

# The Washington Institute for Near East Policy

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ROBERT SATLOFF: Good morning. I'm Robert Satloff, the executive director of the Washington Institute for Near East Policy. It is a great honor to welcome our guest today, to welcome Mrs. Barak and to welcome all of you at this very special event, our third annual Ze'ev Schiff Memorial Lecture on Middle East Security.

This event was established by members of our board of trustees 3 years ago after the passing of our good friend and long-time associate, Ze'ev Schiff. Ze'ev was one of the intellectual founders of this organization and among the many people that he graced throughout his life with friendship and advice, I am proud to count myself among that number. It is a great testament, I believe, to Ze'ev's memory that we've been able to convene this event. It is no small event here in Washington, as you can see by looking around the room.

By being able to convene this event and honoring Ze'ev by bringing together the leading lights of Israel's national security establishment every year to talk about the key challenges, the key opportunities facing Israel and the broader Middle East. Today, we will hear shortly from our guest. He is the third former chief of staff of the Israel Defense Forces in a row to participate in this event after Amnon Shahak and Bogie Ya'alon in the last 2 years. And we're very grateful to you for being here today. Before I turn to my formal introduction of our guest, let me take a moment to welcome Sarah Schiff, Ze'ev's wife, and Hadar, Ze'ev's daughter. Would you please – a few comments from Hadar.

HADAR SCHIFF: Dear friends and guest. It's the third year we are gathering here in the institute for the annual lecture in memory of my late father Ze'ev Schiff. As always, I am deeply moved by the fact that here in Washington, so far from Israel, people remember my father and come to participate in this event. We are honored today to have Gen. Barak, Israel's minister of defense, as the speaker. Gen. Barak and my father were friends for many years. My father highly appreciated his wisdom and abilities in military and security fields.

I remember one occasion when I was young girl, Barak, who was then a young officer, came to meet my father. After he left, my father said, I assure you that this young officer will become one day the chief of staff of Israel's army. (Laughter.) He was happy to see Barak reaching higher positions. On behalf of the Schiff family, I want to thank Minister Barak for taking time off his hectic schedule and come to speak to us. Many thanks to Rob Satloff, a dear friend of my father and our family, who does his best to keep this tradition of Ze'ev Schiff Memorial Lecture to be held every year. Thank you. (Applause.)

MR. SATLOFF: Thank you. And indeed, if Ze'ev Schiff saw promise in the young Ehud Barak, then Ze'ev knew what he was talking about because Ze'ev had an amazing ability to identify not just what was going on but what was likely to happen in Israeli politics and Israeli security.

EHUD BARAK: He probably worked on it to verify that what he predicted – (laughter).

MR. SATLOFF: It is one of those truisms of Washington and of discussing Middle East politics that we say that we are at a crossroads in the Middle East. I think – it is also a truism for the next line to be, by the speaker, and this time I really mean it. And this time I really do mean it. I do believe that at this moment, for America in the Middle East and America's friends in the Middle East, foremost of whom is the State of Israel, we are at a great moment of threat and opportunity, of risk and challenge, not least posed by the rise of radicalism and extremism manifested, of course, by the challenge posed by the Islamic Republic of Iran – but not solely by the nuclear challenge posed by the Iranians.

The region is at a crossroads and we are very honored today that a person who plays such a critical role in helping his nation navigate through the turbulent waters of the Middle East is with us to offer his views on Israel 2010, strategic threats and strategic opportunities. Ehud Barak is, as everyone in this room surely knows, at the very pinnacle of Israel's national security establishment. He is Israel's most decorated soldier, he has served in the Israel Defense Forces for his entire professional life, rising to become chief of staff.

And then, very shortly after retirement, was called directly into political life by Yitzhak Rabin, to serve in the Israeli cabinet at a critical moment – as interior minister, as foreign minister, elected to be prime minister and now serving as defense minister – a rock of foundation in Israel's very difficult security environment. Minister Barak, we're delighted that you're here today and on behalf of the Washington Institute and in memory of Ze'ev Schiff, we welcome you to this podium. Thank you very much. (Applause.)

(Audio break.)

(Applause.)

MR. BARAK: Sarah, Hadar and the Schiff family, the leadership of the Washington Institute, distinguished guests, it is a great honor for me as minister of defense of Israel to address you at this conference in memory of Ze'ev Schiff who in his life and his deeds proved that he was worthy of the titles: journalist, commentator and security person.

The years that have passed since he was taken have only deepened the professional vacuum that his passing created in Israel and probably beyond in the absence of one who was a guiding light to his colleagues. Time shows us how much we need people like him who are in the world of military journalism and, in the same time, the world of security work.

As a military commentator, Ze'ev did not hesitate to write criticisms about both the IDF and the political defense echelon of Israel. He was steadfast in his opinions and did not hesitate to say things that are neither pleasant nor part of the consensus. Sometimes hard things, tough writing – according to his perception of the world – concerned faults and failures which needed to be corrected.

But everything was always done with the realization that all this arose from a desire to influence and change things for the better. Everything was for the security of the state. It is clear that at all times the good of the state was uppermost for him. He was a patriot and gentleman.

Responsibility was prominent in every line and from every word that he wrote. His concept of responsibility in journalism was also foremost in what he decided not to write. I can attest to this personally, that there were times when I knew that as a commentator and journalist, Ze'ev gave up on major scoops and the following journalistic prestige just in order to protect the security of the state of Israel.

The subject that I was asked to speak to you on today is the challenges and opportunities in the year of 2010. I am sure that those of you who knew and loved Ze'ev like we do would like to hear what Ze'ev would have said and how he would have analyzed matters at the beginning of years such as 2010. It seems to me that he would have quoted the Gemova (ph), saying the more writers of julosh (ph) the more that wisdom will increase. Ze'ev – (in Hebrew) – Ze'ev; you are missed by all of us and even more so today.

The year of 2010 reflects or shows us a collection – probably a unique collection of opportunities as well as challenges, a variety of threats and opportunities. We are facing a dissonance between the apparent tranquility all around our borders and the clarity of the challenges, the threats starting to loom over the horizon – Hamas in Gaza, the Hezbollah in Lebanon, the Islamic jihad, Iran and so on.

In the United States here, still the only superpower on Earth. The agenda is overburdened with both domestic and foreign strategic challenges. And Israel find itself as the focal point of an historic struggle on two levels: international community vis-à-vis the triad of challenges represented by radical Muslim terror, nuclear military proliferation and rogue and failing states; and on another level, within Islam, a tough debate and a tough struggle between the radicals and moderates. The consequences of this struggle on its two levels will shape the geopolitical landscape for the next decade.

I prefer to start with the opportunities rather than with the threats. And it was already said about our region that in the Middle East a pessimist is an optimist with experience. (Laughter.) But I prefer the Churchillian observation that the pessimist sees the difficulty in every opportunity, while the optimist sees the opportunity in every difficulty. I prefer the Churchill version of attitude toward events.

There are clearly opportunities here and I do believe that the Israeli leadership has its utmost or uppermost responsibility in trying to reach peace with our neighbors – both, per se, in order just to have it to normalize our neighborhood, but also because in the absence of agreement, the risk of deteriorating into a vacuum, then violence are significantly increased.

But we have to identify or look honestly into the basic facts of our neighborhood. Middle East is not the Midwest, neither Western Europe. We would love to have the Canadians as our neighbors, but you've got them. (Laughter.) And we have to live with whoever – you know, a person cannot choose his parents and a nation cannot choose its neighbors.

And we are living in a tough neighborhood. Those of you – and I see here a few individuals who served lifetime careers in the region – it's a neighborhood where there is no mercy for the weak, no second opportunity for those who cannot defend themselves. Israel is strong and determined.

Israel is the strongest nation thousand miles around Jerusalem, but we are realistic and open-eyed. There will be no peace in the Middle East before the other side, all our neighbors and rivals, will realize that Israel cannot be defeated by the mere use of force, cannot be entreated through terror and cannot be dragged through political naivety into diplomatic honey traps.

It is only – because if any of those three alternatives will be open to our rivals in the neighborhood, they will choose it over making peace. It is only when a strong, self-confident Israel will be ready out of these strengths to stretch its arm to reach peace and will find the same kind of attitude on the other side, we will have peace.

I say we have to stand firm on our two feet, open-eyed, not – without a drop of self-delusion about the realities of our neighborhood, but having one hand – preferably the left hand – looking for any window, turning every stone in order to find opportunity for peace while the other hand – the right one – with the pointing finger very close to the trigger ready to pull it when it is ultimately necessary.

Israel is strong on other issues as well. We are trying to nurture a cohesive society with a strong sense of solidarity. We are navigating quite successfully through this economic crisis that is a major issue for the whole world. We are moving forward in culture, in science, in technology.

Israel is a mini-superpower in several areas of science and technology, from renewable energies, the processing of water, nanotechnology, life sciences – especially stem cells, medical devices, remote learning, as well as the traditional strong points of our economy: the agriculture – extremely modern, sophisticated agriculture – and spatial expertise that grew out of the circumstances in homeland security.

We cannot afford making any compromises regarding the security of Israel, but we have to notice the changes on the other side. One cannot ignore the gradual transformation of the Arab dialogue vis-à-vis Israel. From the four (sic: three) no's of Khartoum, some 40-odd years ago, no negotiations, no recognition, no peace – what had been taken by force will be taken back by force – into the present day's almost contest among the Arab players who will provide the peace plan that will be adopted by the international community and become the cornerstone of the final agreement between us and the Arab world.

A successful peace process – especially with the Palestinians – is not just in the interest of Israel. It is a compelling imperative for the state of Israel. And that's why I say it's the uppermost responsibility of any Israeli government. Not as a favor to the Palestinians, but out of our own interests – out of strength and without compromising our security.

The reasons for this are probably painful but simple. Between the Jordan River to the east to the Mediterranean to the west, there live 11 million people: 7.5 million Israelis and 3.5 million Palestinians. And if there was only one sovereign entity on this area named Israel, it will become inevitably either non-Jewish or non-democratic.

If this bloc of millions of Palestinians cannot vote, it is a binational – no, if they can vote, it's a binational state par excellence. If they cannot vote, it's not a democratic state. So it's either non-Jewish if they can vote or non-democratic if they cannot and there is no way to bypass this simple and painful reality.

The only way to decide it is to be ready out of open-eyed approach to the realities to delineate a borderline within the grand Eretz Israel, the historic, biblical land of Israel in a way that will take account both security as well as demographic considerations and within which we will have a solid Jewish majority for generations to come and on the other side of it, a Palestinian viable state that will reflect the Palestinians' dream, which is the national identity.

I reach this conclusion not because we do not have the biblical rights or because we do not have the strong affiliation – we have both and duly so – but because we have to listen to reality as well and do what could and should be done in order to promote a strong, flourishing Israel for generations to come.

We are now in the effort to move it on, to start with proximity talks. I hope that it will be opened in the coming few weeks and that will follow by this way or another, by substantive dialogue about the core issues that are still between us and the breakthrough. I think we have been – we have visited all these core issues several times in the last 20 years: under Rabin and Peres, '92; under my government in 2000; under Olmert's government in 2006; and now, again, under Netanyahu government, in which I'm minister of defense.

Netanyahu said loud and clear in his Bar-Ilan speech, we accept two states for two nations. We realized that there should be established a Palestinian state, viable state with their national anthem and a flag and other attributes of normalcy.

This government in its guidelines accepted the roadmap – whether it's phase two or three or a combination of the two, for those of you who are acquainted with the details – and we committed ourselves to all agreements approved by previous governments, which were not right-wing government. We reflect a kind of national unity – not typical national unity, the right leg is much heavier than the left leg – (laughter) – but within us we include basically all the body politic of Israel – all mainstream.

And I keep telling you – those of you who know Israel – there is a strong silent majority in Israel which are ready to make tough, painful decisions in order to reach peace once they feel that there is a readiness on the other side and we are not having this tango alone. And I think that the efforts for a bottom-up building of institutions and organs of a future Palestinian state led by Prime Minister Fayyad with whatever support that we can give to it. And we are – we want to see a strong Palestinian Authority. We want to see a weaker Hamas. And we try to coordinate actions with them towards this direction.

And I can tell you that having – talking about the opportunities, I cannot ignore the issue of Syria. It's not a secret that in Israel, both myself as defense minister in the past and now, as well as the Israel defense establishment on all its levels, believe that we have – in the Middle East – have strategic interest in putting an end to our conflict with Syria. We have been in negotiations in this city and in the other places regarding to this issue under Rabin and during Peres' government, Netanyahu previous government, my government and Olmert's government.

And all of us know what is on the table. All of us know what kind of decisions are needed to be taken by both sides. All of us are realistic about what could be achieved and what probably cannot be achieved at the very first moment. And I insist that this is an opportunity more than a threat if navigated cleverly keeping the dignity of the other side on all stages.

Having said that, I can tell you that we are strong enough to face a deterioration if it happens on our northern front, but we are not interested in it; we will not initiate it; and I don't believe that anyone in the region – in the immediate neighborhood of Israel – really needs it.

We follow carefully what happens in Lebanon and I think that the time has come to deal with it in a much more straight and real manner. The essence of 1701 – the U.N. Security Council resolution following the last war in the north in 2006 – was to put an end to this anomaly (ph) of the existence of Hezbollah in Lebanon. And instead of solving the problem, it just allowed it to become more complicated.

There is a bizarre anomaly there. Lebanon is a member state of the United Nations. It happens to have a militia. The militia happen to have members in parliament, even ministers in the cabinet with a veto power over the decision of the Lebanese government.

Now, it is supported and equipped by two other member states of the United Nations, Syria and Iran, technologically and with equipment. And many civil servants in uniform and without uniform of both member states of the United Nations are serving in Lebanon within the chain of command of Hezbollah and giving orders stemming out of the interests not of the Lebanese people but of other players.

And it happens to be that this militia doesn't just develop a new long bow or more effective arrows, but it happened to have 45,000 rockets and missiles that happen to cover all Israel and they are part of a deployment that tells that they will activate it and we have seen that they already did it in the past. This militia happens to have a weapons system that some – many sovereigns do not have.

We cannot accept it. We cannot accept these artificial differentiations between the terrorists of Hezbollah and the state of Lebanon and their sponsors. And we keep saying, we do not need any conflict there; we will not lead it towards one. But if attacked, we will not run or chase any individual Hezbollah terrorist – and they are in fact building and digging within the urban concentration, inside the cities, inside the civilian population and these weapons that they have mainly cannot be used against any military target. They are not accurate enough – the only conceivable use of most of those weapons is against civilian populations in heavily urban concentration and that's what they tried to do in the past.

So we make it clear: We don't need this conflict but if it is imposed upon us, we will not run after every individual terrorist but we will take both the Lebanese government and other sources of sponsorship, but mainly the Lebanese government and the Lebanese infrastructure as part of the equation facing us.

And to continue on the challenges or threats, I have to mention the Hamas. They are – they suffered a major blow a year ago in a mid-size operation we launched in the Gaza Strip. They are well-deterred but still accumulating more and more longer-range rockets with the smuggling system that goes all the way from Iran through Africa to the Gaza Strip.

And the situation is not fully stable. We still have the abducted soldier in their hands and that complicates some aspects of the normalization of the situation. But it's still quiet, more quiet than anywhere in the past, but internally or inherently unstable.

And last word about Iran. Iran is not just a challenge to Israel. I believe it is a challenge for the whole world. I can hardly think of a conceivable stable world order with a nuclear Iran. It is clear to us and I believe it will become more and more clear to others that Iran tries to defy, deceive and deter the whole world regarding to its nuclear ambitions and it plays to get more time to enable it moving toward a nuclear military capability. The goal is clear and becoming clearer by the day.

I think that the last report of Amano, the new head of the IAEA, is highly important because it shows that international agency can, if the will is there, call a spade a spade and stop all these verbal gymnastics about what the Iranians are really doing. If they develop neutron sources, if they make an implosion, experiments on heavy metals with an array or arabesques of simultaneously activated detonators and if they are working so intensively on two hemispheres with (a sizeable quantity there ?); it means that they are not just trying to create a Manhattan Project-like crude nuclear device. They are trying to jump directly into the second- or second-and-a-half generation of nuclear warheads that could be installed on top of ground-to-ground missiles with ranges that will cover not just Israel but Moscow or Paris for that purpose.

And I think that we can like it or not. I believe that most of us do not like it, but we cannot close our eyes to what's really happened in a such a delicate corner of the world. If Iran will not be stopped from moving there, it will reach at certain point nuclear military capability and one can close his eyes and see what it means.

A nuclear Iran means the end of any nonproliferation regime because Saudi Arabia and probably another two or three members of the Middle Eastern community will feel compelled to reach nuclear capability as well. And it will open the door for any third-grade dictator who has a nuclear ambition to understand that if he is strong enough mentally to defy any kind of threats from the world, he will reach nuclear military capability.

I don't think the Iranians have North Korea as their example – probably some certain example of how easy it could be to defy and deceive the whole world, but basically they probably think of themselves as another Pakistan and probably they started it totally independent from the issue of Israel.

But they gradually adopted us as a major cause for their hegemonic intentions and you have just to listen to what they have said, what Ahmadinejad has just said in public in Damascus; they are looking for a new Middle East, reminding me of Shimon Peres, but their new Middle East – (laughter) – new Middle East, according to Ahmadinejad and his host, is something that should be free of Zionists, free of colonialists. And once again they happen to develop not a Napoleon-style field artillery but nuclear weapons.

And we cannot take it too easily and I propose to others not to take it too easily. It's not just the end of any nonproliferation regime. I believe that it starts the countdown that was first kind of described by Professor Graham Allison of Harvard in his book "Nuclear Terrorism" that would lead, within another half a generation, to a crude nuclear device in the hands of some terrorist group. And those of you who are acquainted with nuclear deterrence strategy, please start to think how, what shape can a multi-addresses deterrence against a nuclear attack with no address stamp on it, how can such a strategy might look?

And you will realize how intensive, concrete and conclusive we should be in regard to this threat before it materializes. And it's not just about hegemonic, nuclear capabilities. I don't think that the Iranians, even if they got the bomb, they are going to drop it immediately on some neighbor. They fully understand what might follow. They are radicals but not total meshuganas. (Laughter.)

MR. SATLOFF: That's a technical term.

MR. BARAK: Some of it – they have quite sophisticated decision-making process and they understand realities. But it's not just in the nuclear arena. It's also in the hegemonic intentions: They might intimidate neighbors all around the Gulf. We might feel very quickly the tailwind that the radicals from al-Qaida to Islamic Jihad to all other Jaish, al-Nabi or whatever will feel, once Iran goes nuclear and what kind of impact it will be – it will have on the assertiveness and self-confidence of the radical players, not to mention the indirect capacity to influence the prices of oil at will.

All these could be part of a nuclear Iran and I think that with open eyes we just have to follow with deeds what we are saying in all capitals of the leading members of the international community, that Iran – a nuclear, military Iran is unacceptable. The point is how to translate this clear message into reality.

The Europeans ran a critical dialogue with them for several years and drew some lessons. The United States is trying to now – I'm not sure whether the dialogue itself will work but now there is sincere working on sanctions. I believe that it's important, that there is a need beyond the titles of whether it's targeted or hurting or crippling or paralyzing as I would like it to have. What is really needed is significant sanctions, effective ones within a time limit that will, together with the Russians and the Chinese, if they could be brought in; it's crucial

to do it. I feel that the administration is doing an utmost effort to deliver an effective set of sanctions; we appreciate it and we hope it will be successful.

But we also should carry certain skepticism and always think thoroughly and in a consequential manner about what should happen if, against our hopes, wishes and dreams, it won't work. We are all aware of the certain tensions simmering underneath the surface in Iran and especially following the elections and what happened recently. We see that the grip of the regime on its own people and even the cohesion of the leading group of ayatollahs are both being cracked and probably the countdown, historic countdown toward the collapse has already started, but I don't know of any serious observer who can tell us whether it will take 2 years, 4 years, 6 years or 10. And it's clear to me that the clock toward the collapse of this regime works much slower than the clock which ticks toward Iran becoming nuclear military power.

And this is the reason why simultaneously with diplomacy and effective sanctions, we recommend to all players not to remove any option from the table and we adopt this attitude for ourselves as well. To summarize my opening remarks, I would say that we are living in a unique year, quite confusing, embarrassing, almost, amount of challenges and opportunities coming together in a huge, vibrating gestalt.

But I find leaders all around the world more and more coming to grip with realities and more opened eyes. I've found in the capitals of the free world and even in some authoritarian corners. And 2010 will tell us whether this can suffice to tackle the challenges and seize some of the opportunities.

My feeling is that some of the challenges will be with us longer than 2010. It's clearly time for coordination on high level between leaders of the world and I think that within this kind of dialogue, the most important point to be kept in mind is that our responsibility is never to drift, let ourselves being drifted into, kind of, sort of, self delusion where the reality is too tough to look at and too painful while you're considering the consequences of either choice and the decision is just to gradually close your eyes to it.

That's something we cannot afford. We can make this kind of decision, we can make another, we can make combination of decision; we cannot afford closing our eyes to what's developing in front of them. The United States is clearly the number-one leader of the world and the places with all kind of internal debates that you have, the eyes of the West of the world focused at you and both in the big struggle about how the world will look like when it cease to be one pole but a multipolar world and how the balance between dialogue – and if all alternatives are exhausted, the use of force.

Not just of soft power, how this balance will be shaped – it's extremely, strongly dependent upon the American conclusions and I think that in this regard, the public dialogue, the way that in America – public participate – the think tanks are acting, the attempt to understand and elicit certain alternatives from a complicated situation. I think that this is something that is done here in a much more intensive way than in other corner of world and Washington Institute – I see here members of other respected institutes in this city – is extremely important.

We are feeling now to Israel – as I've said, I do not delude myself that situation is simple and this is, will be a easy, sliding toward 2011 with no need to take decisions. I expect it'll be quite complicated and tough year but still I'm optimistic about Israel. I see many opportunities in all these difficulties around us. And I hope and wish all of us a good year. Thank you very much. (Applause.)

MR. SATLOFF: Minister Barak, thank you very much. That harkened back to your days as head of military intelligence for such an impressive briefing on threats and opportunities. So thank you very much. I'd like to open up by asking you, more specifically, about the U.S.-Israel relationship, concerning the agenda you just outlined.

There is currently a slew of visits of high-level officials in the national security realm, the vice president is going shortly. But I'd like to ask you, more specifically, about the depth of this relationship, especially as concerns the challenge from Iran. The level of coordination, level of cooperation and the meeting of minds – to what extent does that exist on the nature of the problem and on the nature of the solution?

MR. BARAK: Probably, we collect several questions so I can –

MR. SATLOFF: Why don't – I'll tell you what –

MR. BARAK: – jump over some questions, you know – (laughter) – more easily.

MR. SATLOFF: Why don't you take that? And then I'm going to identify some other – (laughter) – that's the prerogative of the host.

MR. BARAK: You use the prerogative of the head of the institute and –

MR. SATLOFF: That's right. I pay the rent.

MR. BARAK: – this society's based on equality – (laughter) – fairness to all. I just write down your question. But you can ask – let someone more.

MR. SATLOFF: You're wonderful. You're wonderful. Okay, David Makovsky on my left and then, yes, on my right, rather and then on my left, on my far left here. Could you wait for the microphone to come to you? And identify yourself for all of our viewers around the world.

DAVID MAKOVSKY: David Makovsky, Washington Institute. Mr. Minister, we talked about maximizing the success of institution-building. Can you also say, and as a minister of defense, how important has the security cooperation between Israelis and Palestinians been to the tranquility that is existing now on the ground? And also, you mentioned a border demarcation as a compelling imperative for Israel, given that some issues like Jerusalem and the like are very sensitive with a lot of residents, can you see focusing on borders first as the first item on a final status agenda?

MR. SATLOFF: On the left here, the microphone please?

JOE TABEL: Yeah. Minister Barak, this is Joe Tabet with al-Hurra Television. I would like to ask you, what's the time limit for Israel to rely on diplomacy? And my second question, why Israel cannot live with a nuclear Iran?

MR. SATLOFF: Why don't we take that, Ehud? (Laughter.)

MR. BARAK: He complements yours. (Laughter.) I'm slow in writing in English. Okay. You know, we're going to, Rob, a question. I feel that our relationship with the United States goes decades backwards. I see here Sam Lewis, one of the founding fathers of this, the intimacy, the depth, the – and they went through ups and downs, but basically the underlying common attribute of democracy. We perceived ourselves as an outpost of the Western way of life, of the ideas of democracy, open society, Western way of life in a region that was troubled and go gradually into more normalcy. I hope it will improve in the future.

And we had the same common basis of values and a lot of support from the United States all in along the years – a kind of bipartisan, both sides of the political aisle, and many issues from qualitative military edge to even economic support when it was needed. And at the moment of truth, the United States knew to stand and make sure that this outpost will not be, kind of, fall prey to animosities of some. And we felt very proud that we never asked Americans to come to fight for us. We basically, once again to paraphrase on Churchill, we told you give us the tools and we will do the job.

We felt that by supporting Israel on very basic terms, the United States relieves itself on the need to contribute directly to something that happens in regard to Israel. I think that this is the basis of it even now. I think that beyond that there is, of course, a certain difference in perspective and difference in judgment, difference in the internal clocks and difference in capabilities. And I don't think that there is a need to coordinate in this regard. That should be understood; it should be exchange of views – we do not need to coordinate every step. We clearly support the attempt to solve it through diplomacy.

We clearly think that in spite of the fact that from America, when you look at a nuclear Iran, you already have, just besides allies like France and U.K., you have a nuclear Russia, nuclear China, nuclear India, nuclear Pakistan, North Korea is going toward turning nuclear. So probably from this corner of the world, it doesn't change the scene dramatically.

From a closer distance, in Israel it looks like a tipping point of the whole regional order with a quite assured, quite certain consequences to the wider world, global world order. And we try to convince here, as well as in Europe or even in Beijing we sent Stanley Fischer, out of our people together with Bogie Ya'alon who was here, probably, a year or 2 years ago to Beijing to exchange views with the Chinese as well. So it's, of course, different. But I think that basically it's the underlying relationships are strong and they are there and the mutual respect is due.

And we understand that we are not the United States and the United States, I believe the government understands, that they are not in the same situation as we are. And I think that this mutual respect and capacity to listen, to take into account the considerations of the other, even without speaking about them explicitly or publicly, is more important than the other aspects.

Regarding to Makovsky's question or two questions, the efforts made by the Palestinian Authority, especially Fayyad, with support of Dayton (sp), other people from here and very intimate coordination with us, regarding to the opportunity to act – very fruitful. We have here the military attaché or defense attaché to Washington, Gadi Shamni – raise your hand.

My Gen. Gadi Shamni – he was, until recently, the commander of this region, and from Jenin on, battalion after battalion, we allow them to train and come back into the area, equip them with equipment and let them bring weapons and so on. And they are changing the way that the West Bank is run. If you go, now,

through Ramallah or Nablus or Kalkilya, you will find something that you never seen in years – many, probably more than a decade. The economy is growing very fast. Public order is very clear. They are gradually rebuilding both institutions and rules of the game. The Canadians are helping them with establishing a court system and some help on the prison system. And the security situation is much better.

Even when, you know, recently we imposed a freeze on new buildings in West Bank for some 10 months, and there was quite naturally, quite a vocal, intense meetings with the leaders of the Israeli settlements organs in the West Bank. They all agreed that the security situation on the ground is better than anywhere in the past, and clearly, part of it is our effectiveness – the security service – in the IDF activities, and part of it is clearly the result of this building of security forces for them.

Regarding to the borders, first of all, if it will be agreed to start with border, let it be so. I personally think that leaders – and I can't talk from personal experience – leaders take these challenges of having a breakthrough in diplomatic agreements by looking at the whole gestalt. Because any kind of giving up or concessions on any isolated element exposes them politically, when they do not know whether – they do not have an agreement; they do not know whether they will have one. And they are already starting to pay the price for it.

And even if it's in a closed room, far from the public eye, when you negotiate on Israel and you have on the agenda borders and security and Jerusalem and refugees and the end of conflict and finality of claims, you cannot very easily deal with one element. Because on both sides, when a compromise is achieved on one element, it's too painful for both sides to do it without knowing what is going on, on the other side. It's much – makes more sense, in my mind, to move on all core issues simultaneously.

Probably, the advancement will not be the same. And at certain points, it becomes clear, what are the give-and-take, the tradeoffs, that could be done on all of them simultaneously in order to make it satisfactory for both sides? And I already told Abu Mazen, in front of President Obama and Netanyahu that the toughest decisions he will have to make will be vis-à-vis his own people, not vis-à-vis Netanyahu. And the toughest decisions Netanyahu will have to take will be vis-à-vis the Israel public, not vis-à-vis Abu Mazen.

And bearing this in mind, it means that all creativity should be invested in finding the way how to shorten the corridor through which political leaders on both sides will have to go, exposed and vulnerable politically, before they can make the decisions. And probably how to shape events that, by their very nature, change overnight the perception of the conflict by millions on both sides – these should be the focal points of creative thoughts in order to reach decisions.

I think, Tabet, I basically answered your question during my lecture. I cannot talk about time limits and so on. I don't think that that's the right forum. I do not think that there is anything – any development – in the area that will put the continuity of existence of Israel in a question mark. I don't accept this kind of hypothesis that there could be something that really risks the continuity of existence of Israel.

But it's clear – and I tried to explain it – why letting Iran turn nuclear risks not just Israel, but the whole Middle East and, really, opens the way for Ahmadinejad's version of a new Middle East. I want to warn all of you, when I mentioned Simon Peres, I did not ever hinted that there is any similarity – (laughter). As we say in Hebrew, a thousand of thousands of differences. But he just used the same term.

I think that because we are Middle Easterners, I think that many of your viewers also are Middle Eastern citizens who should ask yourselves whether it's possible to stop it. And if it's possible to stop it, a better Middle East – much better Middle East will emerge.

MR. SATLOFF: Very good. My next set of questions: Ambassador Indyk right here on my right and then Dan, right here, and then – yes, Doug Zakheim on my left.

MARTIN INDYK: Ehud, first of all –

MR. BARAK: Remember, from the other side, Indyk looks from the left and Zakheim on the right. (Laughter.)

AMB. INDYK: I am on the left and just on your right, which is accurate. (Laughter.) First of all, if I may speak on behalf of all of Ze'ev's friends in the room today, we want to thank you very much for honoring his memory by addressing us. I think he would have been very impressed, as I'm sure most of us – all of us – probably were by your strategic assessment. And you did, I think, a very credible job of painting Israel as a strong country with a strong army and strong economy.

But what I didn't hear and what I'd like to hear is how you connect the dots between the assessment of all of these challenges, which, as you said, according to Churchill, present opportunities, and what Israel, as a strong country capable of taking risks for peace – calculated risks for peace – will do about it. How do you develop – what is your strategy for dealing with all of these very difficult challenges?

MR. SATLOFF: Thank you. Dan, in the center.

DAN WILLIAMS: Thank you. Good morning, Minister. You mentioned the Israeli delegation –

MR. SATLOFF: Identify yourself –

MR. WILLIAMS: Oh, Dan Williams from Reuters News Agency.

MR. SATLOFF: Thank you.

MR. WILLIAMS: You mentioned the Israeli delegation in Beijing. They've wrapped up their talks and the Chinese government put out a statement describing these talks as exclusively a matter of bilateral issues celebrating, I think, its 18 years of ties. The official Chinese posture has been to play down the Iran aspect of these talks.

Given that an effective Security Council resolution appears to hinge on China, are you optimistic about Chinese consent to what Israel would like to see? And if so, do you think the American messages about the assumed Israeli military option and all the destabilizing effects – the American messages that have been passed to China – have been effective? And is this a message that was passed during the current talks by the Israel delegation?

MR. SATLOFF: And Doug?

DOUGH ZAKHEIM: Doug Zakheim from the right, actually. (Laughter.)

MR. : Far right.

MR. ZAKHEIM: (Chuckles.) Ehud, first of all, I want to echo what Martin said about Ze'ev. There's a word in English that everybody understands that's called "mensch." And Zev was the ultimate mensch. You did a fantastic tour de raison. You left out one country that I was surprised you left out, and that's Turkey. And I wonder if you could talk about the state of Israeli-Turkish relations right now.

MR. SATLOFF: Why don't we take these three, Ehud?

MR. BARAK: To Martin's question, Israel is strong. We are ready to take risks. We built a political, kind of, bridge, as I described it – one heavy leg and one thinner leg – probably more curious, more ready to act, but a thinner leg. And as a government, we are ready to take risks. Unlike war, you know, peace takes two. And you need the other side's readiness.

I listen very carefully to all the doubts that are raised regarding to Netanyahu – is he really ready; will he move; what kind of political pressures he faces; how important they are. First of all, we are slightly different system than yours. Here, you choose a president; he will be there for 4 years and he will probably have certain constraints – the need to negotiate with the Congress and with the public – but he's not threatened for the very continuity of his reign.

In Israel, a prime minister wakes up in the morning to see whether he is still there. (Laughter.) And he can be replaced at any moment. So there is a more sensitive kind of navigation is needed. And I always answer this by returning the challenge to the doubters. Namely, instead of speculating whether Netanyahu is ready, whether this government can live up to the commitments that I've mentioned or not, let's bring them – the proof of the pudding is in the eating. Let's push them to the negotiating room. We are ready to go there. We made it clear.

And let's put them to the test – both sides. You know, there are some Israelis who suspect that the Palestinian leadership is not really ready. They are ready to get more promises; they are ready to get more tangibles. But when the moment will come – even if extremely daring proposals, like the one that we put on the table under the Clinton administration will be there, they will not be capable of signing an agreement where it said, at the end of it, that this agreement is end of conflict and finality of mutual claims.

And I tell those critics the same. Why to speculate? We can never prove it unless we bring Abu Mazen into the room and be ready to put those daring proposals on the table and see, and judge by then. It carries certain risks, as I experienced, that if it doesn't fly, it goes into violence. But I think that both sides are more experienced now and we can – all sides – and we can avoid or minimize this risk.

But having said that, I should tell you that we are facing, in Israel, opposition not just from the right side, which is natural, or you could expect it; we find certain rejection of the attempt to go to the place and try to have a breakthrough from the left side, from people who are long-life supporters of the peace project. And we find them acting against it. I cannot explain it.

We have a joke regarding to anti-artillery aircraft telling about a young cadet in the fighter pilot school that was dropped. He was asked, where do you want to go? And he answered, anti-aircraft artillery. He was asked why that? He answered, if I don't fly, no one will. (Laughter.) And I tell my colleagues – leading former ministers of Israel – who are trying to intervene to slow down the process – I tell them we do not need anti-aircraft artillery now; we need all the support that you can give to move on with a serious process that will put to the test both sides and their readiness to go.

And I keep telling my colleagues, even in the government, that I'm confident that there is a strong, silent majority in Israel – when the moment comes to make the decision, we will find – I joke that 50 percent of Likud and three-quarters of Yisrael Beiteinu and 90 percent of Kadima will be in my position, not in what seems to be the reigning position in this government. And I think that Netanyahu clearly understands the strategic challenge or historic challenge. And I believe that the government, at least based on what it says and wrote in its guiding lines, is ready to go there.

In regard to Dan's questions, I do not pretend to be a great expert on China. Our mission there is just about information. You know, we know that together with the Chinese, we are more than 1 billion people. (Laughter.) We feel very strong with that. But we cannot think of more than sharing with them what we think about development in currencies. You are living a symbiotic relationship with them, based on the amount of American bonds that they hold. (Laughter.) They didn't buy a lot of bonds in shekels denominated. (Laughter.) But we want to share with them our feelings about what's going in the world arena and what's going with the Iranian project. And the Chinese, they are interested in fact, and we have quite a body of information about it. We want to share it with them.

In regards to Doug's question about Turkey, we have a long relationship with Turkey – very strategic, old times. There are changes in Turkey, internal changes. I happened to meet many times with Prime Minister Erdogan, and recently with David Tournu (ph) and of course, the Minister of Defense Vecdi Gonul. And there are changes there that are taking place. Some people in Israel and in other places really try to categorize that in a simple, black-and-white colors. I don't think that this is the case.

This is a very historic empire with deep understanding of our region and very nuanced attitude to things. Bear in mind, what happens to them internally and what happens to them vis-à-vis the European Union and you cannot sense some of the developments. I still believe that we do not need to create a new rival in Turkey. We'd better have a partner, understanding the limitation of this partnership, but keep nurturing it. It could be of high importance in more than one place. And it's still – there are many layers to our relationship with them, and some of them are still working very well.

I don't like everything that is said in Ankara, but I don't think that we should make anything that has been said a major cornerstone of our judgment. I happen to know both Erdogan and some of the ministers, and I find them high-quality heavyweights. They are not lightweights. They are respectable persons.

I'm afraid we have to go to the – some other meetings in the State Department. So thank you.

MR. SATLOFF: Friends, we're going to leave in just a moment. When we close, if I could just please ask to let the minister and his delegation depart out through this door and wait for just a moment. But as we close, I would like to thank, on behalf of the Washington Institute and on behalf of the friends and family of Ze'ev Schiff, thank you so much for joining us today for this wonderful set of remarks. Thank you.

MR. BARAK: Thank you all, thank you all.

(END)