Palestinians to find the path to lasting peace. And I know when you say those words in today's context, a lot of people recoil and say, "Well, how can you even be talking about those words in the middle of all of this?"

But it is the cause of Martin's life and it remains the fundamental quest of all administrations, Republican and Democrat alike. And I am enormously grateful for the wisdom and insight that Martin brought to our efforts, our collective efforts.

I also want to pay tribute to somebody that we all wish could have been with us today. Sandy Berger was a friend to me and I'm sure to many of you. He was someone who loved every single aspect of the give and take of politics and foreign policy. He had a truly profound understanding of American interests, and he worked literally all the time and always wanted our country to do both what was smart and what was right. He will be missed. I talked to Susan yesterday. They had services. And it is clear that the legacy of Sandy's service will truly long endure, and certainly with all of his friends.

And finally let me just thank my friends Haim and Cheryl. Thank you for your tremendous gift to all of us of this effort. It's nice for me to be able to congratulate them in person, frankly, for the incredible work that they do to strengthen the relationship between the United States and Israel.

And this forum reflects their deep commitment and it really has become the premier venue for the U.S.-Israeli dialogue. It's also a great place to generate new ideas about U.S. policy towards the Middle East. And that's why I came here two years ago, it's why I came here last year, and it's why I'm here today. I consider this a very important opportunity to have a critical conversation.

Now, the United States, it is fair to say, has an abundance of programs in the region - everything from rule of law initiatives in Jordan to vocational training in Lebanon to public-private partnerships in the West Bank. And we believe profoundly in the capacity for rapid progress. I see our good ambassador, Dan Shapiro, sitting here. He's diminishing, wasting away, folks, losing weight by the day, but for all the right reasons. (Laughter.) But we've very aware and he reminds me constantly that the pace of the progress we can make really depends to a large extent on improved security. We understand that.

And security for the region means security for us also. It's a major goal of American foreign policy in the Middle East. Last month here in Washington, Prime Minister Netanyahu was crystal clear about the stakes. He spoke about the savagery of the terrorist group known as Daesh, the aggression caused by Iran's proxies, and the turmoil that has displaced millions of people across the region. He also spoke about the commitment of his commitment to the vision of two states for two peoples living side by side in peace and security.

But my friends, it is important that that not become a slogan, not become a throwaway phrase, that it becomes a policy, which is what it is meant to be. In the same spirit, it is America's support for the builders as opposed to the destroyers in the Middle East that informs every single aspect of our policy in the region. This is the glue that holds the components of our strategy

together. And yes, there is a strategy. I know the criticisms. We all hear them. We know how the chatting heads on cable television can command any day the negative, because the negative sells and the negative polarizes and the negative creates a self-selecting audience. But it doesn't mean that that's wisdom.

So there is a strategy that we can work on together whether we're mobilizing a coalition against terrorism, which we have undertaken to do, or trying to halt the sudden outbreak of violence, which I traveled to Israel recently to try to do, or striving to put in place new foundations for prosperity and stability. Our goal, our strategy, is to help ensure that the builders and the healers throughout the region have the chance that they need to accomplish their tasks. And I'll tell you this is a struggle to which we are deeply committed for the simple reason that the outcome is vital to our security interests too.

That is why we are supporting Tunisia's democratic transition by helping its leaders to reconcile differences and to defend their nation's borders. It's why I was there just a few weeks ago for a strategic dialogue and why we have worked with civil society in Tunisia to support democratic procedures and strength the rule of law.

That is why we are engaged in a vital UN-led effort to forge a genuine government of national accord in Libya. And it is why we are convening - we, the United States, have called together and asked us other nations to join us with Martin Kobler in the UN to go with urgency to Rome in a few days in order to convene a conference so that we can help the people of that embattled nation find the common purpose and the internal stability that they need to literally cobble together a legitimate government around which we can organize future efforts which are essential to being able to push back against Daesh, which seeks to fill the vacuum.

That is why we are encouraging all the parties in Yemen to reject violence. It's why we're working for a negotiated settlement and with the parties working to agree on a process of political transition in which all can participate and the interests and the rights of every single faction will be respected.

And that is why we have led the effort to mobilize a coalition of more than 65 countries to fight and degrade and defeat Daesh. I ask you all to remember about 12 months ago there was no coalition against Daesh. Daesh had just started to move through Mosul and into Baghdad, and the President made the decision to unleash our airstrikes and to mobilize forces, and we moved immediately to keep faith with our obligations and our commitments in the region.

And the urgency of defeating Daesh cannot be overstated. Daesh are a mixture of killers and kidnapers, smugglers, thieves, and apostates who have hijacked a religion and combined a medieval thinking with modern weapons to wage an especially savage brand of war. They have conjured up an abhorrent theory that rape of non-Muslim women and girls is condoned by God and is a form of prayer. They butcher teachers, burn books, shut schools, destroy ancient sacred places including the tombs of the prophets Jonah and Daniel. And they have seized the director of antiquities in Palmyra, made him kneel in a public square, cut off his head, and left his body tied to a pole. This man was 83 years old and he had been in charge of preserving Palmyra's cultural heritage for more than 50 years.

Daesh executes people not for anything they've done but for who they are and for what they believe and for how they choose to worship God. They are fighting against everything that our ancestors fought for and stood for through the course of history and particularly the 20th century. They have a contempt for decency, for modernity, for liberty, for rule of law, the sacredness of an individual, and for truth.

And so it is that Daesh has become an overt, declared threat to the interests of the United States and to law-abiding men and women across the globe. And their aggression has fueled a refugee crisis that is placing an extraordinary burden on our friends in Jordan, Turkey, Lebanon, and now all of Europe with a profound impact on Europe itself.

And in recent weeks we have seen in Paris, Egypt, Beirut, and elsewhere the evidence of their desire to carry out and inspire murderous acts wherever they can. That is why President Obama at the very outset, folks, the moment we saw what Daesh was doing and how they were moving and coming into Iraq, he declared that we must defeat Daesh. And that is why we are now increasing the pace of doing so.

The President has defined three missions to achieve our goals. The first is to mobilize our partners to accelerate and broaden the international campaign to defeat Daesh. The second is to work diplomatically to bring an end to the Syrian civil war, because every single country consistently from the beginning of the Syrian revolution has said there is no military solution to this; it has to be a political one. And if you're not looking for it, you're certainly not going to find it. You're not going to stumble on it out there, and everybody here knows that.

And the third leg of the strategy, or pillar, is to ensure that the instability created by the war in Syria does not spread further beyond its borders. And so

we must support Jordan, Israel, Lebanon, Turkey, any country negatively impacted by it.

So with respect to Daesh, our strategy is to attack the organization at its core in Syria and Iraq, and to strangle the networks that it is attempting to establish in other countries. We have said from the beginning that this would be a multiyear fight, but I'm telling you that we can already measure important gains. To date, the coalition has launched more than 8,200 airstrikes in Iraq and Syria, and the number is rising now every day. In the past half year, the coalition and its partners have worked with Iraqi forces in liberating Tikrit, and now 100,000 Sunni have been able to return to Tikrit and begin to rebuild their homes. We've liberated Sinjar with the Iraqis, obviously. They have liberated. We have supported it. And we have removed terrorist commanders from the battlefield. We have cut off terrorist supply lines. We've been hitting their oil facilities particularly hard over the course of the last months, including in recent weeks nearly 400 tanker trucks have been destroyed, and we are pushing Daesh out of 25 percent of the territory that it has once controlled. Now we are intensifying the pressure on Ramadi, on Mosul, in northern Syria along the Iraqi-Syrian border, on finances, recruiting, and propaganda. And the British have just begun to launch strikes of their own. Germany is stepping up with more support. And we are increasing the presence and capacity of United States Special Forces.

But we understand and I think you do too - I hope - that the fastest way to defeat Daesh is to halt the outflow of refugees by bringing an end to this war. And that is why the second core element of our strategy is political - a renewed diplomatic initiative, again, which have led, convening people in Vienna twice within two weeks to create a broader and more action-oriented effort than ever previously attempted in order to isolate the terrorists and set Syria on the path to peace.

Last month in Vienna, the International Syria Support Group, which we did summon together and who came together in a great cooperative effort, called for negotiations between the government and the moderate opposition with a target date to begin of January 1st. And even just now driving over here I was in touch with folks in Doha talking to them about what is happening with the Saudis, who we are - who are convening a conference of the opposition in order to have the opposition choose their negotiating team, their platform, and be ready to go to the table. And Russia and Iran are at the table for the first time joining with us in this communique which was consensus unanimous in which they agree that there has to be a transition.

Now, what shape it takes we're going to have to fight about, but the governments involved are going to meet later in this month in New York in order to continue to move this process forward. Our goal is to facilitate a transition that all parties have stated that they support: a unified Syria; a non-sectarian Syria; a Syria which will choose its own leadership in the future by an election that they have all agreed will be supervised by the United Nations under the highest standards of international law and of elections, with fair, full, transparency and accountability, in order for even the diaspora to be able to vote for future leadership.

The purpose of this transition will be to establish a credible, inclusive governance within six months. The process would include the drafting of a new constitution and arrangements for internationally supervised elections within 18 months. And I can't promise you everybody is going to make it happen, but I can promise you that the legitimacy of this effort will exhaust diplomacy and call on all of us then to make the choices we need to make in order to end this war.

Meanwhile, a nationwide ceasefire will go into effect between the government and the responsible opposition, assuming they come to the table and they begin this initial process. Imagine what that will do to take the pressure off of refugees, off of day-to-day turmoil. This step would also further isolate the terrorists and enable the coalition and its partners to then go after Daesh and other violent extremists with greater unity and power.

Now, I want to be clear. We are not naive about the obstacles that exist for success in this diplomatic effort or any other one, nor even the one that I will come to in a few minutes about Israel. It is difficult. All of it is difficult. If it were easy, it would have happened a long time ago. And this is a conflict in many ways that has been going on for centuries. It's not new. That doesn't mean it can't be changed. There remain sharp differences and divisions within the international community regarding Syria, especially the role of President Assad. And we have emphasized from the outset that for this to work the process has to be Syrian-led and has to be Syrian-implemented.

But we also saw in Vienna an unprecedented degree of international unity on the need to implement a political transition. I want you just to imagine how difficult it is to get Saudi Arabia, Turkey, Egypt, Qatar, and Iran in the same room at the same table for the same purpose. We had representatives from governments that don't agree on much else except coming together to support this process. So we have a lot of work still to do, but make no mistake: This is the most promising political initiative that we have had in years, and it deserves to be pursued to the fullest.

Now, we have also worked hard to mitigate the incredible burden - the third pillar - that of the war that has been placed on the neighbors, on Lebanon, Jordan, Iraq, Turkey, Israel. And today we have contributed more than 4.5 billion. We are the largest contributor to humanitarian relief and we are constantly encouraging other countries to open their own wallets, because even as another winter closes in, the help for far - the help that is needed far, far outweighs the supply. We've also been helping Lebanon and Jordan to strengthen their ability to defend themselves from external threats.

Now, as I said earlier, U.S. policy is to support the builders, not the destroyers. Our approach to Syria is designed with that goal in mind. But there are other elements to our strategy, because if builders are going to have the opportunity to succeed, then they have to be shielded as much as possible from the sources of imminent and potential danger. And that is why President Obama placed such importance on achieving a negotiated solution to Iran's nuclear program.

Now, I know some of you here and some of you throughout the community and the United States elsewhere, I know you still have concerns. I understand those concerns. No one is blind to that. But we are convinced based on information and judgment and years of expertise provided to us by our entire Intelligence Community and our Energy Department which manages our own nuclear weapons program that we have the ability to know what Iran is doing. And we have to remain committed to the policy and will remain committed to the policy that Iran will not get a nuclear weapon.

Now, two years ago when our formal negotiations began, Iran's nuclear activities had already grown from a few hundred centrifuges to more than 19,000. That's where we began. They had 19,000. They were spinning. They were enriching. They had a stockpile. They were already building a heavy water reactor able to produce enough weapons-grade plutonium for a bomb for two a year. That's what they were already doing. And Iran already had a large stockpile of enriched uranium - enough for a dozen bombs. That's where we were when we began.

Experts told us that Iran could, if it chose to, obtain all of the fissile material that it would need for a nuclear weapon in as little as two months. That's where we began. Compare that to where we are now. Under the Joint Comprehensive Plan of Action, every single one of Iran's pathways to a bomb is blocked - its uranium pathway, its plutonium pathway, its covert pathway. And due to massive cuts in its uranium stockpile and reductions in its enrichment capacity, all of which the Iranians agreed to - people forget we already have two and a half years of compliance under our belt because we had the interim

agreement which rolled back their program. And under this, the breakout time, the two months that we were living with, will now stretch to 12 months for at least a decade.

And because of the unprecedented monitoring and verification requirements that we negotiated which are an integral part of this plan, we now have 25 years of day-to-day complete visibility on every ounce of uranium that is mined, milled, put into yellowcake, into centrifuge, into gas, gas to centrifuge, out waste - we track it day-to-day, 24 hours, 24/7 we have that tracking. We will know if Iran tries to break out. I'm not telling you they might not, but I'm telling you we'll know, and we have the same option then we had now.

Now, the reason is that we will know is that if Iran did decide to get around this, its technicians would have to do more than bury a reprocessing facility deep beneath the ground. They would have to come up with a complete and completely secret nuclear supply chain from start to finish. And our experts and the experts of France, Germany, Britain, and China and Russia, four of whom are nuclear weapons countries, agree that they would never get away with such a deception, of such a complete supply chain.

And although some of the specific limitations in the plan apply for 10 years, my friends, some apply for 15, some for 20, some for 25. But here's the most important thing: The basic monitoring and verification provisions are in effect for the lifetime of Iran's nuclear program, and under the agreement Iran will be prohibited from pursuing a nuclear weapon forever. So if it ever steps out it is in contravention of this agreement and of the Nonproliferation Treaty. Now - and of the UN resolution, I might add.

So signing a deal and implementing one are obviously two different things. We understand that too. So we have given one of our most capable Foreign Service officers, Ambassador Steve Mull, the day-to-day, 24/7 job of leading an interagency effort to ensure that Iran lives up to every single one of the commitments it has made. And we will continue to consult closely with Congress and with our allies including Israel as that process goes forward.

Now, I want to be clear, the Iran agreement was considered on its own terms. It wasn't part of some opening the door, (inaudible) shift or hope or some speculation about behavior. It was the right thing to do whether it leads to cooperation or not in other areas, because any effort to roll back Iran's behavior, my friends, is a heck of a lot easier if they don't have a nuclear weapon.

Now, we aren't making any assumptions about Iran's future policies because we base our policy on observable facts, on actions that we can see and verify. And the fact is that Tehran's policies are a major reason why we work so closely and supportively with our partners in the region. And nowhere, nowhere, nowhere, is that more evident than with our friend and ally Israel. Prime Minister Netanyahu and Israeli defense and intelligence officials will agree we have engaged in an unprecedented level of military, intelligence, and security cooperation. Defense Minister Ya'alon told this gathering yesterday that those relations were superb, and they are. And we are determined to help Israel to address new and complex security threats because it is changing, and we understand that. We know how this region in turmoil poses a challenge to Israel. And we are absolutely determined, Mr. Minister, Tzipi, to guarantee that there is a qualitative military edge.

Now, we work with Israel every day to enforce sanctions, to prevent terrorist organizations such as Hamas and Hizballah from obtaining the financing and the weapons that they seek, whether from Iran or from any other source. And we will stand with Israel to stop its adversaries from once again launching deadly and unprovoked attacks against civilians. Since 2009, we have provided \$20 billion in foreign military financing to Israel, more than half of all the military assistance we have given worldwide. Over and above that we have invested some \$3 billion in the production and deployment of Iron Dome and other missile defense programs and systems. And we saw how in Israel's last conflicts with Hamas lives were saved in Israel because of that assistance. We have given privileged access to advanced military equipment such as the F-35 Joint Strike Fighter. Israel is the only nation in the Middle East to which the United States sold this fifth-generation aircraft. And earlier this year the President authorized a massive arms resupply package featuring air-to-air missiles and other advanced munitions.

Diplomatically our support for Israel also remains as rock solid as we continue to oppose any effort to de-legitimize the Jewish state or to pass biased resolutions against it in international bodies. I have personally been on the phone lobbying, whether it's a human rights commission or council or individuals, UN, you name it. We are constantly fighting that battle, but I'll get to something about that in a little bit in my comments.

Just last month I went to New York and I spoke a very moving event commemorating Chaim Herzog's extraordinary speech 40 years ago denouncing the UN General Assembly's infamous Zionism is Racism resolution - one of the finest speeches I've ever heard, both his and Daniel Patrick Moynihan's. Patrick Moynihan called it the day of infamy when the abomination of anti-Semitism was given the appearance of international sanctions. And to equate the national

movement of the Jewish people with racism and Nazism, as the resolution in fact did, was not only absurd, it was a sad day for the United Nations itself. It brought people together to seek nothing less than to grant a global license to hate. And I am delighted that Bougie Herzog is here. Bougie, we honor your father, President Herzog, because he spoke the truth, and so must we. Anti-Semitism is there today, it's a threat today in Europe, in the Middle East, in parts of Asia, and in every part of our body politics. And the imperative to identify it no matter what the euphemisms are that are used to mask it, to rebut it and to defeat it, is our responsibility - all of us - and we accept it.

So that, my friends, is a lesson taught to us by history which we must never, ever forget. But history also teaches us the importance of peace, because peace is ultimately the best guarantor of security. The United States is deeply committed to secure Israel's future as a Jewish and democratic state. And we are also committed to an independent and viable Palestinian state where Palestinians can live with freedom and dignity. The only way to achieve that is through a negotiated solution that creates two states for two peoples living side by side in peace and security.

Now, I know how complicated it is today. I've been out there enough times. I think I understand it. And the United States remains deeply committed to helping the parties realize the vision that we just articulated that the prime minister and everybody has accepted. It's a vision that we put out there not for our sake, but because it's the best hope for both Israelis and Palestinians.

But ultimately, it's up to both sides to take the steps necessary to make peace possible. So today I want to talk about some of the difficult questions and hard choices that everybody faces, because there are no easy answers here. It will take leadership. It takes courage. And both sides have to make decisions that could have a profound impact on their future and on the future of the entire region.

First, the violence must stop. Nobody should ever be subjected to attacks as they go about their daily lives, and there is no justification for violence targeted against civilians now or ever, and we condemn these outrageous attacks in the strongest possible terms. President Obama has made clear that Israel has not only the right but the obligation to defend its citizens. And we have worked hard to try to find a way to end the violence. We have stressed the importance of refraining from inflammatory rhetoric and to refrain from steps that obviously are going to have an impact on other people's perceptions. We need to have people exercise restraint and take affirmative steps to reduce

tensions. And I have called on the Palestinian leadership publicly and privately to do everything possible to combat all forms of incitement and to explicitly condemn terrorist attacks. I have urged Israeli leaders to bring those responsible for terrorism against Palestinian civilians to justice, and I applaud the recent arrest that was made in that regard.

And we worked with Jordanian and Israeli leaders to lower the tensions surrounding the Temple Mount/Haram al-Sharif that were fueling much of the violence. Last week, because of our concern about the increased violence, I again visited Jerusalem and the West Bank. A terrorist attack had just tragically claimed the life of Ezra Schwartz, an 18-year-old American student from my home state of Massachusetts. And President Obama and I both talked to his parents and both of us as fathers had brought home to us the horrendous, incomprehensible, unfathomable level of grief a parent feels for the loss of a child, and particularly under those circumstances. We also had brought home to us the urgency of preventing the senseless loss of more innocent lives, any innocent lives.

Now, I heard Prime Minister Netanyahu describe the fears Israelis live with on a daily basis, and I heard his solemn obligation to provide them with basic security. And President Abbas spoke more despairingly, my friends, than I have ever heard him about the sense of hopelessness that the Palestinian people feel. And I have been traveling over there since the 1980s and I've spent hours, probably more hours with Abu Mazen than any other leader in America today. I've had a lot of discussions with both sides over the past three years, and let me tell you the level of distrust between them has never been more profound.

Israelis believe the Palestinians will never accept Israel's right to live in peace as a Jewish state and that they are teaching hate and glorifying terrorists, and that a peace agreement would just turn the West Bank into another Gaza. I've heard all of that. The Palestinians believe this Israeli government will never give them a state and that their land is being systematically taken away and the daily indignations of occupation will never end and that there is impunity for attacks against Palestinians. That's what they believe.

Here's what I know: The Israeli and Palestinian people deserve better, but the current path is not leading to a more peaceful future. I am concerned that unless significant efforts are made to change the dynamic - and I mean significant - it will only bring more violence, more heartbreak, and more despair. That's a fear, not a threat. And changing course will require real

courage, leadership, and difficult choices. The Palestinians must decide what kind of future they want for their people.

This forum focuses on U.S.-Israel relations, but I want to highlight for you nevertheless some of the key questions now facing the Palestinians. How would ceasing security coordination and cooperation and dissolving the Palestinian Authority, which some over there have suggested, how would that bring them closer to peace? Isn't it the Palestinian people who would then suffer most if their leadership took those steps? Do they really believe that boycotts and efforts to de-legitimize Israel or pass biased resolutions in international bodies are going to help them achieve a Palestinian state? President Abbas has long been committed to nonviolence. Don't forget that. But are Palestinian officials really doing everything possible to prevent all forms of incitement? Don't these terrorist attacks against innocent civilians deserve public condemnation? And how can Israelis be assured that the Palestinians are truly prepared to end the conflict and allow them to live in peace as part of a two-state solution? How do they address Israel's concerns about not creating another situation like Gaza in the West Bank?

Israel also faces important questions and difficult choices. And by the way, there are answers to the issues of Gaza in the West Bank. Believe me, there are all kinds of security and other kinds of steps that could be taken, and buffers and guarantees and oversight and cooperation. Countless answers if you want to find them.

Israelis are appropriately debating some of these issues. Some officials in Israel have reportedly argued that it's not in Israel's interest to even have a Palestinian Authority. Prime Minister Netanyahu made clear he does not wish for the collapse of the PA because despite serious differences with Abu Mazen he recognizes that the alternative could be worse. Nobody can tell you what the alternative is in a world buzzing with Daesh and jihad and Hamas. Some have dismissed this possibility. But circumstances I believe force us to consider it seriously because there are valid questions as to how long the PA will survive if the current situation continues. Mark my words.

Remember there are some 30,000 Palestinian Authority security forces in the West Bank, and Israel's security officials acknowledge their key role in preventing the situation from spiraling out of control, including by the way during the turmoil of three wars with Gaza. It didn't blow up in the West Bank. Without the PA security forces, the IDF could be forced to deploy tens of thousands of soldiers to the West Bank indefinitely to fill the void. Are Israelis prepared for the consequences this would have for their children and

grandchildren who serve in the IDF when the inevitable friction leads to confrontation and violence?

What are the financial and strategic costs when Israel is now already facing new threats in the region? Are Israelis ready to accept the heightened risk that chaos, lawlessness, and desperation can allow terrorists and extremists to take hold of and fill the vacuum and take advantage of? Without the PA Israel would also shoulder the responsibility for providing basic services in the West Bank, including for maintaining schools, hospitals, and law and order. Are Israelis ready to make up for over a billion dollars a year in assistance that the PA would no longer see provided by the international community because it's no longer there? What about the additional billion dollars in development-related assistance, most of it for the West Bank? What would happen if the Palestinian economy and private sector collapsed under the pressure and there was widespread unemployment and poverty?

This brings us to a broader question. If there is a risk that the PA could collapse, and it is in Israel's interest for it to in fact survive, as the prime minister suggested, should more therefore not be done to help sustain it? This really goes to the heart of a bigger debate, because the truth is that many of those arguing against the PA simply don't believe in two states. The prime minister has been clear that he does not want a bi-national state and that he remains committed to the vision of two states for two peoples. But at the same time, many current Israeli ministers have been equally clear that they oppose a Palestinian state - not just now but ever.

So my friends, we've got to be clear-eyed about this. We can't come to a forum like this, we can't have meetings, we can't go back and forth and maintain the norms of diplomacy and pretend. We have to be honest about what a one-state solution actually looks like. First, nobody should be lulled into a forced complacency that the PA would still be there under those circumstances. In fact, the chances that it would collapse increase over time every day now, let alone what would happen if that were the direction you're moving in. And it would collapse sooner rather than later under those circumstances along with all of the risks and worst outcomes.

Let's focus on a few other critical questions that that approach raises. I'm just asking questions. How does Israel possibly maintain its character as a Jewish and democratic state when from the river to the sea there would not even be a Jewish majority? Then next question: Would millions of Palestinians be given the basic rights of Israeli citizens including the right to vote, or would they be relegated to a permanent underclass? Would the Israelis and Palestinians living in such close quarters have segregated roads and

transportation systems with different laws applying in the Palestinian enclaves? Would anyone really believe they were being treated equally? What would the international response be to that, my friends, or to a decision by Israel to unilaterally annex large portions of the West Bank? How could Israel ever have true peace with its neighbors, as the Arab Peace Initiative promises and as every Arab leader I have met with in the last year reinforces to me as recently as in the last month that they are prepared to do?

But how will they do that if there is no chance for a two-state solution? How will the Arab street in today's world let that go by? And wouldn't Israel risk being in perpetual conflict with millions of Palestinian living in the middle of a state? I think the answers ought to make it clear to all the one-state solution is no solution at all for a secure Jewish democratic Israel living in peace. It is simply not a viable option. And no less a statesman and one of the men I admire the most in the world, one of the most eloquent people that I've ever heard talk and one of the great warriors for peace as Shimon Peres put it himself: Anyone who rejects the two-state solution won't bring a one-state solution; they will instead bring one war, not one state.

So my friends, that again brings us to a broader question. If the two-state solution is the only real option, what more can actually be done to advance it? These are important questions for all of us who care deeply about Israel, and I do care deeply. I had a 100 percent voting record over 28-plus years and I remember fondly every visit I've ever made over there and I have great friends, great friends.

But I ask people to answer this question as honestly as possible. And this is not an abstract issue that you can put off for some distant day. The status quo is simply not sustainable. And the fact is that current trends including violence, settlement activity, demolitions, are imperiling the viability of a two-state solution. And that trend has to be reversed in order to prevent this untenable one-state reality from taking hold. I can't stress this enough. The terrorist attacks are devastating the hopes of Israelis who want to believe that peace is possible, and the violence must stop. Yes.

But Palestinian hopes are also being dashed by what they see happening every day. They're focused on a reality that few others see, that the transition to greater Palestinian civil authority contemplated by the Oslo process has in many ways been reversed. In fact, nearly all of Area C which comprises 60 percent of the West Bank is effectively restricted for any Palestinian development, much of it claimed for Israeli state land or for settlement councils. We understand there was only one Palestinian building permit granted for all of Area C all of last year. And settler outposts are regularly being

legalized while demolition of the Palestinian structures is increasing. You get it? At the same time the settler population in the West Bank has increased by tens of thousands over just the past five years including many in remote areas.

Settlements are absolutely no excuse for violence. No, they're not. And we are clear about that. But the continued settlement growth raises honest questions about Israel's long-term intentions and will only make separating from the Palestinians much more difficult. There are no easy answers, but we can't stop trying to find solutions that move us closer to peace. And that is why President Obama has called on both sides to demonstrate with actions and policies a genuine commitment to a two-state solution. The Quartet has suggested steps on the ground that would reverse current trends and resume the Oslo transition in ways that do not affect Israel's security at all. And I want to stress that point. Increasing Palestinian civil authority does not happen at the expense of Israeli security. In fact, strengthening the Palestinian economy will enhance security for Israelis and Palestinians alike. And the Palestinians must also meet their commitments including combatting violence and incitement, improving governance, and building their institutions.

These steps, my friends, can be a very important beginning, and they won't ever take the place, however, of a real, credible political horizon for two states that meets the legitimate aspirations of both peoples. But these steps could help begin to reduce tensions, build some trust, restore a measure of hope, open up new possibilities, and hopefully create some political space for people to be able to make bigger, more critical decisions. Again, I repeat, I know these are difficult decisions. I understand why Israelis feel besieged. I understand why Palestinians feel there's no hope. And there will always be a reason not to act, but you have to keep those questions I put to you in front of you every moment of that time.

Now is the time to see beyond the politics and the pressures of the moment and to look to the future. Both sides need to act in the long-term best interests of their people, not as a kind of concession. It is not a concession to be doing things that make you safer and broaden the political space to make choices and to begin to give justice and sense of rectitude to agreements which have been signed. And if everybody keeps waiting for the other person to move first, the risk is the situation spirals downwards and it makes it harder to ever be that first person to move.

And we obviously hope that both sides will choose a path that leads towards peace. We want both to show that they are serious, and we will be there every step of the way in every way possible to support them in that effort. We're ready to bring Jordan, Egypt, the rest of the Gulf states, others to the table

for a regional security arrangement that includes Israel that will make the entire region safer.

And I know that many in the region are absolutely committed to recognizing Israel in the way that Israel wants to be recognized and to move forward to send embassies, to open relations, to begin to make the region a financial hub and an agricultural and technology hub for the world. And they are waiting to help realize the Arab Peace Initiative's vision of a true peace between Israel and the Arab world and greater security for all. And we all know from years of discussion and effort this is not - this is not - an impossible dream. It's achievable, but it demands that we never lose hope and we all draw strength from those who have sacrificed so much for peace.

Yitzhak Rabin, who was murdered 20 years ago last month, is the example of that. Prime Minister Rabin dared to take risks. He dared to take bold initiatives to end the conflict despite terrorism and violence, because he knew the answers to some of those questions I posed, because he knew the alternative, because he believed it was essential for the future security and prosperity of the Jewish and democratic state of Israel, and because he understood beyond all the complicating factors that influenced the events in the region that this is a struggle that transcends any distinction of national or religious identity, a struggle between people who are intent on opening wounds versus those who want to close them. Rabin is gone, but his legacy endures as a challenge and as an inspiration to all of us. And in his memory I ask everybody here to try to find a way to recommit to use our words and our actions to advance the cause of peace. Thank you very much. (Applause.)

AMBASSADOR INDYK: Thank you very much, Mr. Secretary. It's wonderful to have you here again, and that was a really great speech. And I just want to say on behalf of everybody here how much we appreciate everything that you do - your untiring efforts in every regard, not just on the Israeli-Palestinian issue but on Syria and Libya and Yemen and climate change and so on. You're an inspiration and we just hope that your energy never flags.

In that regard, I got a sense --

SECRETARY KERRY: I used to ask him all the questions. (Laughter.) Role reversal here.

AMBASSADOR INDYK: No, your staff said I was the only one that could ask you questions because I think they were worried about your answers. (Laughter.)

But in that regard, there was a certain sense I felt in what you had to say of a frustration and that the underlying message - correct me if I'm wrong - is basically it's up to them now, it's up to Bibi Netanyahu and Abu Mazen and the Palestinian Authority and the Government of Israel; that in a sense you've done what you can and they're going to have to take the steps. Is that the message you're sending here?

SECRETARY KERRY: Not completely. No, not entirely. Is there some frustration? Sure there is, because I believe it's doable. I mean, you were there working with us for two years. We made great progress. And Tzipi Livni knows that we really advanced the ball in many different ways. We were very close on certain things. And then things got in the way of that. I don't want to go backwards and talk about that, but I think that - I believe we do still have - I don't think it's just exclusively up to them, but it is mostly up to them.

We can help shape. We can support. We can provide a foundation which will give them confidence that if they do X, Y, or Z we will be there, others will be there, and the following things will happen as a result of the choices that they make. That's very important. And I think the United States always plays a very critical role in providing that kind of assurance, and we are a, I think, unparalleled convener on the planet. We have an ability through many years of relationships, through alliances, through our economic strength, through our values, to be able to bring people to the table to help in these matters.

But fundamentally - I say this very respectfully and there are a couple cabinet members here and folks outside the cabinet on the other side of the fence - the choices are clear. If Abu Mazen gets weaker, I believe that's a danger for Israel. How is Israel advantaged to have chaos in the West Bank or to have another war with Gaza? Gaza is ready to - it's very, very tense, and it's very important for us to take steps with respect to Gaza and the West Bank together. Now, I think the prime minister has some good ideas about Gaza. There's some things that I think he is prepared to try to do there. But obviously, the violence has made the climate very difficult. When politicians are screaming at you from one side or the other that you're not doing enough, and this and that, it closes the political space. But nevertheless, you have to do what is in the best interests of the country and its security. And I believe strengthening Abu Mazen is now and has been for years - and it hasn't happened sufficiently for years - is critical, because if you don't strength the one person who is most committed to nonviolence you send an incredibly negative message to all the rest of the people who are frustrated. And they'll finally say, "Well, we can't do it that way. He tried it. They tried it for 30 years. We got Oslo. It was signed. Wye was signed. Madrid - all these things were done and signed, but nothing happened."

Folks, if that's - you can't do that. You have to give life to these instruments or want to find ways to give life to them in order to build that different set of possibilities. But right now, you've got a lot of young people growing up in the West Bank who don't have jobs, who aren't - they don't see a future. And the question is: What choices are they going to make? I think Israel has a vital national security interest in wanting to do more, and I believe - I say this nicely, but I believe there are people within the security establishment of Israel who believe just what I said and who would like to see more done to strengthen the Palestinians.

So it's not exclusively up to them, but it's predominantly up to them, and there's got to be a greater indication of the things that both - both - are willing to do to move down this road.

AMBASSADOR INDYK: Can you - without violating any diplomatic protocols or so on, but can you give us a sense of what those things should be?

SECRETARY KERRY: Well, an example. Oslo called for - Oslo divided the West Bank into three sectors, A, B, C. A is a sector which has exclusive security and administrative rights to the Palestinians; B is a split, security to Israel, administrative to Palestinians; and C has both security and administrative in the hands of Israelis. C is the predominance, the largest amount of the West Bank, 60 percent, as I just said. And so A, regrettably, has seen multiple incursions of security forces from Israel notwithstanding that it's supposed to be exclusively within the jurisdiction of the Palestinians. And the reason for that - and I'm sympathetic to some of it - is that Israel asserts that they don't do it or they're not getting it done or they haven't done things to protect Israel and so forth. And Israel gets wind of some nefarious activities, and so Israel is going to resort to self-help. And I'm sympathetic to that, yes.

But there should be a greater effort cooperatively with everybody, including us by the way. We play a role. We have a person who's involved, a military representative to the West Bank who evaluates, and we work with some of the training. The Jordanians do it. We need to do more to guarantee they are getting the job done and work with them and uphold the agreement. But more importantly, what we need to do now and the reason we need to do this - we went - when I first went over there three years ago and we started this process, we put in a whole bunch of economic measures - opening the Allenby Bridge for a period of time, increasing the amount of water that flowed, increasing the number of permits for work, lowering the age for this or that. I mean, we did a lot of things. Some of them were fully implemented. Many were not fully implemented. But those are the things we agreed on.

The problem is now we're three years down the road with a disappointing process in the intervening time that reduces trust and hope, and so just coming in with the same kinds of measures will not get it done again. So what I'm trying to persuade people is you have to go a little further to indicate to the Palestinians a political horizon, something that begins to say to them, "Yes, you can have a state. There is a way to get there. Here's what you have to do." And begin to open up some opportunities in the Area C for them to build, to have some agriculture, do some business, and begin to strengthen themselves.

That would begin to send a very different message. And it doesn't mean you have a big negotiation. It's not opening up a whole new set of promises for some outcome you can't produce. But it's real and tangible in terms of the transition to Oslo and to rights. And as I said earlier, it does not have any negative impact on Israel's security because in Area C you would still have the legal right to Israel for full security; it only affects their right to build some housing, not to have their houses demolished, and to begin to have some hope. That's one of the kinds of steps we're looking forward to.

AMBASSADOR INDYK: And it sends a signal that --

SECRETARY KERRY: It sends the --

AMBASSADOR INDYK: -- all the C Area is not going to be in Israel's hands forever.

SECRETARY KERRY: That's absolutely correct. And that's very important, my friends, because right now, because of the municipality laws, and because of the settlements that are there, there is a significant reduction in the availability. There is a lot of Area C that's actually been, as I said, taken under state control and therefore not available to Palestinians, which raises their questions about whether it's ever going to come back to them or not, and where Israel is really going with this.

So both sides have legitimate questions of the other. But you've got to sit down - the other day I was in Cyprus, where we're working very hard to try to break a frozen conflict. And I had dinner with Mr. Akinci, who is the leader of the Turk Cypriots, and with President Anastasiades, who is the leader of the Greek Cypriots. And we have now built the support of both the Turkish Government and the Greek Government, very much supporting the movement forward. And they're talking to each other. We had dinner together, and they sat there and had a discussion about how they could provide for each other's security, or how they might resolve. That doesn't happen in this conflict of 30 - whatever, 1948. I mean it just doesn't happen.

So we have to change the paradigm. And rather than keep blaming each other, we've got to start saying, "You know what? We got to build." I just talked to you about builders. We need to build. And that's what we think these policies could begin to do.

AMBASSADOR INDYK: What would you want to see Abu Mazen do?

SECRETARY KERRY: Well, Abu Mazen needs to - he needs to change the rhetoric, above all. He made some very incendiary comments, which I called him on. I was very direct with him about the al-Aqsa Mosque. And there was some very inciteful comments made.

I think one of the problems is Abu Mazen now doesn't control some of the people. He doesn't control an Arab Israeli who runs around with a pair of scissors or grabs a knife. In fact, nobody, to some degree, controls that now. That's social media-driven, and it's a reflection of some of the challenge we face in fighting Daesh, and what is happening in terms of the radicalization of unemployed, youthful populations that have no sense of future.

So the issue here is: Can the Palestinians work to deal with a transition in their own governance which has to improve? There are levels of some corruption and challenges within the PA that have to be taken on. There are, in addition, textbooks, education, maps, I mean, things like - there are a lot of things that could begin to change that would reflect to Israel that, in fact, the Palestinians are working sincerely.

But if you're not sitting down, if all you're doing is hurling invective at each other on a daily basis, there is no prayer of beginning that kind of conversation. And that's the problem today. There is - other than the security exchanges, which Bogie is responsible for, ultimately, but Shin Bet and Mossad - there is good cooperation there. They're working still despite everything else. If that could be translated to another level, you could begin to break down some of these barriers.

AMBASSADOR INDYK: I am very conscious of the pressures on your time, so just one more question, which is if we can go to Daesh.

You've done an amazing job in managing to get all of these external parties around the table, even though, as you said in your speech, they disagree on so much. But how do you see them actually getting to agreement between Iran, with its commitment to the Assad regime - because if Assad were to go, they fear that their opposition in the regions is going to go; the Russians, who fear that if Assad goes, there will be chaos; and the Saudis, who won't do anything

unless Assad goes? How do you navigate that? In particular, how do you deal with the fears about the day after? Because that seems to be what motivates a lot of the concerns.

SECRETARY KERRY: Well, I think the key is that you don't have one day after. You have a process. And this is what we've worked very hard to achieve. And I had a very constructive meeting with Foreign Minister Lavrov in Belgrade the other day on the sidelines of the OSCE. And that followed a very constructive meeting that President Obama and I had with President Putin and Lavrov the day before in Paris - two days before in Paris, where we really talked about these hard kinds of questions. And believe it or not, despite all the other problems, it was genuinely constructive in trying to find answers to this way forward.

I think Russia understands and I think Iran is coming to understand that no matter how much you might want to keep Assad, even if we were the most Machiavellian in the world and we went back on our promises and everything else - which we're not about to do, I want to emphasize - but let's say we said we want Assad. Okay, let's keep him for a while and see what happens, and go fight Daesh. Couldn't do it. You can't do it. There is no way to stop the support for the Sunni fighters - and remember, most of this is on that side of the ledger. There is no way to stop them from attacking and going after Assad, as long as he's there.

So no matter what your feelings are about supporting him, you can't end the war. And if your goal is to get Daesh out of the picture, which ours certainly is, to get it out as fast as you can - because part of Daesh's attraction is the fact that it's there and it has this declared caliphate that is sort of taking on Russia and United States and giving people a sense of external assault by the rest of the world, which, if you have the right narrative, you can build into a pretty good recruitment tool. And that's what they're doing. And that's the danger.

And so, if Assad stays, those who are continuing to fight Assad will attract more jihadis, more Daesh. And ultimately, it is they who will be the tougher fighters and the better armed and the more perceived as capable of getting rid of Assad.

Then what do you have? That's your day of implosion, not progressive transfer. And I think that's one of the things that's motivating Russia and their understanding of this. Right now, Russia has just plunked itself in, gone into the fight to, quote, support their friend, Assad. But in doing so, they are supporting Hizballah, Iran, and Assad. And if you have an interest in having a relationship with the Sunni world, which they do, that is not a good equation.

So I think there is a reason here, and that's what happens always in diplomacy, obviously, or in anything in politics. People have to have a reason for doing something. They have to have an interest. It has to - your interest has to be defined. You have to be able to make it tangible. In this case, Russia has lost an aircraft. They have seen what has happened with respect to the beheading of their Russian citizen the other day. There is - I just saw today's newspapers, which had a report on unrest in Russia because of the economic situation.

So I think there are reasons that we all have to want to end this as fast as possible. And what we've tried to set up is a transitional negotiation where Assad has to, under the Geneva communique, begin to devolve some power. The election is fixed. We've all said we're going to have an election. Even Iran and Russia have accepted that. Iran actually had its own proposal of a ceasefire, constitutional rewrite, a unity government, and election. So even Iran is pushing for a transition of some kind.

And the question here is: When and how can we get to the point where it is clear that really Assad has to make a choice? And you can have a smooth transition, where the Alawi are protected, the Christians are protected, the Druze are protected, the Ismaili are protected, the Sunni are protected, and you have all segments of society.

The other thing, as I said, that everybody accepted - which is not a small deal - is a non-sectarian, unified state. It's absolutely vital to have Iran, Turkey, Jordan, Lebanon, Russia, the United States, and all of the other allies in the coalition united in wanting a united Syria. So that's why I think this is sort of a decent shot.

Now, if Russia and Iran stand as a bloc and allow Assad to simply stiff the process, and we get no transition at all, then it will be clear who the problem children are, and our options will be narrowed, and we will have to make some tough choices, because we cannot allow this to go on. It is a security threat to the United States and every country in Europe. And it's not just a threat to Europe in terms of what happened in Paris or elsewhere. It's a threat because this migration can alter the politics of Europe in an existential way forever.

And so we all have an obligation to recognize the danger. It's a danger to Russia, because there are more than 2,000 Chechens in Syria, fighting, learning the trade craft of terror, who could return to Russia and bring it to their Muslim population.

So there is a lot of reason that people, I think, have an interest here. And what we've been doing - and I think it's the right strategy - is we've been

trying to underscore to everybody what their interests are and get them to act on those interests. And if we can do that successfully, we may get somewhere. I'm not sitting here saying this will work. I'm saying it could, if everybody plays the role making the right choice of the road they go down. But if they don't, we're still going to have to go destroy Daesh; we're just going to have to decide to do it in a different way.

AMBASSADOR INDYK: Mr. Secretary, as you head off to Paris again, I think I could speak for everybody here. We wish you godspeed and thank you for all that you do. (Applause.)