

U.S. Senate Foreign Relations Committee Briefing The Middle East: The Road to Peace

Dirksen Senate Office Building, Room 419
Washington DC 20150, May 15th, 2009 2:00 PM

Hearing Overview

Senator John Kerry (D-MA) hosted a briefing before the Senate Foreign Relations Committee on the current road to peace for the Israeli-Palestinian Conflict. The briefing featured **former British Prime Minister and current Middle East Quartet Envoy Tony Blair**, and was attended by members of the committee, government staffers, and various representatives from local non-profits and international NGOs.

Senator Kerry addressed the room with a prepared opening statement, referring to the coming month as a “critical month for this Administration’s Mideast policymaking.” He said that while peace will not come to the Middle East easily, this moment “presents an opportunity we cannot afford to miss.” He discussed previous peace agreements, and his belief that they failed due to lack of buy-in from Arab states, and that the way forward would be through developing a Regional Road Map that incorporates some elements of the Arab Peace Initiative.

Senator Richard Lugar also presented an opening statement, welcoming Mr. Tony Blair to the proceedings, before delving into his thoughts on the conflict. Senator Lugar stated his belief that the United States has “a strong national security interest in helping to achieve a resolution of the conflict between Israel and the Palestinians.” He believed that settling the conflict would strengthen American credibility in the region, as well as hinder terrorist propaganda and diminish the influence of Iran. He discussed the lack of progress in this matter, assigning the blame to both the Palestinian and Israeli lack of unity and cohesion within their respective governments. He expressed his firm conviction that the international community, led by the United States, has to get involved to achieve meaningful progress towards a settlement.

Mr. Blair began with his own opening statement, highlighting what he thought were the key points in establishing peace in the region. First and foremost, Mr. Blair articulated a growing sentiment; that there is “no workable alternative to the two-state solution.” He conceded that this would not be an easy task, but not impossible. He reiterated that it was the only way forward, and that a majority of people on both sides of the conflict were in favor of such a solution.

In answering questions, Mr. Blair said that the key to succeeding, in addition to a determined effort by the U.S and the international community, is to understand the “reality on the ground” thinking that dominates both sides of the conflict. For their part, the Palestinians are concerned that they would have to make concessions in the defining terms of statehood, but the facts of occupation, the reality on the ground, would remain the same- movement restrictions, lack of border control, expanding Israeli settlements,

permits- meaning they would not really have a true sovereign state. For the Israelis, their concern revolves around security in their state. They fear that if they concede land for peace and return to pre-1967 borders, but still have to face random rocket fire and suicide bombings, they will have given the Palestinians a state without establishing any real peace. Mr. Blair then spoke of the narrowing window of opportunity, and that it was time for all parties to make a concerted effort to achieve a real solution, not just go about the process.

Full Q&A

Senator John Kerry (Chairman, D-MA):

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

If I could just pick up where you just left off and ask you, if you might, broaden that a little bit.

One of the things I've found in the recent journeys to Pakistan and 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 a sort of organizing principle around this dilemma of Israel and Palestine.

And I wonder if you'd share. I mean, it seems to me that Yemen, which is now becoming a site of increased Al Qaida activity, the problems with 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.

PM Blair:

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 members here come to this from a very fixed position, which is that Israeli'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.

Sen. Kerry:

And it is apparent, also, to many of the people who've been following this issue for a long time that the window of opportunity for a two-state solution is, in the judgment of many people, closing.

Demographics, the problem of how you maintain a jurist 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 is increasingly hardening.

I wonder if you'd comment on that.

PM Blair:

You've always got to be cautious about saying, "Look, this is the last moment and this is the final push," and so and so forth, because sometimes those phrases are too easy to use and can be overworked.

But I agree, in essence. I think that -- look, 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 it can't be moved forward.

That, I think, is the risk. And then 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 as I say, I hesitate often about saying this is the final opportunity, but I think I would say that 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.

Sen. Kerry:

Now, speaking to that window of opportunity, you alluded in your -- you didn't allude -- 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?

PM 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.

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 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 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 -- 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 thought to 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 administrative 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. 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 under 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 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, it would make a huge difference.

You bring jobs, you bring hope, and you 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 sometimes 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.

Sen. Kerry:

Thank you very much.

Senator Lugar?

Senator Richard Lugar (R-IND):

Prime Minister Blair, we were led to believe by press accounts, we will know for certain as distinguished Israeli leaders arrive, that they perceive that Iran is the major thing they want to talk about and resolution of that situation.

They don't object to talking about what we're talking about today, but you have the impression that this is far from the same levels.

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 then creates a very different kind of Middle East, both for the United States, for Great Britain, for the Arab countries, for everybody.

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

Now, if this were simply something that's likely to go away rapidly, that would be one thing, but it may not.

So in the backdrop, even if we get into a diplomatic round, two or three, with Iran and the Israelis and others, the fallout back home, and some I'm talking about here, continues to be substantial.

That doesn't mean we shouldn't progress, but let's take just one element of what you've just suggested -- the settlements, large settlements of Israelis in parts of what could be Palestinian territory.

In the past, Israeli governments have found it's very difficult to bring about movement, even change of opinion, of many of the settlers.

As a matter of fact, controversies have occurred where some Israelis had felt they ought to have the right for more settlements rather than fewer; that, as a matter of fact, people coming from abroad who may wish to come to Israel need some room, and there still is this kind of feeling which permeates, and evangelical fervor in all of this.

But how, as a practical matter -- just describe the negotiation in which you're involved -- is a settlement issue to be resolved? Does the Israeli government finally have to say, "First of

all, no more settlements and, secondly, 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, that would call for a different kind of government, I think, than the coalition that is there now and it's not really clear how soon such a government might be formed.

But as a practical matter, until it is, it's very likely that this feeling, as you said, of some on the mountaintops and some in the valleys, with regard to the rights and so forth, is going to persist.

I suppose it sort of 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, enterprises, perhaps the Annapolis conference was too late in the administration, perhaps other times were too early.

But clearly, the Obama administration sort of starts out at the beginning or four years ahead, a strong feeling about this. And yet, as a practical matter, the settlements have to happen at some point quite apart from the security that you've described, some economic rehabilitation. Maybe, as you say, some tourism might be helpful.

Gaza 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 say, "This is way on down the line."

In the fullness of time, I'll -- but for you and the chairman, you've 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 this is not even in sight, despite the idealism of King Abdullah, Arab countries who have said, "We really need to see this happen. We've got to live here to," and trying to sort this out in a way that I'm more optimistic.

PM Blair:

Right. First of all, I think, Senator, that the -- I mean, I'm not suggesting that 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 road map 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 a land swap deal and there will be areas that it will be clear that the settlements will have to move.

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

But I think in the short term and certainly for the (inaudible) state being viable.

So, for example, you will have heard a lot of the controversy recently over -- I think it's around about that E-1 settlement or rather the E-1 strip of land and the concern of the Palestinians if there's settlement activity there. I mean, I think that is an important question.

So there are very specific practical issues that arise. House demolitions would be another. Land appropriation is 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 of 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 all together, and I think that is a linkage that many people in the region understand.

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 who might want to use this dispute for their own end in stirring up trouble within the Palestinian Authority, elsewhere within the region.

Sen. Lugar:

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 and 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, essentially, "Thank goodness, the job got done," quite apart from the rest of the Arab world.

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." But they would say, "We've been there, done that, and this is not in the cards."

So what do you say about this strong imposition?

PM Blair:

One of the things I learned about 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, to a new relationship, to a new administration, a new Israeli government, Palestinian Authority, I think what is important is to try and find an agreed way forward. 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 principal, 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.

Sen. Lugar:

Thank you, sir.

Thank you, Mr. Chairman.

Sen. Kerry:

Thank you, Senator Lugar.

Senator Boxer?

Senator Barbara Boxer (D-CA):

Thank you very much, Mr. Chairman.

Mr. Blair, your work not only in this critical issue of the Palestinian-Israeli conflict, but also your work 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, working with our chairman's incredible leadership, I might say, on both of these issues.

So hopefully we'll figure it out, because in many ways, humankind 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 is 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, quote, "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," unquote.

So I just have a couple of questions to ask you that I'm taking from that speech, because I think it will 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 quote, "ideology that drives extremism," unquote, abating at all, in your opinion?

And last, how does the new U.S. administration proceed, particularly as President Obama prepares to deliver a major speech in Egypt early next month?

PM Blair:

Thank you, Senator. And I think I would say my opinion is still the same.

I would say that you 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 has 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 that's why I say I think this is a moment of opportunity. The tough thing is this, though. 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.

Sen. Boxer:

If I could follow-up with that, since you opened the door to other countries. I want to ask you about Iran's tough issue and their role in the Israeli-Palestinian conflict.

I have here an "Associated Press" article that I would ask unanimous consent, Mr. Chairman, to place in the record.

Sen. Kerry:

Without objection.

Sen. 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, quote, "affirmed Iran's support for the Palestinian people and their resistance," unquote.

He also praised Iran's alliance, and this is troubling to me, with Syrian President Assad, saying that, quote, "The two countries' alliance was achieving 'victories' in preventing the big power's," and we know who that is, "offensive," and we know who that is, "to dominate the region."

I view that as, obviously, you're trying to help, and I worry about that kind of language.

So what steps can the U.S. 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?

PM 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, 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 our engagement is genuine and the clarity of our message is genuine, as well, and that is, 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 issue -- is to take away accords that they abuse, frankly, in order to gain support for their end.

And the Iranian relationship with Hamas, I mean, I think it's fairly clear that 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 why this next period of time is very important, because these issues do interrelate in a very profound way. So equally as I would say to people, "You cannot say let's concentrate in 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, they want to be able to stand up and say, "We're in 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 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 etiology 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 towards 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.

Sen. 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.

Sen. Kerry:

Thank you very much, Senator Boxer, appreciate it.
Senator Corker?

Senator Bob Corker (R-TN):

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 that issue, to me, seems like one that, as it continues on a daily basis, indicates that there's not seriousness towards working towards 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 saying 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 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.

PM Blair:

Thank you. First of all, I think the settlement question has to be dealt with immediately, as well as in the longer term.

But I think 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. 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 about this with him over a prolonged period of time and even so, 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 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 towards the same end as the rest of us and 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, 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.

Sen. Corker:

Is there any sense that a cessation, a stopping of settlements for some period of time while they -- I mean, because we 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?

PM Blair:

Yes, of course. That's exactly the issues the road map examines. And you come back to the same thing, which is to make sure that there is not activity in respect of settlements that then makes a Palestinian state either untenable or unviable.

But also, and this is the other problem, if you get settlement expansion at the same time as you're negotiating over a two-state solution, Palestinians then feel, "Look, 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 the settlement and the negotiation around the two-state solution.

I hope we can find those ways of doing that over the next few weeks, but undoubtedly, of course, the settlement issue will be very important.

Sen. Corker:

So since you're discussing this ground-up/top-down simultaneous way of looking at this, 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?

PM Blair:

I think as you can see from the map, the distance is reasonably short between 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 to Gaza, we have a situation where, following the takeover by Hamas, there has been conflict and 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, but 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 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 and improving the lives of people.

Sen. Corker:

I know you've laid out, I think, in the next five or six weeks, there's 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?

PM 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 has 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 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.

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 and the rule of law is going to continue, it's going to intensify; 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 Palestinian -- we've got to acknowledge that 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, to put it in true 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.

Sen. 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.

The geography is such that and intentions 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.

Sen. Kerry:

Thanks, Senator Corker.
Senator Feingold?

Senator Russ Feingold, (D-WIS):

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 achieve 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's also in the national security interest 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 territory.

Mr. Blair, as I mentioned in my opening comments, there is an increasing sense of urgency on the 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 next 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 cap it 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?

PM Blair:

Thank you, Senator.

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 and 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've 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 that 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 is possible to perceive a future success.

And what I would say -- sometimes people say to me, "What's different? 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, 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.

Secondly, there is an administration that, as you rightly put out, at the outset, is saying, "We are taking this issue seriously. We want to push it to resolution."

Thirdly, we have different Palestinian leadership. And, fourthly, 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 of 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.

Sen. 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 U.S. 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?

PM Blair:

This is, obviously, a key question in this whole business. 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.

In other words, I think a Palestinian unity government is, in principal, 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 there's a similarity, again, with, for example, the Mitchell principles in the context of Northern Ireland, where if 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 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 may find our path to be more difficult rather than less difficult.

Sen. 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 would 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 aspects of the Arab peace initiative?

And how do you view the role of the U.S. and the quartet as partners with other key actors in helping to resolve the broader Arab- Israeli conflict?

PM Blair:

I think for all of us that see this as an issue that concerns the whole of the regional, the regional dimension is, obviously, of 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.

I think people will want, after there's been a whole set of discussions and negotiation and interaction, they will then want to know, "Well, OK, and it amounts to what as a way forward," and I think that's why what President Obama said a short time ago is absolutely right. We want to see out of that gestures and actions consistent with a two-state solution.

Sen. Feingold:

Thank you very much, Mr. Blair.

Sen. Kerry:

Thank you very much, Senator Feingold.
Senator Risch?

Senator Jim Risch, (R-ID):

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.

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. There's no room for error there. They have got to be right on that.

This is a -- 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.

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?

PM Blair:

It's perfectly natural, especially given the language used by the president of Iran. It's perfectly natural, first of all, to be focused on this issue.

If were, any of us, politicians within the Israeli system, we'd be focused on it and, actually, I think all of us should be focused on it.

The question is, to my mind, what is the best way to deal with that. Is it to see that in isolation from these other questions within the region or is it 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 Israeli 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 spend, obviously, a lot of time talking to people on the ground and 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 the state of Israel, that's confident 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.

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 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.

Sen. 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, certainly, you can argue that you have a leadership in the West Bank to deal with, 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.

PM Blair:

And that is 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 has 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 sure 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.

Sen. Risch:

Well, I wish you well in that regard and I hope your optimism plays out. But 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 points that you're talking about, that their vision's a little better than what it's been in the past.

Thank you very much, Mr. Blair.

Thank you, Mr. Chairman.

Sen. Kerry:

Thank you, Senator Risch.
Senator Cardin?

Senator Benjamin L. Cardin, (D-MD)

Thank you, Mr. Chairman.

Mr. Blair, I want to thank you very much not only for being here, but for your extraordinary international leadership on this issue.

And I think there is some reason for optimism, with the new administration in Washington, the 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 road map that 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're seeing the 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.

You can't deal with Hamas unless they were to disavow their current position and 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 goal on Syria. Some of us have been to Syria. I think we were all somewhat surprised to learn of how much progress had been made between Israel and Syria through Turkey prior to Gaza problems.

And there's been genuine agreement that if progress was made on that front, it would somewhat negate some of the influence of Iran and perhaps be an encouragement towards 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 the progress can be restarted between Syria and Israel.

PM Blair:

First of all, I'm all in favor of trying. I mean, I don't -- I think there's no harm, indeed, and 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 is 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.

For them, I think the Golden 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 have the leader of Hamas in Damascus. You have Corporal Shalit still -- actually, he's 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 one thing -- it would be a reflection, not merely from this time doing this, but in the time when I was prime minister of the U.K. and the senate was talking about the elections that happened on 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 believe that 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 would 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 the targeting innocent Israeli civilians through acts of terrorism is wrong, it's also totally counterproductive 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 wider regional context. 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 when we finally got to the point in Northern Ireland when the republican movement went out and throwing aside all its history and what it felt and how 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 a sense, of statehood.

And likewise, 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 is 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 when he visited Damascus aren't helpful in that regard, but at some point, people have got to understand, because I think our position, I mean ours in the international community, and I think this is the position of America, too, is really pretty clear.

We're prepared to move ahead on this to get the two-state solution, but we will not expect Israel to take risks with its security.

So if one can work that out, if we're going to make progress, we've got to do so with that determination sitting alongside the fact that nobody here in America or, actually, nobody, when they think about it, in the broader international community, is going to support anything other than a peaceful, nonviolent negotiation to a two-state solution that protects Israel's security, as well as offers the Palestinians statehood.

Sen. Cardin:

Well, I think you've given the right definition of what is meant by normalization of relations. If you're going to have peace, you're going to have peace, and that includes the whole aspects.

When King Abdullah was here, he talked openly about that being the expectation that needs to be met. And 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. But if Syria were to make progress -- look, Syria is doing a lot of bad things, we know that.

We know that they're -- we go into this with our -- 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 to isolate the extremism of Iran from its neighbors.

And that would have, I think, a very positive aspect about one of the major concerns that Mr. Netanyahu has. I'm just saying 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.

Sen. Kerry:

Thank you very much, Senator Cardin, and appreciate the questions.
Senator Shaheen?

Senator Jeanne Shaheen (D-NH):

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, 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?

PM Blair:

Look, their view is very simple 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 was what we were concerned about, but Iran we put to one side, my view is that, as I say, that 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, that is, the Palestinian issue, that there's resonance right across the Arab and Muslim world is being properly addressed.

Sen. 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 only support for a terrorist organization, but on concern that the corruption that they had seen from the Palestinian Authority and Fatah, the ability of the PA to deliver services was not there, 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 on 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?

PM 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, they're up 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 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 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 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 something really very simple. We need what Prime Minister Netanyahu has 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 and what is this about an economic peace," and I say, "No, actually, we do want an economic peace, because we want a political peace, as well."

But if you can get genuine economic change going on the West Bank, it will make a difference, for sure.

Sen. Shaheen:

Let me also as you -- one of the things that has been pointed out to me recently is that there is interest on the part of some of the younger leadership among the Palestinians in taking action if they don't see some change in President Abbas' 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?

PM Blair:

Well, I think it's important that the 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 (inaudible) and others, the issues of Fatah reform, and that's important.

The only leadership that's going to work in the end is a leadership that's committed to statehood. And what I always say to Palestinians that I talk to about this is to say, "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 for you, but if we do, then that's where this younger generation should be concentrating, on actually how they're going to run a Palestinian state.

Sen. Shaheen:

Thank you.

Sen. Kerry:

Thank you, Senator Shaheen.
Senator Kaufman?

Senator Ted Kaufman (D-DE):

Thank you for what you're doing. I've been sitting here for two hours listening to a tour de force and it really is quite incredible, the grasp you have of this, and I think many of, what you say, the members agree with.

And, 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's Jewish. So I follow 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 want to ask you, how is coordinating things with Senator Mitchell? How is that going? How is that working?

PM Blair:

One of the great benefits of having Senator Mitchell on this task is, first of all, that he is, 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 each other, been talking this morning about how we work together to push this forward, and I think there's a great degree of agreement on the different elements, the political, the economic, the security, how we should make progress here.

And I learned two things, at least, and possibly three after the Northern Ireland experience, and there are many, many differences. Let me put that on the table, of course, there are.

But one is that you determine focus and that's why what President Obama has done in this new administration is so important.

Secondly -- and that's why I have my maps there -- you need to focus on detail, the detail matters. People sometimes say to me, "What are you doing knowing about this checkpoint or that checkpoint," and I say to them, "I used to know 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 see, with Dr. Paisley sitting down with Martin McGuinness, it is possible for your enemy to become your friend or at least your partner.

And I think that however difficult it is, it's not simply optimism that fuels my search for something that works here. It's also that I don't see the alternative. The alternative is conflict.

So however much we have to try and however long we have to try and how many times we have to try and retry, we've got no choice if we're to act responsibly towards the challenges we face in this region and the wider world.

Sen. Kaufman:

In your response to Senator Risch's comment, 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 and any kind of developments or anything optimistic?

PM Blair:

Well, the Egyptians have done an heroic task on this, and I think they have isolated the key questions and got to grips with them.

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, the 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 comes to and I think people want there to be unity on the Palestinian side, but as I was saying earlier, it must be unity that's real.

Sen. Kaufman:

Can you talk a little about the Russians' role in the quartet?

PM Blair:

I have to say that is being, naturally, 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.

Sen. Kaufman:

And what's the role of the EU in terms of building institutions of the Palestinian state -- I mean, the Palestinian areas?

PM Blair:

The European Union, for example, has just together a comprehensive set of proposals. I mean, these are proposals that the Palestinian Authority and Prime Minister Fayyad -- 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.

Sen. Kaufman:

Thank you.

Thank you, Mr. Chairman.

Sen. Kerry:

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 I'm 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 do want to ask you, I know you have a 4:30 and we promised to get you out of here. There's a topic I want to get to, 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 dwelt quite significantly and, I think, 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, I think, leveraging Israel's larger interests in an important way and our larger interests.

At the same time, there are -- and there's one other component of it and that is the freedom of movement, the improvement of day-to-day life for Palestinians.

I was struck five years ago when I was in Ramallah meeting with President Abbas, literally, the morning he was elected, and he turned to me plaintively, and I've said this story many times, but I think it's important to underscore it, 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 more than ever before, the level of politics 101 being practiced and his inability to practice it.

Now, admittedly, there were issues, some questions of the abilities and corruption and other questions within Fatah, but I think that, as you've said, Mr. Fayyad has brought a whole new moment, an 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 what I was going to say is the Arab world has got to also engage in these major steps. It's not just Israel's role to sort of 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.

It's just a clear, bold list and I think it's very important for us to be evenhanded in sort of laying that out. I'm sure you would agree with that.

You have been enormously engaged, also, on the issue of global climate change. We had an important meeting here, which you led, with corporate leaders, the CEOs of GE, Jeff Immelt, John Chambers of Cisco, Florida Power and Light, DuPont, Dow Chemical.

I mean, it's an extraordinary array of companies who are looking for a response. A lot of American aren't aware of sort of the corporate desire to have this market signal set and for us to begin to move on global climate change.

And since we have the -- 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.

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

PM 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, this is a huge issue for not just the long-term future of our environment, but for our security, our stability, for reasons of long-term energy policy.

And people are anxious, they're 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 are setting the world on a new path towards a low carbon economy, there are massive business opportunities and job opportunities in this, also.

I mean, we now employ in the U.K. far more people in the new environmental technologies than we do in coal, steel and shipbuilding and some of the traditional staple industries that the U.K. put together and doubled.

So it is possible for this to be a situation in which we make progress on our economy, while changing the nature of that economy so as to make it compatible and sustainable in terms of our environmental responsibility, and it's urgent today.

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 -- 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 policy-making so that we get severely practical solutions to these questions.

And secondly, 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.

Sen. Kerry:

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

PM Blair:

I think it's very clear, and this is one of the reasons, incidentally, why some of the developing countries, not the least China, now take this issue so seriously.

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 droughts, 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 fundamental reasons to do with our future security, as well as issues to do with the environment, which make this issue absolutely top priority for us, urgent.

And at the end of the year, we'll have a chance to demonstrate that where there's the will, there's also the way, and that's what we must do, for sure.

Sen. Kerry:

Well, we thank you.

Senator Risch, did you have any final comments?

Sen. Risch: Senator Jim Risch, (R-ID):

(OFF-MIKE)

Sen. Kerry:

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 been -- it's a good baseline to have established as we enter into this new period.

I can't think of anybody who could've brought us a better sort of explanation.

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.

PM Blair:

Thank you.

Sen. Kerry:

Thank you.

We stand adjourned. Thank you.

List of Panel Members and Witnesses

PANEL MEMBERS:

SEN. JOHN KERRY, D-MASS. CHAIRMAN
SEN. CHRISTOPHER J. DODD, D-CONN.
SEN. RUSS FEINGOLD, D-WIS.
SEN. BARBARA BOXER, D-CALIF.
SEN. ROBERT MENENDEZ, D-N.J.
SEN. BENJAMIN L. CARDIN, D-MD.
SEN. BOB CASEY, D-PA.
SEN. JIM WEBB, D-VA.
SEN. JEANNE SHAHEEN, D-N.H.
SEN. EDWARD E. "TED" KAUFMAN, D-DEL.
SEN. KIRSTEN GILLIBRAND, D-N.Y.
SEN. RICHARD G. LUGAR, R-IND. RANKING MEMBER
SEN. BOB CORKER, R-TENN.
SEN. JIM DEMINT, R-S.C.
SEN. JOHNNY ISAKSON, R-GA.
SEN. JOHN BARRASSO, R-WYO.
SEN. JIM RISCH, R-IDAHO
SEN. ROGER WICKER, R-MISS.

WITNESSES:

QUARTET SPECIAL ENVOY TONY BLAIR