

THE MIDDLE EAST: THE ROAD TO PEACE

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

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CONTENTS

	Page
Blair, Hon. Tony Blair, Quartet Representative, former Prime Minister of the United Kingdom and Envoy to the Middle East, London, United Kingdom	5
Prepared statement	9
Kerry, Hon. John F., U.S. Senator from Massachusetts, opening statement	1
Lugar, Hon. Richard G., U.S. Senator from Indiana, opening statement	3
ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD	
Dodd, Hon. Christopher J., U.S. Senator from Connecticut, prepared statement	36

THE MIDDLE EAST: THE ROAD TO PEACE

THURSDAY, MAY 14, 2009

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 2:04 p.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Feingold, Boxer, Cardin, Shaheen, Kaufman, Lugar, Corker, and Risch.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

The CHAIRMAN. The hearing will come to order.

It's a great pleasure for me today to be able to welcome a tremendous friend of the United States of America, and who I can happily call a good friend. And we're delighted to have Prime Minister Blair here with us.

Since ending his decade of service as Britain's Prime Minister, Tony Blair has continued to lead on global challenges, from development in Africa to interfaith tolerance to climate change. And at a moment when many people might have been content simply to leave public office and rest on their laurels, Tony Blair left office and volunteered for another assignment. He's here today as the Middle East Quartet Representative to discuss the prospects for peace.

As all the members of the committee know, this week, and this month, are critical for the administration's Mideast policymaking. Egyptian President Hosni Mubarak, Israeli Prime Minister Benjamin Netanyahu, and Palestinian resident Mahmoud Abbas will all be here visiting Washington. They will also visit with the committee, as well as the administration. And we expect that, in the wake of those meetings, the administration and the Quartet will be releasing more details about their plans for peacemaking.

And in early June, President Obama will travel to Egypt to deliver his much-anticipated speech about America's relations with the region and the wider Muslim world.

We all understand that peace will not come easily to the Middle East, or even quickly, but I share Mr. Blair's optimism that this moment presents an opportunity that we can't afford to miss. If we are to avoid perpetual conflict and radicalization, more missed opportunities, and countless lives lost, then we have to pursue peace now, and with urgency.

One particularly promising diplomatic opening is Saudi King Abdullah's Arab Peace Initiative, which never received the focus that many think it deserved when it was proposed in 2002. Every Arab country has now agreed to the basic formulation of land for peace, recognition of the State of Israel, and normalization of relations. The Arab Initiative must now grow into a dynamic, evolving Arab engagement with Israel and with the Palestinians.

The simple reality is, the regional dynamics of the Middle East have shifted, and today most Arab governments are more concerned about Iran than they are about Israel. Our challenge is to translate these changed dynamics into a regional roadmap that signs all of the key players to take a series of concrete interim steps on the road to peace.

We know that among the reasons Camp David failed was the lack of a buy-in from Arab States whose support would have given Israel the broader peace that it sought and also give Palestinians the necessary cover to make difficult decisions. That's a shortfall that we now have an opportunity to address by developing a regional roadmap that fleshes out the promise of the Arab Peace Initiative.

A key aspect of this—and I emphasize that I've had a number of conversations with Prime Minister Blair and with other leaders in the region—a key aspect of the steps forward is the empowering of those Palestinians who are committed to peace. It's not enough to talk about giving Israel a legitimate partner for peace; we have to work to support and empower that partner to be able to deliver for its people, to build capacity, and to gain legitimacy.

We have seen real progress in increasing Palestinian capacity and economic development, and this is progress we need to build on. In Jenin, thanks, in part, to Prime Minister Blair's efforts, we've seen the sight of some of the worst violence of the second intifada become a place where Palestinians police the streets and economic growth is a reality for many. General Dayton's efforts to train Palestinian security forces have also been encouraging. During the invasion of Gaza, Palestinian security forces largely succeeded in maintaining calm in the West Bank amidst widespread expectations of civil unrest. But, make no mistake, as I'm confident that Prime Minister Blair will share with us today, much work remains to be done.

In Gaza, where Tony Blair visited in March, we need to ensure that we deliver desperately needed humanitarian aid and reconstruction assistance without empowering Hamas in the process. Having courted destruction, Hamas and Iran cannot be allowed to take credit for the rebuilding, just as Hezbollah did in the wake of the Lebanon war in 2006. As Prime Minister Blair has said, "Economic and humanitarian progress will not be enough. There is no substitute for political progress toward a two-state solution." That is today, has been for these past years, and remains American policy, and I'm confident that the President will be firm on this point when the region's leaders meet later this month.

The President has picked an ideal envoy in Senator George Mitchell, who worked closely with then-Prime Minister Blair to achieve the Good Friday Agreement in Northern Ireland, so this is a team with a proven track record.

We will also need help from Israel. Nothing will do more to make clear our seriousness about turning the page than demonstrating, with actions rather than words, that we are serious about Israel freezing settlement activity in the West Bank. As recently as 2007, at the Annapolis Conference, Israel recommitted to implementing its obligations under the roadmap, which include freezing all settlement activity. We will defend Israel's security unflinchingly, but the fact is, Israelis themselves decided that the settlements make it more difficult to protect the security of their citizens. They're not just fragmenting the Palestinian state, they fragment what the Israeli defense forces have to defend.

None of us can afford to continue on the present course, and nothing drove home to me more the human toll of continued conflict over 26 years of visits to the region than a recent day I spent visiting the southern Israeli village of Sderot and the Gazan town of Izbet Abed Rabo.

In Sderot, which has been the target of thousands of rockets over the last 8 years, security officials told me that, from the moment they know a rocket has been fired from Gaza, people have just 15 seconds to find safety. Children in the 2nd grade have spent literally every day of their lives never more than 15 seconds from danger.

In Izbet Abed Rabo, in Gaza, I saw little Palestinian girls playing in rubble, where, just months ago, buildings stood. I saw the ruins of the American school in Gaza, but I also saw a glimmer of hope in the faces of average Palestinians who manage and are determined to carry on with their daily lives. As I said in Gaza, and I said it in Sderot also, if terrorists in Quincy, MA, were launching rockets into Boston, we would have had to have put a stop to it long before the Israelis chose to put a stop to it in Gaza.

But, on both sides, I was inspired by the determination of all who live with the daily reality of this conflict. And if kids on both sides can hope for themselves, if they can persevere for a better future, then we have an obligation to help them get there.

Senator Lugar.

**STATEMENT OF HON. RICHARD G. LUGAR,
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Mr. Chairman. And I join you in welcoming a very special friend, Mr. Tony Blair, to our committee.

It is an honor to have the Prime Minister with us. In his position as Quartet Representative, he is specifically charged with revitalizing the Palestinian economy, organizing international assistance, and promoting the Quartet objectives. We appreciate the experience and insights he brings to this issue and his willingness to testify.

The United States has a strong national security interest in helping to achieve a resolution of the conflict between Israel and the Palestinians. Beyond the humanitarian imperative of achieving peace, such a settlement would strengthen American credibility in the region, hinder terrorist propaganda and recruitment, and open new possibilities for cooperation with states in the region on an

array of issues. It would also diminish the influence of Iran, which is exploiting the conflict for its own purposes.

President Obama has stated clearly that a comprehensive peace between Israel and the Palestinians is in the national interest of the United States. He says he wants results, not just a process. He has assigned a new special envoy, our friend Senator George Mitchell, to engage in the detailed diplomacy required of such an effort. When we met with Senator Mitchell several weeks ago, he spoke with energy and pragmatism about the task at hand. We also heard from King Abdullah of Jordan 3 weeks ago, who communicated the support of leaders of the Arab States for “decisive action” toward a settlement. In addition, there is substantial support within Israeli and Palestinian societies for a resolution to the conflict. A recent poll, published by OneVoice, found that 74 percent of Palestinians and 78 percent of Israelis want a two-state solution.

Yet we know that the history of peace negotiations has been extremely difficult and frequently unproductive. Too often, momentum has been stymied by disagreement on minute negotiating points or rhetorical diversions that are nearly inconsequential to the type of bold, comprehensive approach that would be necessary for a settlement. Further, despite substantial support for peace within their respective societies, both the Israelis and the Palestinians are politically divided and their governments lack clear mandates to accept major sacrifices in the interest of peace. A peace settlement would require Israeli and Palestinian leaders with thin majorities to get beyond calculations designed to protect their own political interests.

In this context, generating meaningful progress toward a settlement will require the international community, led by the United States, to be very active and creative in engaging the parties and providing incentives. It is essential that the administration and Congress be united in our commitment to pursuing peace in the Middle East. We may not agree precisely on tactics, but serious divisions within our government could be exploited by those who have other agendas.

I am hopeful that our government and our partners overseas will work to build international momentum for a settlement, and I am hopeful that we will be bold in proposing options. Both Israel and the Palestinians urgently need international support to fortify their ability and willingness to embrace the difficult choices that will be necessary.

We look forward with anticipation to our dialogue with Prime Minister Blair.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar.

Mr. Prime Minister, thank you so much for being here. I promised you this would be a lot easier than questions in Parliament, and it will be. [Laughter.]

We’re really happy you could take time to be here. This committee is deeply interested in the issues you’re going to talk about today, so we look forward to your testimony.

STATEMENT OF HON. TONY BLAIR, QUARTET REPRESENTATIVE, FORMER PRIME MINISTER OF THE UNITED KINGDOM AND ENVOY TO THE MIDDLE EAST, LONDON, UNITED KINGDOM

Prime Minister BLAIR. Thank you, Mr. Chairman and everyone. Thank you so much for making me feel welcome here today. And it's a very great honor and privilege to come before this most distinguished committee.

As you know, I've submitted a short written statement, and I'll speak and give an outline of how I see the situation.

And, first of all, just to say that I entirely agree with Senator Kerry that this is a moment of opportunity. President Obama has made it very clear that this is a strategic priority for the United States, to advance toward a negotiated two-state solution. This is an issue that Secretary of State Clinton is very familiar with and understands and knows deeply.

The appointment of Senator Mitchell, who is my old collaborator from the peace negotiations in Northern Ireland is, again, someone for whom I have the highest respect and the highest regard for his ability.

And General Jones, of course, is somebody I worked with specifically in and around the Jenin area, in the northern part of the West Bank territory, just a few months back.

So, I think most people feel, from the outside, that this is an administration as well equipped as any possibly could be to take this issue forward.

And also, what Senator Lugar was saying a moment or two ago about the—according to the opinion poll, the opinion both on the Palestinian and Israeli side, there is absolutely no doubt at all in my mind, as indeed the poll indicates, that if people thought it was possible to get a two-state solution, then certainly that is the desired outcome. And I think the question really is very simple. Most people want the two-state solution. There's virtually a consensus across the international community. There are majorities in favor, in principle, in Israel and in the Palestine Territory. The question is, How do we do it? How do we take this extraordinary, complex set of challenges and turn that opportunity into a credible negotiation for the two-state solution?

And I suppose the main thing that I would say to you today is that there are, of course, issues that have to be resolved in that negotiation for a final settlement, and those issues are very well known to people, over territory, including the area of land swaps, Jerusalem, refugees, security, water, many other issues.

My basic view is that those issues, although immensely challenging, are resolvable. People can see the way through to resolving them. And over the years, many possible options have been canvassed as to how they're resolved.

The point that I would like to make to you today, however, is this, that what is important is to pay attention, not merely to the issues that will occur and have to be resolved in any final settlement negotiation, but also pay attention, crucially, to what actually happens on the ground. And that's why I ask that these visual aids—they're maps which will be very familiar to you, but I'd like to point out certain things about them.

And the first thing, to be clear, is, when we actually see the territory that comprises what would be both the Israeli and the Palestinian state, it is a small bit of territory in a very large region, and it's a territory in which, when you analyze the 1½ million people, maybe, that live in Gaza, 2 and—roughly 2½ that live in the West Bank, the just over 7 million that live in the Israeli Territory, you see that small bit of territory and those numbers of people, and you realize there is no real alternative but for both to have the opportunity of statehood in order for them to live peacefully together. And there is no way, if there is not peace between people living in that close proximity on that small part of land—if it's not peace, it is conflict.

And so, the question is, How, as I say, do we get there? And the on-the-ground reality that I think is important works in two ways. For the Israelis, their on-the-ground reality is very simple. They have a major security issue. If there are terrorists, as there are in Gaza, who are firing rockets into Israel—and, as Senator Kerry was saying, in Sderot there are people there who live in daily fear of their lives—that is obviously an immensely serious security challenge for the Israelis. And that is why the situation in Gaza has been so difficult and so fraught after the illegal coup by Hamas there.

But, just take it to the West Bank and see the close proximity of the West Bank to the major centers of population—Tel Aviv and obviously, of course, the shared space of Jerusalem—and you see that, without proper security for the Israelis, a Palestinian state becomes, for them, a possible threat rather than a possible opportunity.

So, my basic view is that, for Israel to be able to accept a Palestinian state, they need to know, not just the territory, not just what this map would look like and what it's called, they need to know what is happening inside that territory. Is that Palestinian state a stable and secure neighbor and partner for enduring peace? That is, if you like, the Israeli on-the-ground reality, concern.

Now, for the Palestinians, they have a different concern, but it is equally intimately related to what happens in reality on the ground. For the Palestinians, as you see from this second map here, they have a certain amount of the territory, which are major urban centers. These are the darker areas here. And then, of course, they have a large part of the West Bank that is what we call Area C, which is under administrative control of the Israelis, but it's about 60 percent of the territory. And throughout the part of the West Bank there are settlements or outposts, and, of course, because of the security threat that Israel perceives, there are also major restrictions on access and movement for the Palestinians.

So, the Palestinian concern is really this. If they manage to negotiate their way toward a two-state solution, will their state be one in which they can genuinely take control of their territory and run it as an independent, viable state? Will, in other words, the existence of settlements or outposts in this territory prevent the state being viable, or will the existence of Israeli forces on the West Bank prevent it from being independent?

So, these are the two realities. And my view, therefore, is this, that if we are to succeed in achieving this two-state solution, it's

true that we have to negotiate these difficult and complex issues, if you like, from the top down. But, we also have to deal with the on-the-ground problems from the bottom up. So, what I see is a simultaneous process, where we try and negotiate from the top down with a credible political negotiation, but, at the same time, we make the changes necessary to meet the Israeli security concern and the Palestinian concern as to whether they will get the freedom to run their own territory.

Now, what does that, therefore, mean? And as has been rightly pointed out, my office works specifically on economic development on the Palestinian side, and also capacity-building for them. What this means, first of all, obviously, is a proper political negotiation, the declared and clear and credible objective of ending up with two states: a state of Israel, a state of Palestine. Second, however, we need economic development that really starts to change the perception of the Palestinians that they are going to have the run of their territory on the West Bank and they'll be able to make an economic future for themselves, with rising living standards and prosperity. So, we are working on a series of measures—industrial parks, both up in the north there, up at the Palestinian Territory on the West Bank, down in the south, near Hebron, in and around Jericho, in the Jordan Valley, and also, there are housing projects near Ramallah.

Tourism is a major area of potential activity for the Palestinians. The numbers of tourists actually in Bethlehem in the last year have tripled. Hotel occupancy, when I first went to Bethlehem, was about 10 percent, 18 months ago; it's now around about 70 or 80 percent. I mean, there are some signs of change and improvement. But, basically, this is an area where there should be fantastic opportunities for the tourist industry to develop.

Then, of course, as part of the economic development, you need—as well as the major economic projects—you need the gradual step-by-step lifting of the access-and-movement restrictions. Some of those, around Nablus and around Hebron, have been eased in recent times, but we need to go much further so that the Palestinian industry is able to move around the territory, import and export its goods.

And then, of course, we have the issues to do with Area C that I say is 60 percent of the territory, and where the Palestinians, at the moment, find it very difficult to develop their land properly.

So, alongside the political negotiation should come the measures that help the Palestinians gain control of their own territory. However, that has to come alongside the measures to improve the Palestinian security capacity and their capability, showing and demonstrating their capability to run their state properly. Here is where the work that General Dayton has done to support Prime Minister Fayyad has been immensely important. There are forces that have been trained in Jordan that have come back and are now working in the Palestinian Territory, and that is changing, significantly and dramatically, the capacity of the Palestinians to run their own security affairs. However, security isn't just about force, it's about courts and prisons and the judicial system and prosecution, and there is a whole series of proposals there that the European Union has put together on the rule of law, which, again, we

can support. And, in combination with the measures that General Dayton is taking, and, of course, under the leadership of Prime Minister Fayyad, you can start to see how, over time, we can create a viable Palestinian security capability. If that happens, and as it happens, then the Israeli security concern is diminished.

Now, one final point I would make by way of introduction. All of this has largely been focused on the West Bank, and that's for very obvious reasons. But, one thing I am absolutely sure of is that, for the Palestinians, the only state that is acceptable is a state that comprises West Bank and Gaza. And we know what the problem has been in Gaza, with the takeover by Hamas. Nonetheless, I believe it is important, particularly after the recent operation and conflict in Gaza, that we demonstrate that we are doing everything we can to meet the genuine humanitarian concerns of the people in Gaza, that we are, for example, allowing their housing and their infrastructure to be repaired, and that we are showing to the people in Gaza, not all of whom, by any means, are supporters of Hamas, that there is a prospect that there is some hope, that potentially, if we can get things really moving on this part of the West Bank, then the pressure will come from within Gaza to join the train of moderation, if you like, and modernization that we hope the West Bank can become, and make sure that we have one unified process of peace leading to that two-state solution.

But, it's important, in my view, that we have a strategy toward Gaza that helps the people and isolates the extremists, and not the other way around.

So, that, in summary, is what I would say by way of an opening statement. I think this is, as you rightly pointed out, Mr. Chairman, a moment of opportunity. I think it's a moment of decision. I think, in some sense, this is a moment of truth, actually, as to whether we, all of us—the international community, Palestinians, Israelis—are prepared to do what is necessary to realize the objective we say is our stated objective for the future. I believe it is possible. I don't suppose—you mentioned my old times doing question-time period in the House of Commons—I don't suppose you could do that for 10 years and not—and survive it without being an optimist, so—

[Laughter.]

Prime Minister BLAIR [continuing]. I am, by nature, an optimist, and—

The CHAIRMAN. Either that or a masochist.

Prime Minister BLAIR. Yes. [Laughter.]

Well, and sometimes the two actually go in combination. [Laughter.]

But, it does occasionally challenge even my deeply ingrained optimism, this situation. But, on the other hand, to return to what the chairman said—Senator Kerry said right at the very outset, there isn't, in my view, anything more important, in terms of the wider security of this region of the world, than making sure we have progress on this issue. And that's why, however challenging it may be, the challenge, and overcoming it, is worth it.

[The prepared statement of Prime Minister Blair follows:]

PREPARED STATEMENT OF TONY BLAIR, QUARTET REPRESENTATIVE, FORMER PRIME
MINISTER OF THE UNITED KINGDOM, LONDON, UNITED KINGDOM

There is no workable alternative to the two-state solution. Politics, geography, and demography all point in that direction.

The political negotiation for a two-state solution has a clear and long trodden path to it. The critical issues are well known: In particular, territory, including the role of land swaps; Jerusalem; refugees; security; and water. These issues are inevitably fraught and complex; but there are solutions to all of them, many of which have been canvassed over the years.

The international and regional politics are better placed than ever to advance such a solution. The Arab Peace Initiative is an important recognition by the Arab world that its best interests lie in a Palestinian state created alongside a secure state of Israel. The United States, Russia, and European Union are all committed to such a solution.

A majority of the people both in the Palestinian territories and Israel, remain in favour of the two-state solution, in principle. But, in practice, they doubt it can happen.

The issue is therefore how to restore credibility and conviction to the essential vision.

The key to doing this—apart from a determined focus by the U.S. administration and international community, which is happening—is to understand the “reality on the ground” issue that dominates the thinking of both the Israelis and Palestinians.

Put simply, Israel will not agree to the creation of a Palestinian state unless it is sure of the nature of that state. It must know that the state will be a secure, stable, and well governed neighbour. Their “reality on the ground” concern is not simply with the form of the Palestinian state, but with its content.

For their part, the Palestinians see no purpose in agreeing a political solution, unless it is clear that such a solution means genuine statehood; i.e., that they will have full control over and be able to govern effectively and independently, the territory of that state. Their “reality on the ground” concern is that they will be forced to make concessions in defining the terms of statehood, but meanwhile the facts of occupation—movement restrictions, permits, Israeli incursions, settlements and outposts—will not change.

To make the agreed vision credible, therefore, the negotiation itself must be credible and the actions on the ground must reinforce and not contradict it.

It follows from this, that a Palestinian state has to be, simultaneously, negotiated from the top down and built from the bottom up.

The Quartet is the international community’s instrument of ensuring that the leading nations stay on the same course, to the same end. The Office of the Quartet Representative (OQR), which I head, has a specific mandate to help develop the Palestinian economy and help build the capacity of institutions of the Palestinian Authority. Naturally that involves a close interaction with the Israeli Government and an integration between this work and the wider political process. To that end we cochaired the Paris Conference of December 2007 which resulted in \$5.6bn of support for the Palestinian Authority and assisted the Palestinian Authority in producing the first comprehensive Palestinian reform and development plan, under the leadership of PM Salam Fayyad.

Since that time, we have been working to help put that plan into effect, to create the conditions for economic growth and to ensure that as Palestinian capacity, and particularly security capability, improves, so the restrictions on the West Bank can be eased and measures to stimulate the economy be taken. This has involved actions on easing movement restrictions, for example around the northern part of the West Bank, industrial parks, housing projects, tourism and infrastructure including in Gaza.

After a prolonged period of political inertia—the result of a combination of factors, including Israeli elections, transition in the United States and issues around Palestinian Unity, there is now the chance to reinvigorate the search for peace and move forward.

This will involve addressing three questions. First there must be a clear and credible political negotiation for the two-state solution. Senator Mitchell is absolutely right to underline that this cannot be more “process”; there has to be a coherent plan to conclude it successfully. For President Abbas, this is crucial. Second, there has to be a programme of major, transformative change on the West Bank, to give the Palestinians real hope that, as their capability to run their territory improves and PM Fayyad’s plan is implemented, so the Palestinians will be given proper control over the land in which they live. Third, the security concerns of Israel must be thoroughly, verifiably and comprehensively allayed by an agreed programme for re-

form of the Palestinian security sector and the rule of law. Throughout the obligations of both parties set out in the roadmap must be adhered to.

In respect of the economy and development on the West Bank, the OQR has proposals across a range of different areas, including major economic projects involving industry, agriculture, housing and tourism; lifting access and movement restrictions; investments in infrastructure; changing the system of development in Area C which is 60 percent of the Palestinian territory; halting demolitions; and budget support for the Palestinian Authority. Such a programme requires the active support and engagement of the Government of Israel. Without recognition that such a programme is in the strategic interests of Israel and concerted and concentrated efforts to help execute it, change in the West Bank will continue to be too slow, too grudging, and too piecemeal to be capable of providing the right context for the politics to succeed. Such a programme must be consistent with Israel's security but must also recognise the significant increase already made in Palestinian security capacity.

In respect of that Palestinian capacity, we need to complement the work done by General Dayton and the U.S. Security Coordinator team, (which has seen a dramatic improvement in Palestinian security force capability), with detailed work on the other aspects of the rule of law—prisons, courts, judiciary, prosecution and all the effective panoply of a proper functioning criminal justice system, in which the EU plays a major role. We also need to ensure that in other areas of the Palestinian Authority, like health, education, and social services, Palestinian Authority institution-building continues with international support.

Such a programme would change the nature and reality of life on the West Bank. The people of Gaza, however, cannot and should not, be set to one side. The OQR has a responsibility to help Gaza also, but the ability to do so has obviously been severely restricted by the continuing security issue there, following the unlawful coup by Hamas. Gazans, too, have a right to be part of the two-state solution. For the moment, it appears hard to resolve the issues around Palestinian unity on a basis compatible with the outcome agreed by the international community: A peaceful negotiation leading to a state of Palestine side by side with the state of Israel. The politics therefore are presently blocked. But there is still much that can be and should be done to improve the conditions for the ordinary people of Gaza, the majority of whom are under the age of 18. This should include: Full humanitarian help for the population; repair of housing and infrastructure damaged in the conflict; and allowing the import and export of goods and services, that do not have adverse security implications. This would enable us to help the people but not the extremists, who continue to fire rockets at Israeli citizens.

The challenges are self-evident; the opportunities for peace less so. Yet peace could be achieved with the right combination of determined focus, political will and the patient, sometimes painful but utterly essential work on the ground, so that we restore credibility to a vision that is actually shared and endorsed by the overwhelming majority of people, in Israel, in Palestine, and the international community. The opportunity is there. But it won't remain if not seized. As President Obama has recognised, this is the right time to seize it.

The CHAIRMAN. Mr. Prime Minister, thank you. That's a terrific opening statement, and we will place your full comments in the record as if read in full.

If I could pick up where you just left off and ask if you might broaden that a little bit, one of the things I've found in the recent journeys to Pakistan, Afghanistan, Sudan, et cetera, is the degree to which the extremism, the radicalization and religious extremism that we see translated into violence in so many places, finds an organizing principle around this dilemma of Israel/Palestine. It seems to me that Yemen, which is now becoming a site of increased al-Qaeda activity, the problems of Somalia, and so forth, this is just a repeated refrain that I pick up everywhere. And I wonder if you share that sense of the conglomerate of this impact and what you see are the implications of it.

Prime Minister BLAIR. I mean, for myself, I entirely share that perspective. I think—here's the important thing. The Israel-Palestine conflict did not create this extremism we see. It's not the author of it. And let's also be clear that we can resolve the Israel-Palestine question, and this extremism will still exist. That is true.

However, if defeating this extremism is about mounting an alliance of sensible, modern, moderate people who believe in peaceful coexistence, if that is at the heart of it, then resolving this issue is a major, major part of empowering that alliance and allowing it to fulfill its objective.

And therefore, my view would be that, if you can resolve this question—if we can resolve this question—actually, if we can even put it, right at this moment, on a path, credibly, to resolution, then I think it would do just an extraordinary amount to heal some of the problems of that region and the wider world, and it would take out, from the grasp of the extremists, a major weapon that they use, or a major recruiting instrument that they use.

Now, all of that has to be done—and it's important to say this, because Israelis sometimes wonder that, in our desperation to make this thing work, we then sacrifice their security. I think certainly I, and I'm sure the members here, come to this from a very fixed position, which is that Israel's security is also our security, and that we do not take risks with it. I think I would like to turn that on its head and say that, actually, the long-term security, not just for ourselves, but of the state of Israel, lies in the resolution of this issue on fair, just, and secure terms.

The CHAIRMAN. And it is apparent also to many of the people who have been following this issue for a long time, that the window of opportunity for a two-state solution is closing—demographics, the problem of how you maintain a Jewish state with an increasing population of citizens who might have a different point of view and vote differently. All of these larger issues, together with the impatience and the aspirations that have not been met, on all sides, are increasingly hardening. And I wonder if you'd comment on that.

Prime Minister BLAIR. I mean, you always—you've always got to be cautious about saying, "Look, this is the last moment and, you know, this is the final push," and so on and so forth, because sometimes those phrases are too easy to use and can be overworked. But, I—I mean, I agree; in essence, I think, that—well, what's the reality? The reality is, we have a new administration that is coming in, from the outset, and said, "This is a priority for us." You have the Arab Peace Initiative, which signals that the Arab world is prepared to recognize Israel and to be part of this process. You have a basically unified international community position.

Now, I think, with all those things in place, if we cannot move this forward now, I think the risk is that there will be many people within Israel and within the Palestinian Territories who will conclude that it can't be moved forward. That, I think, is the risk. And then, you know, as I always say to people, the alternative to a two-state solution is a one-state solution, but then there's going to be a big fight. So, I—I mean, as I say, I hesitate often about saying, "This is the final opportunity," but I think I would say the—up until the end of this year, there is a critical window of opportunity, and it would be sensible for us to pass through it.

The CHAIRMAN. Now, speaking to that window of opportunity, you mentioned in your comments about the legitimacy of the expectations and fears on both sides. And I wonder if you could set out to us your judgment about what steps on each side that could be taken without an agreement, without even a process, as confidence-

building steps that could help set the stage for the process. What do you see as the most important measures both sides could take in order to move the other side to have a sense of confidence about the possibilities of the future.

Prime Minister BLAIR. I think President Obama said recently in his discussions with King Abdullah of Jordan, that he would be looking for gestures and actions consistent with finding a way through to peace that should be taken by the parties.

Well, what would those be? I think they're actually fairly easy to describe, in a way. I mean, they may be tougher to do, but they're easy to describe. I mean, one thing that is very obvious is, for the Palestinians, that security capacity that they have been building up, they've got to continue to build up; they've got to take the decisions to start implementing the rule-of-law changes that are necessary to give Israel confidence a Palestinian state will be properly run. I think our big benefit there is that Prime Minister Fayyad and President Abbas are determined to do this, and they are being supported by the international community in achieving it.

I think, for Israel, the confidence-building measures it can take are also, again, reasonably clear. First of all, it's important that settlement activity does not put at risk the concept and viability of the Palestinian state.

It's important just to describe what the issue is for many Palestinians, here. Their worry is that what happens is that in and around the West Bank you get, obviously, settlements that now come out of fairway into the Palestinian Territory, past the 67 borders, and, you know, those are of significance, that is absolutely true. But, you also get settlements along the Jordan Valley, obviously in and around this area, down in Hebron. And just to give you—and as I saw, myself, in and around Bethlehem just recently—the concern of the Palestinians is this, that what will happen is that, even though there is a political process going on, things happen on the ground that contradict that political process. That's their worry. And I saw for myself, when I was down in Hebron a short time ago—which is why I think this Area C business is also very important—there were the Palestinians in a village that—they found it very difficult to get permits, because it's under Israeli-administered control, to develop their own land. And yet, up in the hills, they could see settlements and outposts who are obviously going to pose a real threat to a Palestinian state, as they saw it. Now, that is where—if that activity continues and intensifies, it becomes very difficult for the Palestinians to gain confidence. So, that's something that Israel can do.

The second thing is that what I've found in the work that I've done—in the last few months, obviously, there has been an unsettled situation in Israeli politics; you know, there's been a transition here; the Palestinian unity talks have been going on—it's not surprising it's been hard to get things done. But, now we have a settled Israeli Government, the new administration has got its feet on the table here, and you have Prime Minister Fayyad in position.

There are steps that could be taken on the economic side that are not hugely complicated, but will make a big difference. Access-and-movement restrictions that can allow the flow of traffic to happen far more easily, and greater trade. These industrial parks, not

merely accepted, but driven forward with some, you know, real passion and determination.

If you take—down in the Dead Sea area, down here, the Palestinians, at the moment, a lot of the time find it hard to get access to the Dead Sea. But, actually, this is—as it is on the Jordan side, on this side you’ve got, obviously, major tourist development around the Dead Sea—if we were able to get major tourist development also down here on the Palestinian side, which is actually part of the Bethlehem governorate, I mean, it would make a huge difference. You’d bring jobs, you’d bring hope, and you’d bring something else; the Palestinians would think, “Well, if we’re being allowed to develop this area, maybe it’s credible to think that it—sometime this could form part of a state.”

So, what I would say is that there are a clutch of measures on both sides that could be taken, in advance of a political negotiation, that would build credibility.

The CHAIRMAN. Thank you very much.

Senator Lugar.

Senator LUGAR. Prime Minister Blair, press accounts lead us to believe—we will know for certain as distinguished Israeli leaders arrive in Washington in the coming weeks—that they want to talk foremost about Iran and are seeking to resolve that situation. They don’t object to talking about what we’re talking about today, but you have the impression that their priorities are quite different than our own. And, furthermore, given the timelines you’ve been talking about today, the situation with regard to Iran does not necessarily have the same sort of timeline attached to it unless precipitous military action were to be taken by somebody in the world that would then create a very different kind of Middle East, both for the United States, for Great Britain, for the Arab countries, for everybody.

The reason I raise the subject is that I know that our administration is wrestling with appropriate responses that show our support of Israel, but, likewise, indicate that military action would have dramatic and perhaps catastrophic results for many countries that may be involved.

Now, if this were simply something that is likely to go away rapidly, that would be one thing. But it may not. So, even if we get into a diplomatic round, or two or three, with Iran and the Israelis and others, and this drags on for some time, the reaction in the settlements that you and the chairman have been talking about here is likely to be substantial.

Now, that doesn’t mean we shouldn’t progress, but let’s take, as one element of the discussion, the settlements, rather large settlements of Israelis in parts of what could be Palestinian Territory. In the past, Israeli governments have found it very difficult to bring about movement, even change of opinion, of many of the settlers. As a matter of fact, controversies have occurred in which some Israelis have felt they ought to have the right for more settlements rather than fewer. They argue that, as a matter of fact, people come from abroad, and wish to move to Israel, need some room. And there still is this kind of evangelical fervor which permeates.

But, how, as a practical matter do you propose the settlement issue be resolved? Does the Israeli Government finally have to say,

first of all, “No more settlements,” and second, “Those of you who are there now, we’ll help you, offer rehab funds, but you’ve got to move. You physically have to leave”?

Now, such a policy shift would likely only come from a different kind of government, I think, than the coalition there now, and it’s not really clear how soon such a government might emerge. But, as a practical matter, until it does, it’s very likely that this feeling, as you said, of some on the mountaintops and some in the valleys with a strong sense of their rights in this regard is going to persist.

And this gets to the fundamental question, the United States has felt for a long time the two-state settlement is the best idea. We could be faulted for the timing of our enthusiasms and enterprises. Perhaps the Annapolis Conference was too late in the administration, perhaps other attempts were too early. But, clearly the Obama administration sort of starts out at the beginning, with 4 years ahead, with strong feelings toward achieving a resolution. And yet, as a practical matter, the settlement question has to be addressed at some point, quite apart from the security challenges that you’ve described, some economic rehabilitation, maybe, as you say, development of tourism might be helpful.

We also know that at some point Gaza and its Hamas leadership has to come into some relationship with the rest of the Palestinians. And this is not only daunting, but, for practical politicians, they might very well join our Israeli friends who are about to come and visit with us in Washington and likely as not say, “This is way on down the line, in the fullness of time.”

Now you and the chairman have said, “Well, we have the months of this year.” And maybe you could give yourself a little leeway, a few months in the next year, but there is no resolution in sight, despite the idealism of King Abdullah, and a seeming unanimous sentiment among Arab leaders who have said, “We really need to see this happen. We’ve got to live here, too.”

Try to sort this out in a way that I’m more optimistic. [Laughter.]

Prime Minister BLAIR. Right. I mean, first of all, I think, Senator, that the—I mean, I’m not suggesting, by the end of this year, you can solve this problem. What I am suggesting is that, by the end of the year, we’ve got to be on a path that credibly could lead to it being resolved. And I’ll come to the question of Iran in a moment, but in respect of settlements, I mean, the very reason why the roadmap talks about a freeze on settlements, the very reason that people come back to this continually is just for one basic, simple reason, that in the short term, people want nothing to happen that prejudices or contradicts the very process of peace that we’re trying to achieve.

Now, I think it is possible that we can find a short-term way of ensuring that that doesn’t happen. But, obviously, that’s one challenge.

I think, then, medium term and longer term, obviously, as it becomes clearer what the shape of the Palestinian state will be, then, frankly, we are in a position where we can take a more definitive approach on some of these questions, because there will be areas that it’s clear will be part of the land-swap deal, and there will be areas that will be clear that the settlements will have to

move. And I think, at that point, it is far easier for both sides to start, if you like, acclimatizing their people to the compromises and changes that are going to be necessary.

But, I think, in the short term, and certainly for the coming months, what is important is that actions aren't taken that removes the possibility of that state being viable. So, for example, you will have heard a lot of the controversy recently over—I think it was round about there—the E1 settlement or the E1, rather—the E1 strip of land and the concern of the Palestinians if there is settlement activity there. I mean, I think that is an important question. So, there are various—very specific practical issues that arise. House demolitions would be another. Land appropriations, another. So, I think there are specific things that we can talk about in the short term in advance of that longer term question.

I think, in respect to the issue to do with Iran, what I would say is this, that it—the threat posed by Iran is real. There's no doubt about that. And it is a real threat, not just to Israel, but to the wider region. Where I disagree with people is to say, "Therefore, let us focus on that and not focus on the Palestinian question," because, in my view, what is necessary, if we are to have our best chance, hopefully, of persuading Iran that they cannot continue on their present path, then we need the most support, the broadest alliance possible, in order to do that. So, I would say that is where the issue of—how we build a credible negotiation to a two-state solution is actually an important part of dealing with that issue, not a separate issue altogether. And I think, you know, that is the linkage that many people in the region understand. And so, I hope that what we're able to do is to demonstrate, in reasonably short time, that we are, indeed, united, with a common determination, to find a way to the two-state solution. Yes, it may take time. Yes, it is true we have to build it from the bottom up as well as negotiate it from the top down, but we are determined to do it. And that determination, and the demonstration of that determination, is, in my view, a very important signal to those that might want to use this dispute for their own ends in stirring up trouble within the Palestinian Authority, elsewhere in the region.

Senator LUGAR. Well, Mr. Prime Minister, what do you say to those who say to the United States, "It's all well and good for you to be talking about the two parties negotiating step by step—but, in fact, this is not going to happen unless, through very strong diplomacy, the United States imposes a solution that would be welcomed by three-quarters of both groups, who would say that"—essentially, "Thank goodness the job got done," quite apart from the rest of the Arab world. Now, from our standpoint, we would say, "Well, that's not the best idea. The people ought to be working it out. They ought to be negotiating." Well, but they would say, "We've been there, done that, and this is not in the cards." What do you say about this strong imposition?

Prime Minister BLAIR. One of the things I learned by the Northern Ireland process was this, because people often used to say to me, "Just go and put it down and tell them that's what's happening." And I used to say, "I'm afraid it doesn't work quite like that." So, I think, particularly when we are at the beginning, if you like, of a new relationship between a new administration, a new

Israeli Government, Palestinian Authority, I think what is important is to try and find an agreed way forward. And that is the first step for us to investigate. And I think the important thing will be that there is both a commitment to the two-state solution, in principle, and then, underneath that commitment, on the politics, on the economics, on the security, underneath those headlines, there are credible demonstrations, on the ground, of our determination to get to that two-state solution. Now, that is where at least I would start.

Senator LUGAR. Thank you, sir.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Lugar.

Senator Boxer.

Senator BOXER. Thank you very much, Mr. Chairman.

Mr. Blair, your work, not only on this critical issue of the Palestinian-Israeli conflict, but also on global warming, is so important. I really want to thank you very much for your dedication on these two critical issues, because this portfolio you carry is really extraordinary. And many of us on this committee are working, with our chairman's incredible leadership, I might say, on both of these issues. So, hopefully we'll figure it out, because, many ways, humankind, you know, is looking to us, and this is our moment. So, I really appreciate your optimism on this, because we must be optimistic. We can solve these problems. And we have to—we don't have a choice; we have to—because there's a window, on both these issues, and the window's closing.

Mr. Blair, in a speech you delivered last April to the Atlantic Council, you talked about the threat that the West faces from Islamic extremism. Specifically, this is what you said, "Out in the Middle East, it is there in the activities of Hezbollah in Lebanon, or Hamas in Palestine, it is played out in the street of Arab opinion every day. In the Middle East, the ideology that drives extremism is not abating—an alarming number of people buy the view that Islam is under attack from the West. The leaders to support are those like Nasrallah and Ahmadinejad, who are perceived to take on the West, and there is a contrast between governments and their people."

So, I just have a couple of questions to ask you that I'm taking from that speech, because I think it'll help us. So, it's been a little more than a year after that speech. Is your opinion still the same? And, to quote you again, is the "ideology that drives extremism," abating at all, in your opinion? And last, how is the new United States administration perceived, particularly as President Obama prepares to deliver a major speech in Egypt early next month?

Prime Minister BLAIR. Thank you, Senator. And I think I would say my opinion is still the same. I would say that—can almost answer the last two questions together, in the sense that I would say that the abatement of that extremism could happen, with the advent of President Obama, what he's set out for people and the engagement he's offered to the Muslim world. I think it's created a lot of interest and expectation amongst our friends. It's created concern amongst our enemies, which is the right balance. And it's probably making some people in the middle ground think.

So, I think this—that’s why I say I think this is a moment of opportunity.

The tough thing is this, though, that, in the end, as actually with so many issues, what the President requires are people that are willing when he reaches his hand out to them, to reach back and not merely to take his hand and say, “Well, that’s really good of you.” So, what we need—if we do get this process going, we also need countries out in the region to be reacting to this overture, to be reacting to the progress, and to be giving, as well as merely receiving.

Senator BOXER. If I could follow up with that, since you opened the door to other countries, I want to ask you about the tough issue of Iran and its role in the Israeli-Palestinian conflict. I have here an Associated Press article that I’d ask unanimous consent, Mr. Chairman, to place in the record.

The CHAIRMAN. Without objection.
[The article referred to follows:]

[From the Associated Press, May 5, 2009]

IRAN, SYRIA DEFEND PALESTINIAN MILITANCY

AHMADINEJAD MEETS WITH HAMAS, HEZBOLLAH IN VISIT TO DAMASCUS

DAMASCUS, SYRIA.—The leaders of Iran and Syria reaffirmed their support for “Palestinian resistance” on Tuesday, a defiant message to the U.S. and its Mideast allies who are uneasy over Washington’s efforts to forge closer ties with the hard-line government in Tehran.

Iranian President Mahmoud Ahmadinejad also met with the chiefs of Hamas and other Damascus-based Palestinian radical groups during his visit to Syria. Iran is a strong supporter of Islamic militants in the region, including Hamas and Lebanon’s Hezbollah.

Ahmadinejad’s visit to Syria comes as the U.S. is trying to improve strained ties with the two longtime adversaries. Two U.S. envoys, Jeffrey Feltman and Daniel Shapiro, left Washington on Tuesday for Syria for their second visit since March to explore ways to ease tensions between the United States and Syria, the State Department said. The envoys would be in Damascus on Thursday, Syria’s ambassador to Washington, Imad Mustapha, told The Associated Press.

But Ahmadinejad and his top Arab ally Syrian President Bashar Assad made little mention of American outreach as they sat together at a press conference following their talks.

The hard-line Iranian leader said the two countries’ alliance was achieving “victories” in preventing “the big powers’ offensive to dominate the region.”

“RESISTANCE WILL CONTINUE”

“Syria and Iran have been from the very beginning united and in agreement to stand on the side of the Palestinian resistance,” Ahmadinejad said. “They will continue to do so. We see that the resistance will continue until all occupied territories are liberated.”

Ahmadinejad later held talks with Hamas’ political leader Khaled Mashaal and the head of the smaller militant Islamic Jihad. The Iranian leader “affirmed Iran’s support for the Palestinian people and their resistance,” said Ziad Nakhleh, a senior Islamic Jihad official.

Ahmadinejad and other Iranian officials have been sending mixed messages in response to President Barack Obama’s calls for dialogue—at times taking a moderate tone, only to fall back on a tough line.

U.S. Defense Secretary Robert Gates, who is visiting the Middle East, said Tuesday the U.S. is still waiting to see how the Iranians respond to Obama’s outreach, but so far the rhetoric from Ahmadinejad has been “not very encouraging.”

Gates sought to reassure U.S. Arab allies, who are worried that their rival Iran will be boosted by a U.S. dialogue. He also said a “grand bargain” between Tehran and Washington was unlikely.

There has been widespread speculation in the Middle East that the Obama administration would try to forge a “grand bargain” with Iran, in which Washington

would press Israel for concessions in the peace process with the Palestinians in exchange for Tehran rolling back its nuclear program.

“The United States will be very open and transparent about these contacts, and we will keep our friends informed of what is going on so nobody gets surprised,” Gates said at a news conference in Egypt before heading to the Saudi capital.

WORRY ABOUT IRANIAN INFLUENCE

The U.S. overtures to Iran are raising concerns among its Arab allies like Egypt and Saudi Arabia, as well as Israel. They fear Iran is trying to spread its influence across the Middle East, with its support of Hamas, Hezbollah and other militant groups.

Arab diplomats who met in Cairo Tuesday with the State Department’s new special envoy for the Persian Gulf, Dennis Ross, said they voiced those concerns.

“Some of what he heard was more than just grievances. They warned that Washington should be careful not to be so mild to Iran,” said one diplomat who attended one of these encounters. He spoke on condition of anonymity because of the sensitivity of the subject.

Egyptian Foreign Minister Ahmed Aboul-Gheit expressed similar concerns on Monday.

“Iran’s behavior in the region is negative in many aspects and does not help in advancing security, stability and peace,” the state-run Middle East News Agency quoted Aboul Gheit as telling Ross.

Israeli Prime Minister Benjamin Netanyahu is due to meet Obama later this month at the White House for their first meeting since each leader took office earlier this year. Netanyahu is expected to come under pressure to publicly accept the principle of a Palestinian state, a step he has avoided amid U.S. attempts to revive the peace process.

Netanyahu is expected in turn to push for a tough U.S. stance on Iran. Israel argues that progress in peace with the Palestinians can’t happen unless Iran is reined in.

Hamas’ top political leader Khaled Mashaal, who is based in Syria, was quoted by the New York Times Tuesday as saying that Hamas is willing to support a two-state solution. But he also said Hamas would not renounce violence against Israel or recognize the Jewish state.

Senator BOXER. And it’s entitled “Iran-Syria Defend Palestinian Militancy.” I don’t know if you’ve seen it, but I’ll get it to you. The article talks about a recent trip to Syria made by Iranian President Mahmoud Ahmadinejad. And according to the article, Ahmadinejad met with the chief of Hamas and other Palestinian radical groups based in the country and “affirmed Iran’s support for the Palestinian people and the resistance.” He also praised Iran’s alliance—and this is troubling to me—with Syrian President Assad, saying that, “The two countries’ alliance” was achieving “victories in preventing the big powers”—and we know who that is—“offensive”—and we know that is—“to dominate the region.” Well obviously you’re trying to help, and I worry about that kind of language.

So, what steps can the United States take to curtail Iran’s involvement with Hamas, particularly as the Obama administration looks to isolate Hamas? And what support do you think is Iran providing to Hamas, in terms of weapons?

Prime Minister BLAIR. First of all, the strategy of engaging with Iran, I think, is an entirely sensible strategy. We are saying to Iran, “If you want to take your place, you know, as a proud and ancient civilization, as a country that is a powerful country—if you want to take your place in the community of nations, the door is open to you.” And that’s important to say, and to mean, incidentally. The message to Iran, however, I think, is equally important, and has to be very clear. It cannot have nuclear weapons capability, it must stop supporting terrorism.

I think it's important for the Iranian regime to know that we are—our engagement is genuine and the clarity of our message is genuine, as well. And that is in, I think the right balance. And the way of reducing their influence within the region is to show precisely that we want peace. It's to take away—and this is the importance of moving forward with the Palestinian issues—to take away a cause that they abuse, frankly, in order to gain support for their ends.

And the Iranian relationship with Hamas—I mean, I think it's fairly clear, they both fund and they arm them, as they do other groups within the region. My response to that, however, is that the best way of pushing them back is to show, in this case, the Palestinian people there is a moderate and modern way forward, where we live together in peace.

So, I think that is—you know, that is why this next period of time is very important, because these issues do interrelate in a very profound way. So, you know, equally, as I would say to people, you cannot say, "Let's concentrate on Iran and forget about Palestine," I would say it's equally true you shouldn't concentrate on Palestine and forget about Iran. To me, this is one picture, with many different parts of that picture. And I think one of the benefits of the approach we've got at the moment is that we see it as one.

And I think, for people within the world of Islam who are trying to make the right type of change, you know, they want to be able to stand up and say, "We're an alliance with America to achieve an end that's just and is peaceful." Now, of course that's got to be done on the right terms, but that's where they want to be, because they know, in the end, this extremism can only be defeated by them, and not by us, actually, or not defeated, in its final analysis. I mean, I think this extremism—sometimes I think it's more like, you know, maybe, revolutionary communism, in the sense that it doesn't necessarily have one command-and-control center and all the rest of it, but it's an ideology, and it gets adherence, and it's very adept, for example, at using the Internet and means of communication to pull people in. We've got to be providing, therefore, this strong momentum toward peaceful coexistence on the basis of just and evenhanded treatment of people that discomforts those extremists and helps defeat them within the culture of their own politics and their own countries.

Senator BOXER. Thank you, Mr. Blair. I know we all wish you well and hope for some really great breakthroughs, despite all the problems that you come up against.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Boxer, we appreciate it.

Senator Corker.

Senator CORKER. Mr. Prime Minister, thank you for being back here again. I think you're one of those people that show us what great benefit those who leave public office can offer, and certainly you continue to do that on many, many fronts. And again, thank you for being here today.

I was out for an Energy markup and understood there were some questions about the settlement issue, and I think you may have mentioned that that's something that we need to get to after some

basic general understandings are agreed to. But, I guess I—that issue, to me, seems like one that, as it continues on a daily basis, indicates that there’s not a seriousness toward working toward a two-state solution. It just seems to me to be a constant stick in the eye, if you will. And I’m just wondering if I’m seeing that in the wrong way. Certainly on my last visit there, it seemed to be that that was the case. We have a Prime Minister today that does not even acknowledge a two-state solution. And so, it seems to me that that is very much a centerpiece, and I’m just—certainly you’re the person that’s so involved in these negotiations and on the ground. Just as an educational piece to me, I’d like to understand how that can be left aside when it’s such an irritant on a daily basis. And certainly we’d love any comments you might have about the current Prime Minister’s position on a two-state solution, and how we actually see that, going forward, we can discuss that in a meaningful way when we have a leader who isn’t even acknowledging that.

Prime Minister BLAIR. Thank you. I mean, first of all, I think the settlement question has to be dealt with—I mean, immediately, as well as in the longer term. But, I think the most—the single thing that is most important immediately is that actions are not taken that prejudice the final outcome of the negotiated solution.

So, I think there’s a short-term question there, and then there’s a longer term question, which is, once we know what the outlines of a Palestinian state would be, obviously that then has profound implications for what happens to the settlements.

Now, I think, in respect of the Israeli Prime Minister, I’ve sat and talked with this—about this with him over a prolonged period of time. Even so, it’s—I think it’s for him to make his statement and position clear, rather than me. But, let me try and give you the optimist’s view of where Prime Minister Netanyahu is.

There are those that—in Israel, who are against the concept of a Palestinian state. Now, I happen to think they’re a pretty small minority, actually, but there are people who would argue that.

I think and believe that the Israeli Prime Minister’s position is different; it is that he wants to be sure that that Palestinian state is consistent with his perception of Israel’s security requirements. Now, I think if he is in that position, which is what I would call building the state from the bottom up, as well as negotiating it from the top down—if he is in that position, we can work with that. But, the test will be whether the actions, then, over the coming months, are consistent with that view.

So, I hope very much that when he comes here, that it is clear he’s prepared to work toward the same end as the rest of us, and that we are able, together with him, to work out a way, both of ensuring that, as the politics move forward, so there is the economic development, and there is the security-building—the capacity-building on the Palestinian side that allows the Palestinians to believe he’s serious about allowing them statehood, and allows the Israelis to believe that the Palestinians are serious about running an efficient and well-ordered state.

Now, that’s—you know, I think—which is the right view of the Prime Minister’s views, I think, will become apparent in the months to come. I hope I’m right.

Senator CORKER. Is there any sense that a cessation, a stopping of settlements for some period of time while the men who continue to prejudice the issues of boundaries and all of those kind of things as settlements continue? Any discussion about just stopping, as is, for some period of time?

Prime Minister BLAIR. Yes, of course. And, I mean, that's exactly the issues that the roadmap examined. And, you know, you come back to the same thing, which is to make sure that there is not activity in respective settlements that then makes a Palestinian state either untenable or unviable. But, also—and this is the other problem—I mean, if you get settlement expansion at the same time as you're negotiating over a two-state solution, Palestinians then feel, "Look, you're—you know, we're being made fools of here. You're saying you want a two-state solution, but you're taking actions that are inconsistent with it." That's why the issue is important.

Now, as I say, I think and hope there are ways that we can ensure that nothing happens that prejudices the final outcome of a settlement and a negotiation around the two-state solution. I hope we can find those ways of doing it over the next few weeks. But, undoubtedly, you know, of course, the settlement issue will be very important.

Senator CORKER. So, since you're discussing this ground-up/top-down simultaneous way of looking at this, you know, one of the major glaring problems from an economic standpoint, seems to me, the separation from Gaza and the West Bank, and it seems to me that for that truly to be a state that, today, is disconnected—I mean, what is the best on-the-ground solution for cross-country transit in that regard that doesn't create security issues for Israel? I mean, what are some of those ground-up solutions?

Prime Minister BLAIR. Well, I think, you know, as you can see from the map, I mean, the distance is reasonably short between the West Bank and Gaza at the moment, but you can also see why Israel would be deeply concerned unless it was clear that both parts of the Palestinian state were going to be secure and properly run. Now, the reality is, at the moment, as we know, in respect of Gaza, we have a situation where, following the takeover by Hamas, there has been conflict, a miserable time for the people there, and a miserable time for the people in places like Sderot, who felt the impact of the rockets being fired from Gaza. So, what I would say to you is that, in the short and medium term, what is important is that we try and improve the lives of people in Gaza and we try and show to the people there that actually there is a way forward that will include them, that that way forward will only happen, in the end, if people are prepared to commit to a peaceful road to a two-state solution. So, that's the—you know, that's the difficulty that we have. But, in any event, we are in a far better position to show that to them if, on the West Bank, we're making real, tangible progress in improving the lives of people.

Senator CORKER. Any—I know you've laid out—I think, in the next 5 or 6 weeks, there are some tangible things that are going to occur on your end. Can you give us any sense of the speed at which you think things will be coming together, your thought about

how quickly and how things are going to move along into the future as it relates to coming to an overall settlement?

Prime Minister BLAIR. I think it's possible—I mean, certainly if we're talking about the things that would help on the Palestinian side—I think it is possible to see, reasonably quickly, changes that can be made in access and movement. There have been some easing of some of the restrictions, but there could be more done that allow people better access—I mean, I was pointing out earlier the access down there by the—to the Dead Sea, for example; access for people to actually get across and utilize their land in the Jordan Valley, some of the access for goods to get out in and around Bethlehem. You know, there are changes that could be made that would make a difference. We could get some of the blockages cleared on some of the major economic projects and have them agreed and underway. And, of course, if we got commitments on issues like settlements, not to do anything that prejudices the final outcome, then that, again, helps build confidence.

I think, for the Palestinian side, it's fairly obvious, again, what they can do for the Israelis. What they can do is to make it clear that the process of reform in their security forces, in the rule of law, is going to continue, it's going to intensify, that they will—you know, that they will deal with what the Israeli problem is on the Palestinian side. And we've got to be honest about this. The Israeli problem is, they worry that if they get out of the West Bank, they will have a situation where there's a takeover by extremists.

So, the Palestinians—we've got to acknowledge this is going to take place over time, and we've got to create the circumstances in which the Palestinians are also showing the Israelis that they are serious about getting that security capability so that, in the end, I mean, to put it in the—to put it in the—in crude terms—and I mean nothing other than just this simple analogy, by what I'm about to say—the Israelis need to know the West Bank will be run as, for example, Jordan runs its security, rather than like Gaza. It's as simple as that. And that's what they need to know.

Senator CORKER. Mr. Prime Minister, my time is up. I do want to say, with Senator Mitchell and yourself involved in creating a solution to this, I think we all are hopeful, because you are two of the most well-qualified people to do this that exist in the world. I wish you luck. I—the geography is such that—and the tensions are such that—it, no doubt, is going to take herculean efforts for all involved. And again, I'm thankful that you're involved in this, and appreciate you being here today.

The CHAIRMAN. Thanks, Senator Corker.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman, for holding this hearing.

Thank you, Mr. Blair, for testifying on this important issue.

The last time this committee met to discuss the Middle East peace process, in September of last year, I expressed regret that the previous administration did not engage on this issue earlier. We did see some positive movement toward the end of the second term, which I was pleased about, but it obviously was not enough.

Working to resolve conflicts and achieving a lasting peace in the Middle East is essential not only to the security of the Israelis and

the Palestinians, but, of course, for the region as a whole. It is also in the national security interests of the United States. And there is a growing sense of urgency—expressed most recently by King Abdullah of Jordan and Lieutenant General Dayton, among others—that now more than ever, renewed American leadership is needed to reinvigorate the peace process.

I'm pleased that President Obama has recognized this urgency and made it a top priority since day two of his administration, and certainly join in the comments about naming George Mitchell the special envoy to the Middle East. And I hope, as we hear from you today, that we can work together collectively to overcome the many obstacles that exist and encourage the compromises that will need to be made in order to facilitate a comprehensive two-state solution between Israel and the Palestinian Territories.

Mr. Blair, as I mentioned in my opening comments, there is an increasing sense of urgency on this issue, and many see the window of opportunity to reach a comprehensive peace and a two-state solution getting smaller. You mentioned the window in your opening remarks, as well. I expect this urgency will continue to grow, particularly over the new few weeks as President Obama meets with the region's leaders and prepares to give his address to the Muslim world in Egypt.

What steps can and should be swiftly taken, once the Quartet's new strategic framework is released, to capitalize on the existing energy and goodwill? And how soon do you think a combination of high expectations and diminishing patience will begin to work against us?

Prime Minister BLAIR. Thank you, Senator. I mean, I think, first of all, if we just go back for a moment to what happened in the year 2000, because I think it's very crucial to understanding what both the challenges, as well as the opportunities, are now. What happened, essentially, was, once the peace negotiations failed between then-Prime Minister Barak with President Clinton and Yasser Arafat—once those negotiations failed and then the intifada began in the year 2000, really, for a long period of time, it was almost impossible to see how you could make progress. And then, the disengagement from Gaza happened. It happened unilaterally. But, to be fair to the Israelis, they took their settlers out of Gaza with them, and then they felt they got a security problem in return.

I think, however, when the Annapolis process began again, if it had had more time, it actually could have borne a lot more fruit. And, to be fair, also, within that process, both sides did get down and negotiate some of the really tricky questions.

I think, however, what we now know, partly as a result of the past few years, and as a result of the previous attempts to find peace, is, as you say, this opportunity that we have now is very directly linked to whether we can show the two peoples, if you like, the Israelis and the Palestinians, that, even though there has been all this history of past failure, nonetheless it's possible to perceive a future success.

And what I would say—you know, sometimes people say to me, "What's different? I mean, how come you've had all this failure and now you're going to succeed?" Now, I could say, as Senator Mitchell and I found in Northern Ireland, that actually we had decades of

failed peace processes there that—and then one succeeds. But, I think now you can actually identify the objective factors that should lead us to be able to resolve this.

One, truthfully, the Arab world has decided that it wants this issue resolved; it really does. Second, there is an administration that, as you rightly point out, at the outset is saying, you know, “We are taking this issue seriously, we want to push it to resolution.” Third, we have different Palestinian leadership. And fourth, I think we have a better understanding of what I would call the relationship between the reality on the ground and the political negotiation. And so, I think, over these next few months, the really critical thing is to reinvigorate the credibility of the whole path to peace, and the way of doing that is to have a strong, credible political negotiation, backed up by changes in the reality. And those changes, which are there on the West Bank, in the way we treat Gaza, in the building Palestinian security capacity—they’re not impossible, either to define or to do. So, that’s where I think we are now.

And, as you rightly imply, this is the moment when doing this right at the outset of a new administration, with a new set of attitudes, if you like, emerging in that region, this is the moment when we’ve got an opportunity to do it. And the fact we have been unable to do it up to now should not, in my view, disillusion us or deter us from doing it in the future.

Senator FEINGOLD. I very much appreciate that response. And let me go on and say, here in Congress there’s been a lot of discussion recently about how—and whether—the United States should engage with and provide aid to any possible Palestinian unity government, particularly, of course, if it were to include members of Hamas, provided, of course, that they agree to the Quartet’s conditions to disavow violence, recognize Israel, and accept prior agreements. What is your assessment, first, on what you think the likelihood is that a Palestinian unity government could actually form? And, second, whether or not you think the Quartet should encourage or support the creation of such a government.

Prime Minister BLAIR. This is obviously a key question in this whole business, and—you know, I think Egypt is to be congratulated in the efforts it’s made and the enormous hard work it’s put in to try and find a basis for Palestinian unity.

I think what I would say is, one of the things I learned through my time in politics is that the only unity that works is a unity of genuine agreement. You know, in other words, I think a Palestinian unity government is, in principle, a desirable objective, for sure. Unity on the Palestinian side is a desirable objective, for sure. It makes it easier to resolve this whole process. But, it has to be a genuine unity. And the reason why the Quartet principles are there is not because we want to put obstacles in the way of Hamas or anyone else joining the process, but because they do define the parameters of unity for us to be able to get a solution to this issue.

And, you know, there is a similarity, again, with, for example, the Mitchell Principles, in the context of Northern Ireland, where if the people wanted to join the peace process, they had to sign up to the principles, and that was the gateway that they came into the process by.

So, you know, my view is that there will continue to be attempts to get a unity government, but I do believe that that unity government will only work if there is a genuine political unity that is inspiring it and lies at its base. If there isn't, if we simply push the parties together without a proper and genuine unity, I think we will—we may find our path to peace more difficult rather than less difficult.

Senator FEINGOLD. You said that the Quartet will be releasing a new strategic framework for the peace process. As I mentioned earlier, achieving resolution of the Israeli-Palestinian conflict is essential to the security of not just the two parties, but the region as a whole. So, I'd like to know what's being done to ensure that the regional dimension of this process is being adequately discussed. Is the Quartet working with the Arab League in developing this framework, or considering any aspects of the Arab Peace Initiative? And how do you view the role of the United States and the Quartet as partners with other key actors in helping to resolve the broader—the Arab-Israeli conflict?

Prime Minister BLAIR. I think for all of us that see this as an issue that concerns the whole of the region, the regional dimension is obviously of, you know, fundamental importance and significance.

So, I think the idea will be to take the Arab Peace Initiative, the outcome of the various discussions that will take place here and elsewhere over these next few weeks, and try—and obviously this is where the role of America will be central—try to outline a way forward. You know, I think people will want—after there's been a whole set of discussions and negotiations and interaction, they will then want to know, "Well, OK, and it amounts to what as a way forward?" And I think that's what President Obama said a short time ago is absolutely right, we will want to see, after that, gestures and actions consistent with the two-state solution.

Senator FEINGOLD. Thank you very much, Mr. Blair.

The CHAIRMAN. Thank you very much, Senator Feingold.

Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

Mr. Blair, we had the fortune, some of us, of traveling last month to Israel and meeting with Mr. Netanyahu and Mr. Barak and others in the government. They—admittedly, they were only on their second day on the job, and had just come off of a campaign. We all know what that does to someone. But, in any event, they were—and I understand you've talked a little bit about this while we were gone—but, they were uniformly focused on the Iran problem. And one has to understand where they're coming from on it, because they can't be wrong. They—there's no room for error there. They have got to be right on that.

This is the problem we've been talking about here—the Palestinian problem—is certainly an issue for them, but it's been going on for a long time. It—they were in—in my view, in talking with them, in an emergency view of the Iranian problem. How do you get them to shift from that to talking about the Palestinian problem, when they are so focused on an issue that they believe their very existence turns on the outcome of, and particularly when they believe it to be as imminent and as close as it is?

Prime Minister BLAIR. It's perfectly natural—especially given the language used by the President of Iran, it's perfectly natural for Israel to be focused on this issue. I mean, if we were, any of us, politicians in—within the Israeli system, we'd be focused on it. Actually, incidentally, I think all of us should be focused on it.

The question is—to my mind, is, What is the best way to deal with that? Is it to see that in isolation from these other questions within the region or as part of, as I say, one picture? And my view is that, when it comes to pushing back Iranian influence that's used for ends that undermine the stability of the region, we are in a stronger position to do that, a far stronger position, if actually we're making progress on the Israel-Palestine question. And so, in a sense—because I often have this discussion with Prime Minister Netanyahu, Defense Minister Barak, and others within the Israel system, often, as well. What I say to them is, "I'm not asking you to take your focus from Iran, but I am asking you to see the Palestinian question as bearing on that, as well." And so, it's not a question of looking at these things as if they're completely separate and different issues. And when we are trying to mobilize moderate and modern-minded opinion within that region, a resolution or a credible path to resolution of Israel-Palestine is an important part of doing that.

Look, I—you know, I spend, obviously, a lot of talking to people on the—talking to people on the ground in Israel, but also in the Palestinian Territories, and in the wider region, too, for that matter. And the claim of Iran—this is the claim—I don't just mean the leadership of the Iranian regime, but people who support their basic world view—their claim is that we are essentially people who want to do down their fellow Muslims, and the proof of that is that the Palestinians, who should have a state, can't get statehood. And when we are faced with that argument, which we are, obviously one very important part of undercutting their attempt to rally support behind that view is to say, "No, we're evenhanded. We believe in a state of Israel that's confidence of its security, but we are prepared, if the Palestinians are able and willing to take the right measures, to ensure that Palestinians also get the justice and dignity of statehood." So, that's why I say to people, "You can't separate these questions out." In my view, it's a mistake and, actually, a very fundamental one, to do so.

But, if we want to make progress also on the Iranian question and take that to a peaceful resolution, then progress in the Israel-Palestine question is an important part of doing that. And maybe more important than taking, you know, my word for it is to take the word of virtually every moderate, modern-minded, sensible leader in the region, who would say the same to you, I think.

Senator RISCH. And I agree with that. The other leaders—we met with Mr. Mubarak and—President Mubarak and also with King Abdullah, and they did have that same position. But, I have to tell you that the fortitude I saw in Israel on that position was very, very strong, and I wish you luck in that regard.

Let me just briefly talk about the unity issue. One gets a sense that the gap between the leadership in the West Bank versus the leadership, if you would call it such, in Gaza grows instead of comes closer together. How do you deal with that? How do you—

if you're going to cut a deal—and we all want to see the deal cut—surely you can argue that you have a leadership in the West Bank to deal with it. But, what do you do in Gaza? I mean, who can guarantee that, if you shake hands and you make a deal, that the deal can be implemented? That seems to me to be an incredible challenge.

Prime Minister BLAIR. That's an absolutely right question to ask. I don't think we can be sure, right now, as we speak, of what the attitude of people in Gaza would be in the future if we were able to restore credibility to the peace process in the Middle East. But, one thing I'm sure of is that it's worth us trying to find out. In other words, it is worth us pushing this process forward, on sensible and right terms, but precisely in order to give the people in Gaza a clear and visible objective that we set before them and say, "This is what we're trying to do and why we're trying to do it."

Now, I don't know how, then, the reaction will be between the local people and Hamas, and that is obviously, as I say, as we speak now, we can't be sure of this. But, one thing I am absolutely sure of is that Hamas have a military grip on Gaza, but I don't know that they have a grip on the minds of the people in the same way. And therefore, my view would be that we should move forward in the way that I'm describing, we should be doing all we can to help the people in Gaza, without assisting Hamas, and then there is going to come—I mean, let's be clear, there will come a moment of reckoning, because there can only be one Palestinian state, West Bank and Gaza, and we need that state, as a state, as a whole, to be secure and stably run. And plainly, at the moment, you can't say that those people in Gaza, who will not even recognize the existence of Israel, can produce a stable partnership for peace. So, there will come a moment of reckoning on this, that's for sure.

My point is very simple. We are in a better position to secure the right outcome at that moment, and peacefully, if we show there is a genuine, credible vision for a two-state solution, and, what's more, we're making progress in getting there.

Senator RISCH. Well, I wish you well in that regard, and I hope your optimism plays out. But, you know, we wanted—we Americans love elections, and we had an election over there, and it didn't come out exactly the way we wanted it. And so, the people there have not shown what I would call a real good vision in that regard. So, I hope that when we get to the point that you're talking about, that their vision is a little better than what it's been in the past.

Thank you very much, Mr. Blair.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Risch.

Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman.

And, Mr. Blair, I want to thank you very much, not only for being here, but for your extraordinary international leadership on this issue. I think there is some reason for optimism with a new administration in Washington and a new administration in Israel. There's opportunity for new starts. And there seems to be more international support for moving forward with a process consistent with the roadmap than we've seen of late, and moderate Arab

States seem to be more interested today. So, I think there is reason to believe that you can proceed.

I think you've also outlined probably the only way you can do that with Hamas currently in control of Gaza. The good news is that we've seen a maturing of the Palestinian Authority on the West Bank, and that if we can move forward with progress on the West Bank and provide hope for the people of Gaza, then clearly you've made your point that we can't deal with Hamas unless they were to disavow their current position. I think the experiences in Northern Ireland underscore that point. So, I think you've outlined perhaps the only way we can proceed, and I think there is reason to believe that we can overcome some of these obstacles.

I want to put another part of the equation, here. We haven't talked too much about the Golan in Syria. Some of us have been to Syria. I think we were all somewhat surprised to learn about how much progress had been made between Israel and Syria through Turkey prior to Gaza problems. There's been genuine agreement that if progress was made on that front, it would negate some of the influence of Iran and perhaps be an encouragement for the Palestinians moving forward with peace.

I just want to get your observations as to how helpful it would be and whether it is realistic to expect that progress can be restarted between Syria and Israel.

Prime Minister BLAIR. First of all, I'm all in favor of trying. I mean, I don't—I think there's no harm—and, indeed, a lot of good—in pursuing the Syrian track along with the Palestinian track; not in substitution for it, I would say very clearly.

I think Syria's going to have to make a choice, though, in the end, as to whether it wants to be part of a successful peace process in the whole of the region. And, you know, for them, I think the Golan Heights issue could be resolved, but it won't be resolved unless it's absolutely clear that it's part of an enduring and lasting peace. And, you know, you have the leader of Hamas in Damascus, you have Corporal Shalit still—Gilad Shalit—still in captivity, which you would think that some pressure could be brought to bear, and brought to bear very clearly, in order to get his release since it's such a hindrance to finding a way forward, as well as, obviously, inhumane.

But, I guess what I would really say is, yes, I think the Syrian track is worth pursuing. Yes, we should pursue it. I believe that the Palestinian track moving forward is probably the most important thing in that track, also, showing signs of success.

And I think, you know, one thing—it would be a reflection just—not merely from this time doing this, but in the time when I was Prime Minister of the United Kingdom and the Senate was talking about the elections that happened, the Palestinian side. And actually I think there were many reasons why those elections turned out in the way that they did, and so on. And I—you know, I believe that it—although we must take account of them, obviously, and recognize the outcome of those elections, nonetheless I still believe that if people in that region saw a genuine hope of a way forward, then the traction that those people who are extreme would have greatly diminish. And also, if there were political progress—and this is something we found in the Northern Ireland peace process—

one of the things that's going to have to happen—and this is a difficult thing to say, but I think it's very important in this—is this concept of violent resistance has got to be consigned to the history books, because it's not merely that targeting innocent Israeli civilians through acts of terrorism is wrong, it's also totally counter-productive to the prospects of peace and to the prospects of Palestinian dignity, statehood, and advance.

So, one thing that has to happen is that this argument, not just within the Palestinian context, but within the wide regional context, and this includes some of the statements that emanate from Syria, there's got to be an understanding that that whole concept of resistance based on terrorism holds the process back; it doesn't advance anybody anything. And, you know, when we finally got to the point in Northern Ireland when the Republican movement—without throwing aside all its history and what it felt and how, you know, this had all come about, but simply said, “OK, we are now going to commit fully to peaceful negotiation,” then that was what, in the end, did the deal, because then there could be no reason why there shouldn't be power-sharing, which was the equivalent, in the sense of statehood. And, likewise, I mean, truthfully, if in Gaza people said, “Violent resistance, we are now—that's out. What we're going to do is, we're going to use this political process, and we're going to make that as our means of advancing our cause,” you would be concluding the negotiations for a state, in my view, within a pretty short space of time. Now, obviously we're not in that situation, we're in the opposite, for the moment. But, that's why I think that one clue as to what countries like Syria can do in this situation, and their goodwill, will be demonstrated by whether they're prepared to move away from that concept that has really done so much damage to the process of peace within the region.

Now, I'm afraid the recent comments by President Ahmadinejad there in—when he visited Damascus, was unhelpful in that regard, but, at some point, people have got to understand, because I think our position—I mean “ours” in the intelligence community, and I think this is the position of America, too—is really pretty clear. We're prepared to move heaven and earth to get the two-state solution, but we will not expect Israel to take risks with its security. So, everyone can work that out. You know, if we're going to make progress, we've got to do so with those—that determination sitting alongside the fact that nobody here in America, and actually nobody, when they think about it, in the broader international community, is going to support anything other than a peaceful, non-violent negotiation to a two-state solution that protects Israel's security as well as offers the Palestinians statehood.

Senator CARDIN. Well, I think you've given the right definition of what is meant by “normalization of relations.” I mean, if you're going to have peace, you're going to have peace. And that includes the whole aspect. When King Abdullah was here, he talked openly about that being the expectation that needs to be met. It's not only normalization of the relations between neighbors; it's also denouncing extremism, as far as the use of force. The reason I mentioned Syria is that we shouldn't be surprised with statements made by the Iranian leaders. They're very interested in keeping Syria as an

ally. Look, Syria's doing a lot of bad things. We know that. We go into this knowing full well that we have a state that has sponsored and facilitated terrorism and has aspirations which are inconsistent with stability in the region. But, if Syria made progress with Israel and we were really able to get that type of normalization between Israel and Syria, then you're breaking the alliance between Syria and Iran, which is another part of the equation here, to try isolate the extremism of Iran from its neighbors. That would have, I think, a very positive aspect about one of the major concerns that Mr. Netanyahu has. So, I think these all sort of fit together. I agree with you completely, one should not be at the exclusion of the other. And I think there's a different set of challenges with Syria. But, we do need to address the issue of Iran that has been very much in the mind of Mr. Netanyahu.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Cardin, I appreciate the questions.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Welcome, Mr. Blair. We're delighted to have you here.

I would like to follow up a little bit on the discussion you had with Senator Risch about the connection between Iran and progress on the Palestinian issue. And in the conversations that you've had with Israeli leaders, whether it's Prime Minister Netanyahu or Minister Barak, is—was it your assessment that they appreciated the analysis that you were making and agreed that there might be an opportunity to make some progress on the Iranian front by addressing the Palestinian issue?

Prime Minister BLAIR. Look, their view is very simple, that—and, in a sense, I think it's really this, which is—look, whatever happens, the Iranian question has to be confronted. I think that they do understand, however, the argument that we would put, which is, if you're to mobilize the majority across the region in favor of a sensible engagement of a peaceful coexistence within the region, then the Palestinian issue has a role to play. I think what they—I think their fear, actually—I mean, it's not for me, again, to put words in their mouth—but, I think their fear would more be if we said, “Look, the Palestinian”—if we went to the opposite extreme; in other words, said, “The Palestinian issue is what we are concerned about, but Iran we put to one side”—my view is that, as I say, they both have to be dealt with, but I do believe we are in a far stronger position to resolve the Iranian question successfully by diplomacy, even by taking steps of pressure, if it is clear that, on this issue, the—the Palestinian issue—that there's such resonance right across the Arab and Muslim world is being properly addressed.

Senator SHAHEEN. Thank you. I was in the Middle East for the Palestinian elections in 2006, and certainly many of the Palestinians that we talked to as part of that mission indicated their support for Hamas was based, not on support for a terrorism organization, but on the corruption that they had seen from the Palestinian Authority and Fatah, the inability of the PA to deliver services, and that Hamas, they viewed as an alternative that might better be able to deliver social services throughout the West Bank and

Gaza, and restore order that seemed to be lacking in many areas under the Palestinian Authority.

So, I guess my question is, Given what we've seen in the West Bank—and I know that there has been some progress recently with respect to supporting President Abbas and the leadership of the Palestinian Authority—what more should the Quartet—what more should we be doing to provide support for legitimate Palestinian government on the West Bank that would give encouragement to all Palestinians that this is—and to Israelis—that this is a government leadership that they can count on?

Prime Minister BLAIR. First of all, I entirely agree with you, Senator, about the elections. I think there were many reasons for the outcome of those elections. And they don't lead me to change my view that, if we made substantial progress, we could mobilize majority support amongst the Palestinians.

And also, you're absolutely right to point out the huge impact of Prime Minister Fayyad and his reform program. I mean, one of the things that we did when we held the conference in Paris in December 2007 is that we didn't just raise a substantial sum of money for the Palestinians, we also—for the first time, that money was marked against a reform and development plan that was a serious plan drawn up by serious people. And that also makes a big difference. And what Prime Minister Fayyad personally has done, with the support of President Abbas, is to make changes in Palestinian security capacity that now mean, actually, in substantial parts around the area, there up in and around Jenin and down in Nablus, down in Hebron—there is a lot more work now being done by the Palestinian forces and they are, then, cooperating with their Israeli counterparts in trying to iron out some of the difficulties that there are between them.

So, you know, this is—this could be done. But, the thing that's going to make the difference is that we take these concrete practical measures on the ground—and, you know, I have done this now for 18 months—and we have produced a package of measures that, I have no doubt, if we took and we did, they'd make a difference to the psychology of the average Palestinian living on the West Bank. Unfortunately, for the moment, that's just—you know, talk about the West Bank rather than Gaza. But, there's no doubt in my mind that implementation of these measures would make a significant difference.

And what we need from the Israeli Government there, is for something really very simple; we need what Prime Minister Netanyahu's been saying about an economic peace to be taken at its face value, to be worked on and delivered. Now, it's not a substitute for the political negotiation, of course. But, it's still important. So, sometimes people say to me, "Well, you've got to tell the Israelis, you know, "We don't want to hear this about an economic peace." And I say, "No, actually we do want an economic peace, but we want a political peace, as well." But, if you can get genuine economic change going on in the West Bank, it will make a difference, for sure.

Senator SHAHEEN. Let me also ask you—one of the things that I have—has been pointed out to me recently is that there is interest on the part of some of the younger leadership among the Pal-

estinians in taking action if they don't see some change in President Abbas's administration, and see things differently. Do you think that's real? Is there a real potential that some of the younger leaders on the West Bank could actually provide an ultimatum or make it clear that they are going to make some changes if they don't see a change in the leadership there?

Prime Minister BLAIR. Well, I think it's important that a new generation of leadership is brought on in time. And that's why one of the things that President Abbas is addressing, quite rightly, is the issues—along with Abu Abu Ala and others, the issues of Fatah reform. And that's important.

You know, the only leadership that's going to work, in the end, is the leadership that's committed to statehood. And, you know, what I always say to Palestinians that I talk to about this is to say, you know, "We need, if we get this process going again, properly and credibly, we need to shift your mentality from that of resistance, which is one type of mentality, to governance, which is another type of mentality. Now, we've got to make it real," but—"for you," but if we do, then that's where they—this younger generation should be concentrating, on actually how they're going to run a Palestinian state.

Senator SHAHEEN. Thank you.

The CHAIRMAN. Thank you, Senator Shaheen.

Senator Kaufman.

Senator KAUFMAN. Thank you for what you're doing. I've been sitting here for 2 hours listening to a tour de force. I mean, it really is quite incredible, the grasp we have of this. And I think how many of the—of what you say, the members agree with. And—but, of course, when you look at this problem, it is so incredibly intractable and so incredibly difficult, but I have a real advantage; my mother was Irish and my father is Jewish, so I've followed both of these issues quite closely. And I don't think many people really understand how difficult the Irish problem was. And I think we have assembled here, kind of, the dream team, having you and George Mitchell both come back to solve the intractable one. So, I feel good about that.

I just wanted to ask you, How is coordinating things with Senator Mitchell? How is that going? How is that working?

Prime Minister BLAIR. One of the great benefits of having Senator Mitchell on this task is, first of all, that he's, in my view, a very clever, as well as principled, leader in the political field, and the other is that we worked very closely over the Northern Ireland deal. And actually, he and I have just been talking this morning—I mean, we keep in close contact with other—have been this morning about how we worked together to push this forward. And I think, you know, there's a great degree of agreement on the different elements—the political, the economic, the security—how we should make progress here.

And, you know, I learned two things, at least, and possibly three, after the Northern Ireland experience, and—you know, there are many, many differences, let me put that on the table; of course there are. But, one is that you need a determined focus. And that's why what President Obama has done in the new administration is so important. Second—and that's why I have my maps there—you

need to focus on detail, the detail matters. I mean, people sometimes said to me, “What on earth are you doing, knowing about this checkpoint or that checkpoint?” And I said to them, “I used to know the most intimate details about bits of the security operators alongside the border in Ireland, because they had an impact on whether you could get a deal or not.” So, detail matters.

And I guess the final reflection is that, you know, as you see with Dr. Paisley sitting down with Martin McGuinness, it is possible for your enemy to become your friend. So—or at least your partner. And I think that, however difficult it is, you know, it’s not simply optimism that fuels my search for something that works, here. It’s also that I don’t see the alternative. I mean, the alternative is conflict. So, however much we have to try, and however long we have to try, and however many times we have to try and retry, we’ve got no choice if we’re to act responsibly toward the challenges we face in this region and the wider world.

Senator KAUFMAN. Any response to Senator Risch’s column? You talked about the day of reckoning, when we actually get to a two-state solution. Is there any progress being made, in terms of getting the two sides and the Palestinians together in—any kind of developments that are anything optimistic?

Prime Minister BLAIR. Well, the Egyptians have done a heroic task on this. And I think they have isolated the key questions and got to grips with them. But, as I was saying in answer to a question earlier, ultimately, to agree, you’ve got to agree, and you’ve got to agree on the objective—a two-state solution—and you’ve got to agree on the means of getting there—politics, not violence. So, that, I think, is at the heart of where this thing—this thing comes to. And I think, you know, people want there to be unity on the Palestinian side, but, as I was saying earlier, it must be unity that’s real.

Senator KAUFMAN. Can you talk a little about the Russians’ role in the Quartet?

Prime Minister BLAIR. I have to say that Russia has been actually very supportive of what we’ve done, and I have found them, during the course of this process, as members of the Quartet, supportive of both what we’re trying to do and the wider process. So, I can’t say I have any complaints at all; on the contrary.

Senator KAUFMAN. And what’s the role of the EU, in terms of building institutions in the Palestinian state—I mean, the Palestinian areas?

Prime Minister BLAIR. The European Union, for example, has just put together a comprehensive set of proposals. I mean, these are proposals that the Palestinian Authority and Prime Minister Fayyad—these are—this is his desire, his wish, it’s his plan, his program, but we have put forward proposals that can support that. And I think the Europeans have an important role to play, not merely in terms of financing the Palestinian Authority, but also in capacity-building and institution-building, since these institutions are so crucial to statehood.

Senator KAUFMAN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Kaufman.

I couldn't agree with you more, I think we've been treated, this afternoon, to a terrific opportunity to be able to look inside quite a few years of the highest level of leadership's struggles with this particular issue, and it's a rare insight, and an important one for the committee, and we're very grateful to you, Mr. Prime Minister, for helping us to establish this benchmark as we go into these next weeks and months of meetings and, hopefully, negotiations.

I know you have a 4:30, and we promised to get you out of here—there is a topic that I want to get your quick comments on, if we can. Before I do, if I could just say to you that we've dwelled quite significantly, and appropriately, on the steps on both sides that could be taken, particularly the settlements issue. And I raised it in my opening, and I concur with you completely, it would just have a dramatic, enormous impact on raising the other issues to a new moral plane and to really leveraging Israel's larger interests in an important way, and our larger interests. At the same time, there's one other component of it, and that is the freedom of movement of and the improvement of day-to-day life for Palestinians.

I was struck, 5 years ago, when I was in Ramallah, meeting with President Abbas, literally the morning he was elected, and he turned to me, plaintively, to say that he knew what we wanted him to do, which was to disarm Hamas, and then he looked at me, and he said, "Senator, you tell me how I'm supposed to do that. I don't have any police, I don't have any radios, I don't have any cars, I don't have any people who are trained." And then he went on to explain to me how Hamas had a greater ability to deliver services in the streets in Ramallah than he did, with money coming from charities and from outside, and the ability to pay off a suicide bomber's family, and so forth. And it just sort of hit me at that level of Politics 101 being practiced, and his inability to practice it.

Now, admittedly, there were issues of some questions of the abilities and corruption and other questions within Fatah. But as you've said, Mr. Fayyad has brought a whole new moment and era to the accountability and finances of the authority, and many people on the other side, as well as in other Arab countries, have enormous respect for him, as you know. So, that helps to contribute to this new moment.

But, the Arab world has got to also engage in these major steps. It's not just Israel's role to change the dynamic. And there are so many things that they could do, as you know. And I'm going to have the privilege of being in Jordan in a couple of days at the World Economic Forum; I intend to try to lay out some of those things, because they've got to show their good faith here, and that involves travel, visas, flights, visits, economic assistance, ceasing to do certain things that we know they are doing. There's just a clear, bold list, and I think it's very important for us to be evenhanded in laying that out. And I'm sure you would agree with that.

You have been enormously engaged, also, on the issue of global climate change. And we had an important meeting here, which you led, with corporate leaders, the CEOs of GE, Jeff Immelt, John Chambers, of Cisco, Florida Power & Light, DuPont, Dow Chemical—I mean, it's an extraordinary array of companies who are looking for a response. A lot of Americans aren't aware of the corporate desire to have this market signal set, and for us to begin

to move on global climate change. As you know, Great Britain has been a leader. They have a superb wind project that is being undertaken now. The EU has set a very high goal for reductions in emissions.

And I wonder if you would underscore to us, to Americans today, and to the committee, the global security implications of this issue and what your belief is about Copenhagen and its importance, and American leadership with respect to it.

Prime Minister BLAIR. Thank you. And, first of all, I agree entirely with the concluding remarks you made on the Israel-Palestine question.

In respect of global climate change, I mean, this is a huge issue for, not just the long-term future of our environment, but for our security, our stability, for the reasons of long-term energy policy, and people are anxious—desperate, even—to see that U.S. leadership out there showing the way forward.

There is a tremendous commitment now from within Europe. I believe there is a sincere desire on the part of the leadership of China to play its proper part in reaching a global agreement. And what I would say is that, provided we can show that we're setting the world on a new path toward a low-carbon economy, there are massive business opportunities and job opportunities in this also. I mean, we now employ, in the United Kingdom, far more people in the new environmental technologies than we do in coal, steel, and shipbuilding, some of the traditional stable industries of the United Kingdom put together, and doubled. So, it is possible for this to be a situation in which we make progress on our economy whilst changing the nature of that economy so as to make it compatible and sustainable, in terms of our environmental responsibility. And it's urgent, this—I mean, look, I'm not a scientist, and I'm not an expert, but, I think, in any other walk of life, if you had that degree of scientific consensus about a problem, you would, as a political leader, feel a great responsibility to achieve a solution.

So, that's the point we're at, and I think if it—you know, there are two things that are necessary now. One is to take this issue, as it were, out of the realms of a campaign and put it in the realms of practical, severely practical policymaking so that we get severely practical solutions to these questions. And, second, for American leadership to lead us to an agreement at the end of the year in Copenhagen that would demonstrate, not only a combined, collective commitment, but also be a major step forward for the credibility of multilateral change.

The CHAIRMAN. And, just very quickly, Mr. Prime Minister, could you say something about what is at stake, in terms of real security implications—failed states, refugees, the kinds of challenges that we really face based on what the science is telling us is happening now?

Prime Minister BLAIR. I think it's very clear—and this is one of the reasons, incidentally, why some of the developing countries, not least China, now take this issue so seriously. I mean, the impact, if we do not deal with this issue and the science turns out to be correct, the impact will be devastating, in terms of the dislocation of people, in terms of drought, serious land erosion, in terms of how people feel capable of meeting the challenges of an environment

that will be changing very fast indeed around them. And I think that there are, you know, fundamental reasons to do with our future security, as well as issues to do with the environment, which make this issue absolutely a top priority for us, urgent, and—at the end of the year, we'll have a chance to demonstrate whether we—where there's the will there's also the way. And that's what we must do, for sure.

The CHAIRMAN. Well, we thank you.

Senator Risch, did you have any final comment?

Senator RISCH. No, thank you, Mr. Chairman. Thank you for holding the hearing.

The CHAIRMAN. Again, Mr. Prime Minister, we really are grateful to you. This has been unbelievably helpful, and I think you spoke with great candor and obviously with a lot of expertise on some very tough questions. And it's a good baseline to have established as we enter into this new period. I can't think of anybody who could have brought us a better sort of explanation of it.

So, thank you so much for arranging your schedule to be able to be here today. We're very grateful to you, and we look forward to continuing to meet with you in the days ahead.

Prime Minister BLAIR. Thank you.

The CHAIRMAN. Thank you.

We stand adjourned. Thank you.

[Whereupon, at 4:06 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. CHRISTOPHER J. DODD, U.S. SENATOR FROM CONNECTICUT

I would like to begin by thanking you, Chairman Kerry, for holding this important hearing today. I would also like to thank Mr. Blair for taking the time to join us today and for his years of dedicated work in the search for Middle East peace.

Your work to engage the international community and help promote Palestinian development is a critical component of the Quartet's peace efforts, and you have done a remarkable job despite these trying economic times. Similarly, your sense of appreciation for the issues at play and depth of regional knowledge are tremendous assets to the Quartet's efforts. I think I can speak for the whole of this committee when I say that we are grateful that you have chosen to take on such a monumental task.

Mr. Chairman, the weeks and months ahead represent a historic opportunity for the United States and international community to restart and reenergize the Israeli-Palestinian peace process. Over the past 6 months, we have seen the danger of letting this conflict remain unresolved, and it has become clear that the status quo is truly unacceptable.

The United States must remain active and honest mediators between Israelis and Palestinians, and continue to lead negotiations with the aim of establishing two states, a Jewish state of Israel and sovereign Palestinian state, living side by side and in peace. President Obama's appointment of Senator George Mitchell—a good friend of many on this committee, including myself—was a tremendous step forward, and an indication of the Obama administration's commitment to achieving a lasting and comprehensive peace.

While the opportunity and need for robust U.S. leadership is clear, so, too, are the challenges ahead. Israelis continue to live under the constant threat of rocket fire and terrorist attacks. Hamas, in control of the Gaza Strip, remains dedicated to the obliteration of the state of Israel, and some political forces in the West Bank refuse to recognize Israel's identity as a Jewish state.

At the same time, Palestinians living in the West Bank struggle to live normal lives due to continued settlement expansion—both authorized and unauthorized. While in Gaza, nearly 1.5 million Palestinians living under the control of Hamas have found their access to even the most basic of goods curtailed. Whether they are

Israeli or Palestinian, there are victims on both sides of this conflict, and the status quo is not acceptable.

Despite all of this, the challenges are not insurmountable. A Quartet-led joint Israeli-Palestinian program to rebuild and strengthen Palestinian security forces has shown that regional cooperation is not only possible, but effective. The United States and the international community stand committed to bringing the two parties together, and both President Obama and Secretary Clinton have made clear that the establishment of a state of Israel living side by side with a Palestinian state is one of America's top foreign policy priorities. We must follow through with this promise. We must engage in robust diplomacy that, first and foremost, recognizes Israel's precarious security situation, as well as the national aspirations of the Palestinian people.

Mr. Chairman, in 1978, while the region was still recovering from the 1973 Israeli-Arab war and the prospects for peace seemed dimmer than ever, it was the work of diligent, principled U.S. leadership that helped forge a permanent peace between once sworn enemies Israel and Egypt. I have no doubt that, in cooperation with the Quartet and our partners in the international community, we can once again achieve what so many have called the impossible.

Mr. Blair, thank you again for joining us today. I look forward to working with you in the weeks and months ahead.

