

What Might We Expect from the Obama Administration

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I thought I would take a few minutes to kind of set the stage for what I'm sure will be a round of questions that are very pertinent to the issues of the day. I think we all know and appreciate that this administration has gotten off to a very quick start with respect to the Middle East peace process. Unlike both of its predecessors, the Clinton and Bush administrations, this administration did not wait for four, five, six years or in the case of the Bush administration, seven years, to really begin working on the peace process in earnest.

The first action taken by our President, in fact, was the appointment of George Mitchell. A number of phone calls the first day in office by both the President and the Secretary of State. **President al Rabia interview, reaching** out to the Arab world, the promise he has made to give a major speech to the Muslim world, already two trips to the region by George Mitchell and one by Hillary Clinton, the Secretary of State, commitment of substantial funds for Gaza reconstruction and for the West bank to continue to enjoy some economic prosperity, and of course ratcheting up our contacts with Syria after a long period of trying to isolate the Syrians. So in a number of areas this administration, in less than two months, has really sped down the highway. However, it is still very unclear where they're going and this has raised some questions as to whether or not we're seeing action for the sake of appearances or whether there is a concerted strategy. We have not yet seen, for example, any serious pronouncements with regard to Israeli settlement activity which, during this period of which there's been a number of Israeli announcements of continued settlement expansion. We've seen no indication yet whether the administration is prepared to put down its own views either in public or in a more private setting with respect to final status issues. We haven't seen a settlement yet with respect to the Syria- Israeli track of negotiations, and some in the region after the two visits, one by Mitchell and one by Hillary Clinton, have suggested that the administration is still finding its way with respect to a direction of where to go.

Now, before getting into some of the more specific issues, the administration is trying to play the peace process cards in the context of substantial other activities in the region. The President wants to accelerate withdraw from Iraq and that will have its own challenges and each day that we've seen in the last few days of violence in Iraq, holds out the unhappy prospect that perhaps there would be a resumption at some point of a more active insurgency. And that could have an impact on the president's time table for withdraw. At least of equal importance if not greater importance of course, is strategy visa vie Iran, and the administration has in fact announced that it's doing a strategy review but we don't know where that review is going. Will it lead to a grand bargain type

of strategy in which everything is put on the table and United States and Iran engage in a full dialogue that includes bilateral issues, of course the nuclear issue, terrorism, Afghanistan, Iraq, and so forth. Or does the administration want to approach this more tentatively with a hybrid approach or even does the administration want to continue the what's been called the carrot and sticks approach, which is a term that I don't like to use frankly. There's also been in the last couple of days a great deal of uncertainty on the timeline with respect to Iran's nuclear program. The Israeli community, the security community, has indicated that the timeline seems to have moved up, and they're concerned that Iran has reached the point where it can enrich Uranium to the stage of producing a nuclear weapon much earlier than previously thought. Where as just yesterday the Director of National Intelligence in testimony to Congress here in the United States suggested that the timeline may be pushed back in fact to between 2010 and 2015. So there's a lot on the plate of this administration. And even though tonight we may be focusing on the Palestinian-Israeli and Syrian- Israeli tracks, I think it's important we keep all of this in context.

I think one of the first issues that the Administration will need to confront is the question of whether there is an alternative to negotiations. The Prime Minister designate in Israel, Benjamin Netanyahu, has indicated already that while he intends not to turn his back on the search for peace, he has some very definitive views about how to move forward and they mostly relate to creating the right kind of atmosphere, setting the stage, and improving people's lives. Will this fit in with the administration's plans? There are ideas a foot in both some quarters of Israel and in the Palestinian side that maybe the two-state solution has come to an end, and the administration has made clear already that it doesn't believe that, and does not see an alternative to the two-state solution. And while spokespeople for the administration have not yet articulated this, what's clearly behind that sentiment is the sense that without a two-state solution there is great danger to Israel and to the Palestinians of an unending conflict that can only hurt both sides.

So, you've got this very complicated set of regional issues which set up a context that's challenging and you also have a challenging environment on the ground, particularly in the aftermath of the war in Gaza. I started listing today just what some of the ongoing outcomes and implications are, and normally I like to stop at ten. It was good enough for Charlton Heston in the movies, I figured it would be good enough for us. But I actually got to eleven outcomes and implications, and they're all pretty challenging; neither side can deliver a knock-out punch, there's a humanitarian crisis which needs to be dealt with, the war raised the questions of whether Gaza is governable, a major gulf developed between the Arab government and Arab streets. A major gulf developed between and among Arab governments themselves, with different factions within the Arab world trying to decide what to do. One of the outcomes of the war- Hamas's military capabilities were certainly degraded, on the other hand, Hamas survived which may have been it's ultimate goal. Israel has certainly shown that it has overwhelming military strength vis a vis its Arab adversaries, but didn't really demonstrate what it wanted to do

which was to reestablish deterrents in order to prevent Arab parties from attacking in the future. The Israeli public, notwithstanding the uncertainty of the way this war ended, showed extraordinary support for the Israeli government with levels of support being maintained over 90 percent in the polling during the war. But the government of Israel certainly showed a lack of clarity with respect to political-military goals, almost the same as what happened in Lebanon. And all of this resulted in what can only be bound to increase international isolation.

So the regional context is complicated, the bilateral context is complicated, and it raises the question of what's next. And I think it's important before we go to the Q's and A's to take a brief look at some of the challenges immediately on the agenda. First I would like to point to the need to ensure that the cease fire holds. And right now the answer is that it's not holding. There have been a succession of rockets that have landed in Israel almost everyday, and sometimes multiple rocket attacks. And it's a question of how long Israel's patience will bare this out. There appears to be, and I say that with question mark, there appears to be an effort by Hamas to maintain the cease fire, but so far it has been far from perfect, and the quest for a cease fire that is sustainable could in fact become very consuming. We've seen this in the past, especially when American envoys have become involved in trying to reestablish and maintain cease fires, that could become almost the only thing that gets tried in the period ahead. If there is a cease fire, however frail, it does not operate on the basis of its own momentum. It requires monitoring, the necessity of establishing buffer zones along the defense line, probably some kind of international force or observers, international mechanisms for dealing with arms smuggling and enhanced Egyptian efforts to stop the usage of the tunnels. And then the largest question of all is what happens on the grounds in Gaza? Does Hamas resume its very unpopular governance since it took over in 2007, or do Palestinian unity attempts which are underway now through Arab mediation succeed in reestablishing some central government control? So number one the cease fire questions are huge, and as you can hear from the list of requirements, will absorb a great deal of time and attention.

Number two, there are humanitarian questions, both dealing with the immediate aftermath of the war as well as reconstruction, requires a lot of time, effort and resources. And one of the things that the donor community indicated in a recent conference at which pledges were made is how do they know it's not going to happen again? And is good money going to be poured after bad money? This could all lead to donor fatigue. And the same question asked about the cease fire- who governs Gaza, well who's in charge of the distribution of this international aid. Many of the donors, including the United States, have said that they do not want to funnel any aid whatsoever through Hamas. And that's why in fact, the United States' contribution or promise, of nine hundred million dollars, was largely skewed towards the West Bank and Palestinian authority. And that leads to the third issue which is what do you do for the West Bank, in a sense, to reward the Palestinians for not having joined the uprising at the time of the Gaza war. The West Bank was extraordinarily quiet. Now that's testament to the determination, in the first

instance, to keep things quiet, but it also proved that the sum of the efforts underway to train Palestinian security forces actually has had some effect. And those efforts of course are led by an American general, Keith Dayton, who has been quietly training cadres of Palestinians to really act like police and security forces and not like militias attached to one or another Palestinian faction. And so what do you do for the West Bank now that shows people that the decision not to take up arms against Israel actually can reap some positive consequences?

So in these various contexts, all of which are very very hard, as the administration looks at its options, what are they? First of all, I think we can at least postulate that there isn't a lot of uncertainty as to what a final status two-state solution could look like. We've seen it more or less in the Clinton Parameters. We've seen it more or less in the Oslo Principles, we've seen it more or less in the Geneva Initiative. There's not a lot of mystery left with respect to how this conflict will end and what the solution will look like. We also don't have a lot of uncertainty with respect to the diplomatic process for reaching a settlement. The book [I co-authored] dissected American behavior in the past and was quite critical of much of what we did and fail to do, but these are issues that are amenable to improvement and I hope we have the wherewithal diplomatically to move forward and learn the lessons of the past.

Third, I think this organization, Brit Tzedek, is indicative that there is public support for the United States to resume activity and that's going to be critical for a president who is otherwise absorbed with a lot of issues. So there's no real mystery about either the substantive outcome and there's no real mystery about how to do it. The real question that I leave with all of you is, does the Administration have the intention and has it established peace as a priority to move forward expeditiously. From my experience both in the campaign, and then I also was privileged to serve on the Middle East transition team of this administration, I am convinced that the President remains very much committed to what he said during the campaign, which is that the search for peace in the Middle East is not a favor that we do for parties, but rather it's a vital National U.S. interest. And if in fact the president does remain committed to that idea, then it gives me some confidence that some of the uncertainties in U.S. policy now will work themselves out, and hopefully we'll have a period of active, engaged, and hopefully positive diplomacy.

Q and A:

Q: In your book, "Negotiating Arab-Israeli Peace: American Leadership in the Middle East," you debunk the notion that the U.S. cannot want peace more than the parties themselves. You say it's a false choice and it's a trap that the U.S. has fallen into from time to time.

Can you outline for us how you see the Obama administration is defining U.S. interest in the region and how that can play out with what is likely to be a very right wing government in Israel on one side and the clearly fractured Palestinian leadership on the other side, neither one of which looks like your model or dream team for negotiations to occur at this time?

Dr. Kurtzer: Well you know the Middle East normally doesn't figure very much in a campaign but surprisingly in the campaign, the presidential campaign, there was the opportunity for the President to pronounce himself, President elect or candidate at the time, to pronounce himself, both in response to many who questioned his willingness to engage in the Middle east but also during his visit to the region. And what the President indicated is that there is a kind of triad of issues that face the United States in this region which are in some ways connected but not linked in the manner that we had heard some indicate in the past. For example, a few years ago there were some within the Republican side who argued that, they called it, the road to Jerusalem runs through Baghdad, which in their view meant that if you resolved problems related to Iraq and sold a democratic government in Iraq, it would be the first of a series of changes in the region which would in fact lead to the resolution of the Arab-Israeli conflict. The President doesn't buy that argument because it's a conflict which has a stand-alone nature even though it's part and parcel of the regional mix. There are also people on the other side of this argument, who have argued for years that if you only solve the Arab-Israeli problem the rest of the Middle East issues would resolve themselves. The President doesn't buy that argument either. There are problems endemic to this region, which need to be resolved irrespective of the Arab-Israeli conflict, and we have two issues of major importance to the United States, Iraq and Iran, whose resolution will not depend entirely on the resolution to the Arab-Israeli conflict.

So the president then says you need this triad or tripod or whatever you want to call it, approach in which you understand that you've got to be working on all of these problems simultaneously. And if you only work on one of them, or two of them, or try and do them sequentially, you'll be hurting yourself as well as not succeeding as best you can. And one of the things that we indicated in the book that the President can gain some satisfaction from is that even in periods when the peace process was not succeeding, the very act of U.S. diplomacy making an effort in the peace process, bought us tremendous support within the Arab world. So if the Arab world sees that the United States is engaged, that the appointment of George Mitchell was not for show but for serious engagement, it will help us as we do our diplomacy visa vie Iraq and do our diplomacy visa vie Iran. It doesn't guarantee that it will make those diplomatic efforts more successful. But one guarantee is, that if we don't do the Arab-Israeli diplomacy, we will be less successful in things that we do elsewhere in the region.

Q: The Israeli government greets each new U.S. administration with a "bold and outrageous initiative" and this time under Olmert, before Netanyahu even takes

power, it greeted Secretary of State Clinton with the announcement of a 150 Palestinian homes to be torn down in East Jerusalem, expansion of the E-3.

Dr. Kurtzer: I mentioned in my remarks, one of the early frustrations is that we haven't seen enough from the administration with respect to its views on settlement. To be fair, Secretary of State Clinton did make a point, during her visit to the region, of arguing against the razing of Palestinian homes in East Jerusalem and it did raise a bit of a raucous. You saw the back and forth between her, the government, and the mayor of Jerusalem. There's always been a kind of salami slicing with respect to this issue. Israeli settlers and their supporters within the government will often put a lot of flack up in the air, and you know you deal with some of it, but their intention is to have whatever you don't deal with move forward. And I think in that respect the administration needs a far more universal approach to this issue. Now George Mitchell in 2001 as you recall, in the report that he wrote in the aftermath of the [breakdown of the [Camp David negotiations](#)], was looking into [getting the [Israeli-Palestinian peace process](#) back on track], and argued for a complete settlement freeze including on natural growth. Now our negotiators are on record, having advocated this. This is a good indication but we don't know whether the Administration will buy onto that as an element of policy, but I certainly agree with the questions that we can end up being salami sliced on this issue. And there is no matter as important to Palestinians in determining their views about a two-state solution than settlements.

Q: Recently there have been scattered stories in the media around the provisions of current U.S. law in which U.S. loan guarantees to Israel would be required to be reduced by the amount that Israel is spending on expanding the settlement. Do you see the Obama Administration imposing waivers and not putting any accountability on Israeli settlement expansion?

Dr. Kurtzer: It's certainly too early to tell but at the same time it's certainly something that we can hope that the Administration looks at. One of the key things we talked about in the book was assuring accountability, monitoring the accountability, and the consequences for the failure of either side to abide by its commitments or break the commitments in some way. And this is one example of it. If the Palestinians have consistently broken their commitments with respect to violence, there should be some consequence for that as well. And there's got to be consequence when Israel undertakes obligations and doesn't fulfill it. When I was ambassador in 2004, the Israeli government undertook an obligation to pull down all of the unauthorized outposts that had been built since 2001. And in fact there was a letter from then Prime Minister Sharon's advisor to then National Security Advisor Condi Rice that said that I was going to be the one to monitor it as the American Ambassador. Well they didn't pull any of those unauthorized outposts down, and there was no consequence to the failure to fulfill that commitment. So whether it's deductibility for settlement activity or something else, the Administration has got to, I think, accept the principle that a commitment made or an agreement reached or

an understanding entered into, must be abided by. Therefore must be monitored, and therefore their must be consequences for the failure of either side to actually fulfill those agreements.

Q: Can you comment on the perception of credibility that Special Envoy George Mitchell has among Arabs, Israelis and Palestinians, and whether you think that the mandate that he's been given is the one that you would prescribe?

Dr. Kurzer: Look in all transparency I thought it was a phenomenal appointment and was really thrilled when the President made it, in addition to it being done soon. You know it was the first act of this Administration. You know there are two ways to look at an envoy: one is, the person totally steeped in all the details, and the other is a person who approaches this from a different perspective and at a different level. And in the case of both Northern Ireland and now the Middle East, Mitchell is of that second variety. He's not an expert on the issues and he knows that although he is very well read in, I had a chance to speak with him a couple weeks ago, and he's doing a lot of homework, but he doesn't pretend to be the classic peace processor. He's relying very much on the institutional memory of the U.S. government and is also relying on advice from the outside, you know the formers, people who have ideas. So in that respect you can compensate for not knowing all the details by being a person of great stature. He also knows how to lead a negotiating team. What we said in the book very clearly was, better to decide a policy than to have an envoy without a policy or something like that. It was better a policy without an envoy than an envoy without a policy. And this is a case where the Administration has decided on an envoy, but also seems to be, or we hope will be emerging with a policy in which would be the best of all possible worlds; a strong commitment to do this with an envoy of great stature.

Q: As recently as six months ago, you indicated that the way forward, from America's perspective at least, to reach a situation of two peaceful states side by side, was to talk only with the Palestinian Authority and let the Palestinians sort out the role of Hamas on their own. Do you still recognize that as the correct approach, and, if you do, what are the steps to be taken if Hamas doesn't agree and doesn't yield to international decisions of the P.A.? Also, how do you think that the U.S. should be dealing with the announcement by Mahmoud Zahhar that any Palestinian unity government would have to agree not to recognize Israel?

Dr. Kurtzer: I still stand by what I said six months ago. And I have said it since 2006. Everybody has handled the issue since the election of Hamas to the majority of the Palestinian Legislative Council in a misguided fashion because the international community, and Israel and everybody, turned this into a Hamas or not Hamas question. When it should have remained entirely- does the Palestinian authority, which is the government of the Palestinian people, remain committed to what the international community wants it to be committed to? In other words, recognition of Israel,

renunciation of terrorism, and a commitment to implement agreements into which it has entered. That's the critical issue which we all lost sight of. And we lost sight of it by diverting our attention to Hamas and translating those three commitments into requirements for Hamas. I frankly don't care about Hamas. I don't care whether they exist or don't exist. What I do care about is that the partner for Israel in negotiations and the partner for the United States in our bilateral relationship with Palestinians, that that partner remains committed to these principles. So if the Palestinians form a government which then changes its commitments with respect to its policies to these commitments, in that case then I will take the necessary steps to distance myself from that government. But if they form a government with this or that or the other party, and the principles on which that government rests stay intact, I'll deal with that government. I don't care who the individuals are.

Now Mahmoud Zahhar can say what he wants to say. I want to see what emerges from the unity talks. If the unity talks create a governmental structure which has as its guidelines or principles or policies which it's following, policies that I can agree with, then I don't really care who's running it and I don't care who's their foreign minister. If Mahmoud Zahhar has an impact though, and the Palestinian government changes its policies, than I don't want to talk to them...so yes, I remain very much persuaded that we've lost our way in dealing with this issue and elevated the role of Hamas in a way that it should not have been elevated. It was never in my mind a question of Hamas or not Hamas. It's a question of the Palestinian authority, the government of the Palestinian people. Do they remain committed to what they signed with Israel in 1993? As long as that government remains committed, I don't care who the ministers are, or the bureaucrats, or the civil servants or the diplomats.

Q: In your book you state: "The peace process must move beyond incrementalism and must aim for end game solutions." If the end game is a two-state solution, how can the U.S. promote resolution in the current situation where the center of gravity of Israeli politics is moving to the right, and the center of gravity for Palestinian politics appears moving to the left. Also, in your book you recommend building a diverse and experienced negotiating team steeped in regional, functional expertise. What is an appropriate size of a negotiation team for the current situation? What kind of diversity should be represented and who might some of the participants be?

Dr. Kurtzer: On the first of the two related questions, as I said in my opening remarks tonight, the end is no mystery in the minds of almost everyone in that region, as to where a settlement will be leading. If people are asked to envision what a settlement looks like, a few kilometers here a few kilometers there notwithstanding, people have a sense that essentially we're talking about the 1967 lines, some method of sharing or dealing with Jerusalem, some resolution of the refugee issue which does not lead to the inundation of Israel by Palestinian refugees, and a very heavy dose of security. On the Jerusalem issue as a digression, I have an article with a Canadian diplomat on the current issue of Foreign

Affairs which proposes what we think of as a creative way of dealing with the old city of Jerusalem. In other words there is not a large mystery out there about how to solve this thing number one. Number two, if you leave the politics aside for a moment in both communities, in Israel and the Palestinian authority, there has been a consistently high level of public opinion support for a two-state solution in the past years. Prime minister Sharon and I during my 10 years as ambassador used to talk about this, that we were both very surprised that even at the height of the anti Fatah, public opinion polling showed in both constituencies, showed a willingness to make very difficult compromises if there was a real prospect of peace emerging from those negotiations. Now that leads to the point I also made in my introductory remarks. I think it's time for the United States to lay out a framework for negotiations that doesn't negotiate for the parties, doesn't substitute for their engagement, but rather points a direction for them. It's not the road map; it's a sense of what the direction is, of what the outcome is. And that would be along the lines of the Clinton Parameters Plus or what Geneva has indicated, without calling it by any other name. The point of this is it's still up to the parties to negotiate the hard issues and make the necessary concessions, but it gets them started. And it gets them started along a pathway that may have some reasonable chances of success.

Now with respect to the second question about the composition of the negotiating team, I hope the gentleman who asked the question understands that I'm not going to make selections for George Mitchell. Mitchell has already indicated that he wants to rely a great deal on the existing bureaucracy. He doesn't want to create a new bureaucracy on the peace process but rather to use our ambassadors, which is a point that we made in the book, to use the strength of our interagency processes, which is a point we made in the book, issues or factors that were not handled properly in the past. He's already deputized Dayton as his security deputy and he has deputized Ambassador David Hale as his political ambassador on the ground. So he has a sense of a fairly lean team, but at the same time, it's a team that can draw great sustenance from the existing American government resources.

Q: Would you please comment on the appointment and subsequent withdrawal of Charles Freeman Jr. from appointment as chairman of the National Intelligence Council?

Dr. Kurtzer: I have know Chas Freeman for many years and he is a gentleman, he is a patriot, and he is a superb diplomat who has done great service to our country. I think he would have done a great job as chairman of the Council. That said, what came out in the past couple of weeks were a series of statements attributed to him that in fact should have required elaboration and elucidation--things that he said about America Jewish community support for Israel, about China's policy visa vie Tiananmen Square, about Saudi Arabia and 9/11. Now, I don't know if these things are true, but there were enough issues raised, and it's fair for those issues to be raised, that they should have been responded to. Lastly, no one deserves the kind of character assassination through which

he went. And I think the tone and tenor of what went on in the Blogosphere and on the internet is just unacceptable. Frankly I've been on the receiving end of this sometimes and it almost doesn't matter whether the facts are true or false, they take on a life of their own. But fourth, his statement was also unacceptable because he made allegations in that statement about the so called Israel lobby, which could have been taken straight out of Mearschimer and Walt and I have no use for that book. Those people don't know Washington, they don't know policy, and they know nothing. And Chas Freeman did the same thing in some respects in his statement and impugned an entire community of people who are pro-Israel, some of whom may be beyond the pail in terms of what they do, but a lot of people are pro-Israel, and their good American patriots. So you know there's this complex of issues out there. Everybody who was vocal on this issue handled it poorly and it's just a shame that, once again, instead of having a reasonable and rational discussion of these issues and hearing people out. All of this got drowned out by the loudest and nastiest voices.

Q: Do you think that Freeman “jumped on his own” in response to the controversy, or as to whether he was pushed by the Administration because they didn't want to fight for him? And what does the collapse of the Freeman nomination tell us about the influence of AIPAC and its allies and being able to shape the personnel and policy of the Obama administration on the Israeli-Palestinian conflict.

Dr. Kurtzer: I don't know the answer to the first question, so there is no reason to speculate. And the second question, the Congressional opposition, or those who raise questions in Congress, raise most of their questions on issues unrelated to Israel. They raise them in respect to whether or not Chaa had received funding from Saudi Arabia or whether he had been a lobbyist for the Chinese government. They were issues that had an answer, either the answer was yes or the answer was no. I don't think this tells anything about AIPAC or anybody else's influence because I don't think the issue at the end of the day needed to be decided on the basis of what Steve Rosen originally wrote. Now, there are people in that part of the community who see this as a great triumph and are flexing their muscles; I don't think this is the case at all. I think this is an issue that just started screaming; it didn't go from whispering to talking to conversation. It went from whispering to screaming, and it drowned out all reasonable discussion.

Q: Do you think that Salam Fayad's resignation from the Palestinian Authority will have a positive or negative effect on US efforts promoted to state solution? How important was his role in the peace process, and do you see his resignation as undermining the influence of Mahmoud Abbass? Linking this to the next question on Palestinian unity, should the U.S. be working to promote a unity government between Fatah and Hamas? Will the unity government make it easier to promote a two state solution, or will it make it more difficult because of the role of Hamas?

Dr. Kurtzer: Let me reverse the questions. I don't think the United States ought to be working for or against a unity government. I think it's a Palestinian decision. We don't know better what's good for Palestinians than they know themselves. It goes back to the discussion previously about Hamas and U.S. policy. I really don't care about who's in the Palestinian government. I care about policies of that government and I care about the principles on which the government rests. So if they want to do a unity government or they want to do a technocratic government or they want to do something else, a hybrid, I don't care. And I also don't want to be an engineer trying to figure out what's best for them. With respect to Fayad, look on the surface there's no question that his resignation is a set back. He is a first rate human being and a first rate Palestinian leader. When he became finance minister in 2002, he turned around the whole issue of transparency. You remember the Palestinian economy at that time was seen to be so totally corrupt but you never knew what was there because it was all being handled out of somebody's back pocket. First thing Fayad did was to put the Palestinian budget on the internet, and said judge me on the basis of what you see. Now realistically, he didn't have full control over the budget at that time, but the signal that was sent was of a guy who was ready to govern or to become part of the government in a very transparent and open way. And that's the way he's conducted himself. So if this resignation in a sense becomes permanent and he leaves Palestinian public life, this will be a very significant set back. What I don't know though is whether or not this is a strategy or tactics. There certainly has been an effort by Hamas to have him removed from power. But their argument has been that his appointment was illegitimate, and that now Hania should be returned as Prime Minister and this may be a short term tactical move on the part of Mahmoud Abbas and Fayad until the issue of unity gets sorted out. And I think we need to watch this carefully. We certainly have a view with respect to the credibility of a government. But again I would not interfere at all in the formation of that government.

Q: What do you say to the argument that, if the Palestinian authority and Fatah cannot figure out a way to remove Hamas as a spoiler, that any negotiations they enter into will be circumvented and/or sabotaged, and their credibility and the whole moderate wing of the Palestinians will be undermined and on the road to disappearing?

Dr. Kurtzer: Maybe, and this has been a problem for Palestinians for 70 years. How do you develop not only a leadership policy that is relatively unified, but also makes some progress toward the resolution of the conflict? I don't know the answer to your question, it's that simple. We have an additional tool available today that we did not have in the past, and that is the Arab Peace Initiative. We still have on the books a commitment from the Arab League from the Arab Summit to support a two state solution. It may be an outcome which the government of Israel can't buy as indicated in the Arab initiative, but it is the first time that the Arab world has ever been on record as saying that this conflict is essentially over 1967 and not over 1948. The reason I mention that here is that for moderates where Abbas and Fayad can now mobilize support from the Arab world, use it

as a safety net, use it as a pressure point in their own discussions with Hamas, is something they never had before. That's something they can use within the Arab family that could only backfire if the US tried to meddle and what I call engineer. I've argued since 2002 and I went public in an op-ed in 2007 when the initiative was re-affirmed that the United States ought to have thrown its weight behind the initiative, if not too late to do so. Now more than ever before, we need that Arab support to shore up the moderates within the Palestinian community.

Q: Do you think it makes sense for the Obama administration to concentrate on trying to get a deal between Israel and Syria on the Golan, which might be easier this time than a deal with the Palestinians? Would such a deal be likely to lead to a cutoff of Syrian support for Hamas and Hezbollah?

Dr. Kurtzer: You know we're a big enough country we can walk and chew gum and I don't see why we have to make a choice between pursuing Palestinian-Israeli settlement and a Syrian-Israeli settlement. I think we ought to be exploring both. I like the idea that the Obama administration very early on has resumed contact at a significant level with the Syrian government. The meeting in Washington between Ambassador Mustafa and the assistant secretary designate Feldman, and now the visit by Feldman and the N.F.C. official Dan Shapiro to Damascus. I think this is critically important both for our bilateral relations but also because it's a way for us to talk to the Syrians. So we can do both. We can explore, we can try to move forward. Negotiations are unpredictable and if one of these takes off and catches fire in a positive way then of course the administration will run with that. But I think you don't need to make that decision at the beginning and kind of preemptively decide that you're not going to deal with one because you want to focus on the other.

Q: Do you think the defeat of President Ahmadinejad in this summer's election would affect U.S policy on the nuclear issue? Would a shift in Iranian leadership and rhetoric have a major impact on the Israeli-Palestinian conflict?

Dr. Kurtzer: Even the nuclear issue in Iran is interesting many respects, but one of the things that needs to be recalled even before discussing it is that it has been part of Iranian national security thinking for now more than 40 years since the time of the Shah. We're focused on it a lot now because there's a sense of urgency given the progress that Iran had made in mastering the fuel cycle. And that's very very worrisome. There's no offsetting, positive thing to be said here. You know normally diplomats or formal diplomats say on the one hand or the other hand. There is no other hand with respect to Iran's nuclear program. So on the one hand this thing goes back a long time and on the other it's really a problem. Now I start that way because I frankly don't know how much of a difference the success or failure of Ahmadinejad going to be with respect to this program. First of all he is not the prime decision maker with respect to Iran's nuclear decisions. He is not. The various councils within Iran that do this include him as a

member but he not the most influential member. None the less his success or failure in the election will send some kind of a tone, a message, an indication. It may reflect a greater willingness to talk, and in that respect I hope that we are ready to do reciprocal talking even before the election but certainly in the aftermath of an election in which he is defeated. But it's going to be real real hard.

The Iranians do not perceive that they are approaching this issue out of a sense of weakness. They believe that the setback we suffered over the course of the Iraq war, and now the challenges that we're facing in Afghanistan as well as perhaps the most important point which is our financial meltdown, have weakened us. And they see us as a spent force. They believe that Asia and Europe are power centers that are emerging to the disadvantage of the U.S. and therefore even if they decide they want to talk, they will enter those talks from the perspective of demander not of a party that feels that it's the underdog. So it's a very difficult situation. I still believe in engagement...so does the president- believe in engagement. But he's very sober and realistic with respect to this issue because as I said before, there is no mitigating or offsetting comment to be made about that nuclear program. It is a huge danger for the U.S. and our friends.

Q: Would you comment on the so called grand bargain that Iran supposedly offered to the U.S. back in he believes it was in 2003. Do you think the reports about that offer were accurate and do you think that such an offer by Iran could be made again?

Dr. Kurtzer: Well there's a whole debate about the question of the offer of the Swiss ambassador at the time, Gouldman, [who] did convey by facts a sense of discussions that he had had in Tehran and there's no question that the paper was interesting because it contained elements of this so called grand bargain. On the other hand the memo itself from Ambassador Gouldman indicated that it was not certain that the Iranian leadership was on board with the proposal. So the debate has now been in the press [and] everybody's taking sides. It's far more nuanced than this and I was just at a conference with Ambassador Gouldman in Europe over the weekend, and he's not of the view that there was a certain opportunity that was missed. He is of the view that there was something that might have engendered more exploration and more interest, had there been interest on the part of the Bush Administration. But it wasn't the kind of thing where he was kind of lamenting a lost opportunity. That said there may be opportunity to have kind of a full scope agenda in which the Iranians on the one hand don't believe that the only issue is nuclear and we on the other hand don't believe that the only issue is Iran's unwillingness to do nuclear. I mean there's a lot of stuff on which we need to talk, in particular Afghanistan, where our interests are very much in common. Iraq, does Iran really want to see us fail in Iraq? They're the immediate neighbors and you know when we pull out, the spill over effect is going to hit them first. So there are real issues here that can get a dialogue started, but again we've got to see that that nuclear issue can not be such a danger to us.

