

As prepared for delivery

**“America’s Enduring Relationship with Israel”
Delivered by James A. Baker, III
To J Street
Monday, March 23, 2015
Washington DC**

Thank you, Bill, for your generous introduction.

And thank you, as well, Bill, for your long and exemplary service to our country. The *Washington Post* was absolutely right when it recently called you “a diplomat’s diplomat.” You will remain a role model for foreign service officers for a very long time.

Ladies and gentlemen, I’m pleased to be here tonight. Since its founding in 2008, J Street has consistently promoted open debate within the American Jewish community and, more broadly, within our political system. I commend you for this.

The reason is simple -- a solid and trusting U.S.-Israeli relationship is *vital* for both countries. This is as true for United States as it is for Israel. We are staunchest allies in one of the most unstable regions in the world. If we are to forge effective policies that promote our many common interests, both countries should promote the fullest possible discussion of the various issues that routinely unite us -- and occasionally divide us, as well.

I was a teen-ager when the modern state of Israel was created. I will leave it to you to decide whether that is evidence of how old I am or how young Israel is!

But, I will say this: since gaining their independence in 1948, Israelis have built one of the most impressive states in the world. In doing so, they have fulfilled the age-old dream of the Jewish people. They have created a robust democratic polity in a very undemocratic corner of the world. And, they have nurtured an economy that taps the energy and entrepreneurship of its citizens in ways that promote the general prosperity.

Israelis have accomplished all of this and much more in the face of severe threats to their security and, indeed, even their national existence. Israelis have met these threats with a courage, fortitude and enterprise that fill me and most Americans with great admiration and respect.

I am proud that my country played a pivotal role in establishing Israel and helping her survive and thrive as a homeland for the Jewish people.

The U.S.-Israeli relationship is deeply grounded in common interests and shared values. It is broad-based, touching on an astonishing range of issues related to security, intelligence, diplomacy and economics. Not least, the U.S.-Israeli relationship is intimate, marked by close cooperation at every level of government -- from the highest ranks of political leadership to the many officials in both countries who manage bilateral affairs on a daily basis.

No one around the world should ever doubt America's commitment to Israel -- not now, nor in the future. Whether we are governed by Democrats or Republicans, America has been and always will be there for Israel's security. That is simply not going to change.

I experienced first-hand the complexity -- and occasional contentiousness -- of the U.S. -- Israeli relationship when I was Secretary of State under President George H.W. Bush.

At that time, Middle Eastern affairs were dominated by Iraq's invasion of Kuwait in August 1990 and our subsequent successful efforts to forge an effective diplomatic and military coalition to reverse it. Israeli cooperation proved critical. By refusing to respond to Iraq's Scud missile attacks, Israel helped us sustain critical Arab support for ejecting Iraq from Kuwait. Israel's forbearance in the face of Iraqi aggression was evidence, if any was needed, of the strength of the U.S.-Israeli relationship. And it was something for which President Bush and all who served on his foreign policy team were immensely grateful.

We also believed that the coalition's triumph in the First Gulf War provided a window of opportunity to advance Arab-Israeli peace. We succeeded. After months of intense diplomacy, we were able to convene the Madrid Peace Conference in October 1991. That conference broke a long-standing taboo and marked the historic first face-to-face meeting between Israel and all of its Arab neighbors to discuss peace, something that had been a goal of Israeli policy for decades. Madrid was for many Arab countries their first acknowledgement of Israel's right to exist.

We also achieved a repeal of the "Zionism-is-Racism" resolution at the United Nations and we furthered both politically and economically the emigration of many Soviet and Ethiopian Jews to Israel.

Still, the U.S.-Israeli relationship during my time at State had its tense moments. The most significant -- and controversial -- was President Bush's decision to withhold \$10 billion in loan guarantees to Israel because of the settlement policies of then-Prime Minister Yitzhak Shamir. I thought at the time that President Bush was justified. I still do.

We wanted assurances from Israel that the loan guarantees would not be used in any way to promote settlement policies with which we disagreed. I was told personally by Prime Minister Shamir that Israel's friends in Washington had told him Israel could get the money from Congress. As a result, they would not agree to postpone their request for the loan guarantees. After a "Battle Royale" on Capitol Hill, Congress ended up voting down a bill that would have granted Israel the loan guarantees over President Bush's objection.

Some observers believe that Shamir's inability to manage Israel's relationship with the United States was one reason for his electoral loss to Yitzhak Rabin in 1992. Let me stress that the purpose of President Bush's policy on loan guarantees was based on the settlements issue and was *not* to cause the downfall of Shamir, although it may have contributed to that result.

Nevertheless, we did find Prime Minister Rabin an altogether more reliable partner. And if you think the current Israeli prime minister is a tough customer, let me remind you that 25 years ago Yitzhak Shamir referred to Benjamin Netanyahu as "too soft."

Today, U.S.-Israeli relations are once again characterized by broad cooperation but also narrow, though intense, disagreement. Many of Israel's concerns -- about the general threat of terrorism, the specific challenge to regional stability represented by ISIS, and rising anti-Semitism in Europe -- are fully shared by the United States.

One area of difference, however, is the Arab-Israeli peace process, where the United States would clearly like Israel to be more forthcoming. Another difference is over the best approach to address Iran's nuclear program.

Let me take these issues one by one.

First, the peace process.

Frankly, I have been disappointed with the lack of progress regarding a lasting Palestinian-Israeli peace. Shortly after President Obama took office in 2009, I thought that there was a chance that Israel and the Palestinians could strike a secure and lasting deal. Obama had indicated a willingness to expend political capital to push for a two-state solution. I thought that Prime Minister Netanyahu had the nationalist credentials and domestic support necessary to conclude such an agreement. And Palestinian President Mahmoud Abbas appeared to have the desire.

At the time, I felt Netanyahu could play the same role as a previous tough-but-pragmatic Israeli Prime Minister -- Yitzhak Rabin, who had leaned forward for peace with the Palestinians and the Syrians before his tragic assassination by an Israeli extremist.

Some argue that now it is too late to create a two-state solution. Too many settlements have been built in the occupied territories. And the Palestinians remain hopelessly divided between a rejectionist Hamas and a weakened Palestinian National Authority.

In the aftermath of Netanyahu's recent victory, the chance of a two-state solution appears even slimmer given his reversal on the issue on the eve of Israel's elections last week. Remember, three months after he first took office as his country's prime minister in 2009, Netanyahu shared his vision for a two-state solution. Since then, his actions have not matched his rhetoric as settlement construction has continued. And last week, under intense political strain, he announced his opposition to a two-state solution. Even though he attempted to back away from his statement two days later, the short-term prospect for such a solution obviously remain bleak.

For the medium to long terms, however, I remain cautiously optimistic -- and I stress "cautiously" optimistic -- because it seems to me that Israel's future absent a two-state solution could be very difficult at best. The practical alternative to a two-state solution is continued conflict that will neither guarantee to Israelis the security they deserve nor deliver to Palestinians the state that they desire. Further, I fear that Israel risks losing either its Jewish character or its democratic character as long as it occupies those Arab lands because demographic changes could ultimately make keeping both impossible.

And remember, although Netanyahu and his right-and-center coalition may oppose a two-state solution, a land-for-peace approach has long been supported by a substantial portion of the Israeli body politic, by every American Administration since 1967 -- Republican and Democrat, alike -- and by a vast majority of nations around the world. In my view, it is doubtful that this election will significantly erode that support.

As we think about the dispute between Palestinians and Israelis, and a possible solution to it, we need to remember and appreciate five "truisms" about the conflict.

First, there is a Catch-22 regarding this issue -- and that is that Israel will never enjoy security as long as it occupies the Territories and the Palestinians will never achieve their dream of living in their own state alongside Israel as long as Israel lacks security. It is a tragic version

of the chicken or the egg question. For this and other reasons, land-for-peace under U.N. Security Council Resolutions 242 and 338 is the only basis upon which the dispute can reasonably be settled.

Second, there is no military solution to the conflict because neither side can “win” the conflict by dominating the other.

Third, a political process and dialogue are essential in this dispute. It is an axiom that with respect to this conflict, whenever the political process breaks down, there will be violence on the ground.

Fourth, hardliners on both sides are the biggest impediment to a solution, including Arabs who won't accept Israel's right to exist and Israelis who want to keep the territories. On this point, I want to add that statements comparing Israeli actions or Palestinian actions to ISIS undermine efforts to achieve regional peace and stability. Such statements must be condemned.

And fifth, the United States is the most effective mediator because of our country's special relationship with Israel. But the United States can only be effective in this role if both Palestinians and Israelis believe that America is acting as an honest broker.

A second issue dividing US and Israeli leaders today is the Iranian nuclear talks.

Here, the United States and Israel share a common overarching goal: to stop Iran from acquiring nuclear weapons. We share the same goal, but we disagree on the best way to get there. That disagreement on process should not be used to impair or adversely affect US-Israeli relations. Many in Israel see Iran with nukes as an existential threat.

From the American perspective, a nuclear Iran would undermine our broader goal of preventing nuclear proliferation. Further, it would add instability to a region already plunged into conflict. Under the very best of circumstances, we would likely see a frightening arms race in the region, as Saudi Arabia, UAE, Turkey and Egypt might seek their own nuclear deterrence.

For U.S. policy-makers, this is the stuff of nightmares, as it should be for everyone across the globe.

Iran argues that it has the right under the Nuclear Non-Proliferation Treaty to enrich nuclear fuel for peaceful purposes. So, if the only agreement is one under which Iran agrees to cease all enrichment, then there will likely will be no agreement. The object of negotiations should be to create a long-term, verifiable arrangement that significantly constrains any Iranian

weapons program and substantially extends any breakout period. In other words: neither the United States nor Israel should let the perfect be the enemy of the good.

But I also understand why the Israeli government – and many critics here in the United States, as well – are worried that any deal with Iran will still leave it on the threshold of a nuclear breakout. And, it very well may be that at the end of the day, striking no deal may be wholly preferable to striking a bad deal.

This is, of course, a delicate moment in the Middle East, one that will require the clear thinking of leaders on all sides. And that clear thinking should not be muddled by partisan politics.

Any agreement with Iran on this issue is of such importance that, in my view, the President should submit it to Congress for approval, even if doing so might not be required by law.

Let there be no mistake: should the nuclear talks with Iran fail, the United States and our allies should be prepared to impose additional, even more punitive sanctions. Moreover, the United States should be ready, if it becomes clear Iran is moving rapidly to acquire nuclear weapons, to use military force against its nuclear facilities. Any such decision, however, should only be taken as a last resort because there is great risk and negative consequences that would be involved in any military operations against Iran's nuclear facilities.

We should also remember that a military strike by the United States would likely create a well-spring of popular Iranian support for its government.

An Israeli military strike, on the other hand, would likely only defer Iran's nuclear program -- not destroy it. There is little chance that the United States would cooperate with such an Israeli-only military strike by providing the overflight rights, in-flight refueling capabilities and bunker-busting bombs that Israel would need to succeed. Faced with a request for support such as this from Israel, President George W. Bush determined that it was not in the national interests of the United States to cooperate in such a manner. I can't imagine the current Administration giving a different answer.

And so, ladies and gentlemen, as we look forward today, what is the future of the U.S.-Israeli relationship? I, for one, continue to be optimistic, despite the recent diplomatic missteps and political gamesmanship. Support for Israel in the United States remains strong, not just

among American Jews but across our full religious and political spectrum. Moreover, a shared interest in Middle East stability will continue to provide fertile ground for diplomatic, economic, and security cooperation.

We have stood with Israel for nearly seventy years. We will continue to stand with Israel. And our friends and foe alike must understand that U.S. support for Israel is a bedrock principle of our foreign policy.

Quite simply, the United States will never, *never*, **never**, “abandon” Israel.

Nonetheless, the strength of our relationship with Israel does *not* mean that there will be complete accord on each and every issue confronting the two countries. Our interests cannot always be exactly co-terminus and they will on occasion diverge, just as they have in regards to settlements and Iran’s nuclear ambitions. This is true even in the closest of alliances.

In the past, the United States has had differences – and sometimes they have been sharp differences -- with the United Kingdom, Germany, and Japan.

Today, the task confronting the United States and Israel is how to manage those differences when they inevitably arise. Success will require that our policy-makers address them honestly, compromising when possible but also, from time to time, simply agreeing to disagree.

In the meantime, it is critical that both Israel and the United States work hard to cure the tensions in the relationship that have developed in recent years -- and become toxic in recent months. That will not be an easy task because the tensions have gotten “personal.”

But allowing them to continue to fester could lead to a politicization of the U.S.-Israeli relationship in either country -- or both .

And that is something that simply cannot be allowed to happen.

Thank you.

#####