

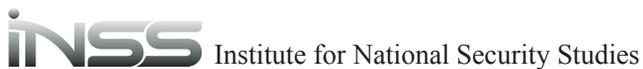
ZAKI SHALOM

**ISRAEL, THE UNITED STATES,
AND THE STRUGGLE OVER THE
SETTLEMENT CONSTRUCTION FREEZE,
2009–2010**



Zaki Shalom

Israel, the United States,
and the Struggle over the
Settlement Construction Freeze,
2009–2010



The Institute for National Security Studies (INSS), incorporating the Jaffee Center for Strategic Studies, was founded in 2006.

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2009–2010

זכי שלום

**ישראל, ארצות הברית והמאבק על הקפאת
הבנייה בהתנחלויות, 2009 – 2010**

Graphic design: Michal Semo-Kovetz, Yael Bieber

Cover photo: President Barack Obama of the United States and Prime Minister Netanyahu of Israel leave a press conference after their meeting at the prime minister's residence in Jerusalem, March 20, 2013.

Photographer: Mandel Ngan – AFP

Cover design: Michal Semo-Kovetz

Printing: Elinir

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June 2017

ISBN: 978-965-92569-8-3

To my grandchildren

Omer, Lia, Yuval

Ethan, Roy

Hadar, Hila, Shira

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Acknowledgments

This book is an edited version of a study first published in Hebrew in 2015.

I am honored to thank the director of the Institute for National Security Studies (INSS), Major General (ret.) Amos Yadlin for helping with the publication of my book. I am also grateful to Dr. Anat Kurz, director of research at INSS, for leading the academic process towards the publication of this book.

I would also like to thank the director of publications, Moshe Grundman, and the editors, Dr. Ela Greenberg and Dr. Judith Rosen, for their contributions to editing this work. I wish to extend my gratitude to the head of the Information Center at INSS, Yoel Kozak, and his assistant, Dafna Tadmor, for giving me access to numerous and valuable sources that allowed me to write this book in the first place.

Last, but not least, I would like to thank my dedicated and highly talented research assistant, Ms. Bridget Mudd, for her extremely helpful and detailed edits and comments.

Introduction

In a televised interview in mid-July 2012, President Obama admitted that one of his greatest frustrations in office was the inability “to move the peace process forward in the Middle East the way I wanted.” However, President Obama did not blame himself, or his administration, for this failure. He highlighted the fact that he had made the peace process one of his top foreign policy priorities since taking office, personally investing in and overseeing this issue.¹ The peace process did not fail as a result of political miscommunication, bureaucratic delay, or inadequate management. He did not fault the United States.

Instead, President Obama suggested that the conflicting parties involved, Israel and the Palestinians, were to blame for the absence of an agreement. He insinuated that neither Israel nor the Palestinians were interested in resolving the conflict or paying the price needed to reach an agreement. His tone was gentle, but his message was clear: the United States was not responsible for the failure to advance the Israeli-Palestinian peace process.²

In principle, the president was right. Even the most talented mediator cannot achieve a deal if the parties do not want one or are not willing to pay the necessary price to conclude the conflict. In foreign policy negotiations, each side must examine its positions and willingness to reach an agreement and pay the price based on cost-benefit calculations. In the case of the Israeli-Palestinian conflict, both parties formulated their foreign policy positions to guarantee and advance their own national interests.

The Obama administration has operated under the assumption that the Israeli right-wing government under Prime Minister Benjamin Netanyahu would not seriously seek an agreement with the Palestinians. The Israeli government recognizes that such an agreement would force it to make far-reaching concessions, which would seriously jeopardize Israel’s national security. This, in turn, would then usher in a grave political crisis that would threaten the stability of the government and the political future of Prime Minister Netanyahu.

At the same time, the Palestinian Authority (PA), led by President Mahmoud Abbas (Abu Mazen), did not exhibit great enthusiasm for reaching an agreement.

In an interview with the *Washington Post* on May 29, 2009, President Abbas made it clear that he had no intention of granting concessions to Israel in exchange for a settlement freeze. “I will wait for Hamas to accept international commitments. I will wait for Israel to freeze settlements,” said Abbas. “Until then, [there is no need to hurry because] in the West Bank we have a good reality . . . the people are living a normal life.”³

New York Times journalist Thomas Friedman, who focused on the Obama administration’s foreign policy, depicted the president as a man trying to move two weary oxen—Israel and the Palestinians—neither of who were willing to move. In an op-ed from November 8, 2009, Friedman noted:

The Israeli-Palestinian peace process has become a bad play. It is obvious that all the parties are just acting out the same old scenes, with the same old tired clichés—and that no one believes any of it anymore. There is no romance . . . no excitement, no urgency—not even a sense of importance anymore. The only thing driving the peace process today is inertia and diplomatic habit . . . Right now we [the United States] want it more than the parties.⁴

Friedman believed that Israel and the Palestinians both wanted an agreement on their own terms; however, neither party was prepared to make necessary concessions. To corroborate his point, Friedman cited a common expression at the State Department: The Palestinian leadership “wants a deal with Israel without any negotiations,” while Israel’s leadership “wants negotiations with the Palestinians without any deal.”⁵ Given these parameters, Friedman did not see how the United States could continue. Friedman argued, “it is time for a radically new approach. And I mean radical. I mean something no US administration has ever dared to do: Take down our ‘Peace-Processing-Israel-US’ sign and just go home . . . Let’s just get out of the picture.”⁶ According to Friedman, if the United States left the negotiation table, both Israeli and Palestinian leaders would have to return home empty handed. They would be forced to admit to their people that nothing was happening. Friedman believed that a stalemate in the political process would be unacceptable to both Israelis and Palestinians and would lead both peoples to pressure their governments to reach an agreement.⁷

Friedman did not explain why Israelis and Palestinians would exert pressure on their governments to move towards peace if their leaders failed to reach an agreement. He may have estimated that the stalemate in the peace process would lead to a violent confrontation, which neither population would be able to tolerate. However, this assessment is unrealistic. After Israel crushed the Second Intifada, there was little potential for renewed Palestinian violence. Thus, Israeli leadership

no longer viewed the threat of Palestinian violence as a major threat to Israel. Israeli leadership believed that Israel had the capability to contain Palestinian violence.

Friedman was not alone in his frustration with the Israeli-Palestinian stalemate. The Carter, Bush I, Clinton, and Bush II administrations expressed similar dismay. The most apparent expression of frustration was attributed to former Secretary of State, James Baker, under president Bush administration. He expressed unconcealed anger towards Prime Minister Yitzhak Shamir after Shamir's government rejected Baker's demands to make concessions that would advance the peace process. Following Shamir's rejection, Baker handed him the White House phone number saying, "When you're serious about peace, call us."⁸

These examples highlight the commonly held hierarchical concept of foreign policy that portrays the US administration as the "responsible adult" who must persuade the government of Israel that US positions and demands would actually best serve Israel's interests. According to this idea, sadly, the Israeli government has not matured enough to understand this simple truth.

This attitude—shared by many in the Obama administration—required that the US administration issue diktats to Israel and the Palestinians and vehemently demand that they accept them. The Obama administration has repeatedly claimed that they only seek to act as a neutral mediator between Israel and the Palestinians. They assert that they are understanding of the parties' unwillingness to adopt US positions and that the last thing they want is to impose an agreement upon Israel and Palestine. However, the Obama administration's treatment of Israel suggested that these statements were, to a large extent, a lip service. As far as the Israeli-Palestinian conflict was concerned, large segments of the American media identified themselves with President Obama's positions vis-à-vis the peace process. American media served as Obama's echo chamber. Following the failure of the November 2012 peace accords, Friedman pointed fingers at Israel, arguing that the main burden of proof was on Prime Minister Netanyahu. Netanyahu's positions, policies, and alliance with his "thuggish partner," Foreign Minister Avigdor Lieberman, were to blame for the lack of process in the peace process. At the root of Friedman's view lies the idea that the United States is an underappreciated, altruistic neutral arbiter in charge of two insolent parties who do not even understand their own national values.⁹

Jeffrey Goldberg, editor-in-chief of the *Atlantic*, reiterated this view in his piece, "Obama: 'Israel Doesn't Know What Its Best Interests Are.'" Although the period covered in Goldberg's article is not pertinent to the current study, it expresses a mindset that prevailed in the early years of the Obama administration. The article discusses events surrounding the November 2012 UN General Assembly resolution

to elevate the status of the Palestinian Authority at the United Nations. In response to the resolution, Netanyahu announced that Israel intended to build 3,000 additional settlements in the E-1 area of the West Bank. The Obama administration criticized Netanyahu's decision as a self-defeating, short-sighted measure that actually hurt Israel's national interests. According to President Obama, increased settlement construction in the E-1 area would hurt Israel's chances of reaching a "two nations, two states" agreement with the Palestinians and lead Israel "down a path toward near-total isolation." In Obama's view, if Israel becomes "a pariah" and alienates the United States, it would find difficulties in preserving its survival. President Obama seemed to view Prime Minister Netanyahu "as a political coward, an essentially unchallenged leader who nevertheless is unwilling to lead or spend political capital to advance the cause of compromise." Goldberg claimed that in the weeks following these events, Obama said privately and repeatedly, "Israel doesn't know what its own best interests are."¹⁰

These comments reflected the Obama administration's prevailing yet underlying mindset that the United States and its leaders knew Israel's national interest better than Israel did. This view had obvious and notable pitfalls.

The United States appears "unjust" when it actively preaches about the importance of democratic values then subverts these ideals when it disagrees with another nation. In doing so, the Obama administration failed to recognize that Netanyahu's stances reflected those of the "will of the people" as he received significant support from large swaths of the public in Israeli elections. A government that enshrines virtues such as self-determination and democracy may lose its credibility when it rejects positions that have won wide public support just because it is uncomfortable with them.

The Obama administration also sought to create the impression that its Middle East policy was motivated by altruism and a "pure" concern about Israel's future. According to this view, the United States' desire to help Israel stemmed from its conviction that helping Israel is a good thing, in and of itself. The United States did not expect to gain anything in return. Obviously, this reflects an idealistic image that is detached from reality. Relations between states in the international system are determined by national interests. The United States, like every other nation in the international community, shapes its worldwide policies first and foremost to serve its own interests, and not out of a desire to benefit other parties. This is certainly true with regard to US policies in the Middle East. Washington has extensive political, military, and economic assets in the Middle East. It is certainly correct in its belief that its interests would be maintained should there be regional stability,

which would be assured if an Israeli-Palestinian peace agreement were reached. It is fully justified in its motivation to pursue policies which would advance this goal.

The Obama administration's attitude toward Israel reflected big aspirations with few results. The threat of US disengagement from the peace process is clearly unrealistic. Washington has no real option of removing itself from the Middle East peace process in the foreseeable future. Since the establishment of Israel, every US administration has been involved in some way in efforts to bring about an Israeli-Arab peace agreement. Strategic interests, pressure from Arab countries with close ties to the United States, influential international actors, and public opinion have compelled every administration to give the Israeli-Arab conflict high priority in its foreign policy. The administration is aware that without a peace process—even one that is slow and gradual—a military confrontation could break out in the region and jeopardize American interests. Actors at home and abroad would quickly blame the region's deterioration on the reluctance of the US administration to get involved and to use its influence over the parties. In short, the threat of the United State to disengage from the region primarily has reflected its anger and frustration at the lack of progress in the peace process, and may be intended to persuade the parties, especially Israel, to be more flexible. However, the chances of an actual US disengagement are slim.

Furthermore, although US disengagement is presented as a threat, Israeli leadership might just welcome the move. Officials in the Netanyahu government have frequently expressed, either explicitly or implicitly, that US involvement in the peace process at the beginning of Obama's presidency did not serve Israel's interests and did not promote a genuine peace agreement between Israel and the Palestinians. The Obama administration's tendency to present Israel with tough demands caused the Palestinians to dig into their positions, and be much less accommodating. Eventually, these developments proved to be destructive to the success of the peace process. For example, at the beginning of his presidency, President Obama demanded Israel freeze construction in settlements as a condition to engage in negotiations. Palestinians had never even made this demand as a condition to negotiate with Israel. Yet, following Obama's demand, Palestinians could not make a lesser demand and began to demand even more. Israel's absolute rejection of this demand naturally led to a stalemate in the peace process.

Although President Obama frequently identified Israel as a close informal ally of the United States, his policies towards Israel actually weakened the idea that Israel was a close ally and vital strategic asset to the United States. The intensity and publicity surrounding strategic disputes between Israel and the United States significantly damaged Israel's image of strength and deterrence in the international

system. “In the Middle East,” writes Michael Oren, who served as Israel’s ambassador to Washington from 2009–2013, “when the White House pressured Israel on peace, the enemies of peace could conclude that America might not stand beside Israel in war.” Arabs would then wonder why they should “make peace with a country that even its ally, the United States, seemed to label alien.”¹¹

Indeed, at this point it seemed as if neither the Palestinians nor the Israelis were interested in compromising on their perceived national interests for the sake of the peace process. This is the cold reality of the Israeli-Palestinian peace process. And this will presumably remain the case so long as there are no dramatic developments strong enough to compel Israel or the Palestinians to fundamentally change their positions. Developments of this nature would include: a large-scale military conflict between the two or between Israel and an Arab country; terrorist activities that exact an unbearable toll on Israel; an economic or humanitarian crisis in the region that would require active international involvement; a domestic political crisis in Israel that would ignite large protests; or a far-reaching change in the United States that would enable it to exert heavy and effective pressure on Israel and the Palestinians and force them to change their positions. In the current situation, however, both sides estimated that the cost of keeping the current status quo was lower than what they would expect to pay as part of a compromise or settlement.

The Obama administration did not properly assess the determination of the parties to stick with their starting positions. They assumed and applied an overly optimistic policy towards the peace process, believing that a peace agreement was entirely possible. The United States seemed to have presumed that both parties viewed the agreement as an indispensable vehicle to advance their national interest. Moreover, the United States thought that it had enough leverage to force these conflicting parties to adopt favorable positions that would facilitate an agreement. They held onto this view even in the face of contradicting evidence. After multiple failures to resume negotiations, Obama reiterated his position that an Israeli-Palestinian peace agreement was “necessary, just, and possible.”¹²

The United States’ optimism led it to overestimate what it could achieve at the negotiating table. Washington narrowly focused on achieving a comprehensive agreement and maintained its vehement opposition to interim settlements. Its unwavering commitment to the comprehensive settlement formula was based on the idea that the parties involved had only two options: to reach a comprehensive agreement or to maintain the status quo. The administration has maintained this position throughout Obama’s presidency. It has been a significant factor in the failure of the United States to advance the Israeli-Palestinian peace process. In

retrospect, it might have been better to obtain a long-term interim agreement that maintained a tolerable coexistence for both sides.

In meetings with foreign policy officials, Obama repeatedly voiced his steadfast commitment to this position despite the fact that this position faced increasing difficulties. Following his speech to the UN General Assembly on September 22, 2010, Obama noted that while his expectations for a peace process had not been met, he understood that Palestinian-Israeli peace negotiations were a long-term game.¹³ In a meeting with Jewish members of Congress in May 2010, Obama acknowledged that when he first started to address the issue of the Middle East, “I walked through a minefield . . . and I stepped on the land mines.”¹⁴ This comment shows that Obama implicitly acknowledged some degree of responsibility for failure in the Israeli-Palestinian peace accords. However, as Obama also highlighted the enormous complexity of the situation, he also suggested that even his best efforts may not have been able to yield results.

To note, when Obama took office, the Israeli-Palestinian peace process was in the midst of intensive activity. Without preconditions for starting talks, Prime Minister Ehud Olmert met routinely with the Palestinian Authority’s President Abbas while Foreign Minister Tzipi Livni met with Prime Minister Ahmed Qurei (Abu Alaa) nearly every week. Settlement activity continued with no significant American criticism or condemnation. Olmert was willing to negotiate the withdrawal from most of Judea and Samaria. This position put the “ball” in the Palestinian court and was well-received by the United States. Negotiations seemed to be moving in the right direction.

The Palestinians refused these terms. As this was one of Israel’s most generous proposals to date, the Palestinians were criticized for missing a key opportunity. The Palestinians defended their decision on the basis that Olmert’s proposal agreements would mean nothing because Olmert’s term in office was almost done. However, if the Palestinians had agreed to these terms, the legal document would have had far-reaching political significance that no future Israeli government could have ignored.

Palestinian officials claim that the dialogue with the Olmert government must not be considered a total failure. Although the agreement fell through, the parties walked away from the negotiating table with understandings on a variety of issues as well as a clear sense of the areas of dispute between the two parties. According to various sources, the parties were even close to an agreement on a declaration of principles.¹⁵

In contrast, the peace process suffered almost total paralysis during President Obama’s first term. This occurred despite his repeated claims that his administration viewed an Israeli-Palestinian agreement as top priority and despite the fact that

he threw all his weight and the prestige into advancing the process. During his tenure there were no high-level, ongoing, lengthy meetings between Israel and the Palestinians. On the few occasions when the two sides met, it was primarily through the mediation of George Mitchell, the US special envoy for Middle East peace. When Mitchell resigned in May 2011, President Obama gave a directive not to restart the talks.

The purpose of this study is to examine the US administration's conduct in relation to the Middle East peace process in the first two years (2009–2010) of President Obama's first term. The study will focus on the extent to which this conduct contributed to the stalemate in the peace process. The focus of this study does not absolve the parties to the conflict—Israel and the Palestinians—of the responsibility for the lack of progress in the peace process; on the contrary, most of the responsibility lies with them. During the period discussed in this study, neither of the parties had an interest in advancing an agreement that would necessarily involve giving up assets that they perceived as vital. The Obama administration, however, should have recognized this harsh reality and the extent of its ability to change it.

The study's assumption is, therefore, that the president's lack of success in advancing the peace process resulted, first and foremost, from his failure to correctly assess the political situation in the Middle East on three main levels. First, Obama did not correctly assess the vast gaps between the two sides and their reluctance to adapt their positions. Second, the president did not correctly estimate the ability of the United States to impose its will on the parties in the current era. Third, he did not adequately assess the parties' motivation to reach an agreement.

President Obama's determination to settle the Israeli-Palestinian conflict revealed a situation in which the mediator, the United States, was much more eager for a settlement than the two parties to the conflict. Under such circumstances, it is impossible to obtain an agreement unless the mediator has enough leverage that enables him to impose the desired terms for a settlement upon the parties. This was not the case with Obama. The position of the United States in the international arena in general and the Middle East in particular had weakened during this time period, and as a result, its ability to impose positions that were unacceptable to the two parties was severely diminished.

The United States in 2009 was not the country it was in the 1950s, 1960s, and 1970s, under Eisenhower-Dulles, Nixon-Kissinger, and Carter-Brzezinski respectively. These administrations acted on the assumption that they were able to present Israel with far-reaching demands. They knew that Israel would be fearful of rejecting the demands, even if they might harm Israel's interests. In those days, Israel was very dependent on the United States for almost all its critical needs

and therefore likely to accept conditions that were less than favorable. However, over the years, Israeli governments have come to understand that they can reject US demands in situations in which Israel's most vital national interests could be harmed, and the sky will not fall on them.

Thus, by the start of the Obama presidency, the balance of power between Israel and the United States was totally different than the one which prevailed in previous decades. Different circumstances, described in detail below, established vastly divergent rules of the game from those that had governed Israel's relations with the United States in the past. These circumstances greatly limited the administration's room to maneuver in regard to Israel and other countries in the region. As early as June 2009, when President Obama was at the height of his political power, Israel and the Arab states—including close and dependent allies of the United States—rejected President Obama's request to undertake symbolic measures of normalizing relations with Israel, as they knew that the US administration had no real means of imposing its will on them.

Since the establishment of the State of Israel, every US administration has made the Israeli-Arab conflict a high priority. Each administration has emphasized that the American involvement in resolving the conflict is inextricably linked to vital US interests. During Obama's presidency, however, the United States placed much greater and even exceptional importance, on resolving the Israeli-Palestinian conflict. Senior administration spokesmen depicted the conflict as the prevailing cause of almost all the problems of the United States in the region. Many US officials believed that resolving the conflict would make it much easier for the United States to resolve a wide range of problems, including its relations with Muslim countries, its standing in the Arab world, and the Iranian issue. Administration spokesmen repeatedly emphasized this belief, even though these repeated proclamations only increased the ability of the parties to extort the administration.

The failure of President Obama's efforts to advance the Israeli-Palestinian peace process most likely strengthened the already widespread doubts about the chances of resolving this long-standing dispute. The peace process during President Obama's time in office came after two intifadas, which inflicted a heavy toll on both Israel and the Palestinian people, and after military confrontations between Israel and the Hamas government in the Gaza Strip. This state of affairs should have rendered both sides more willing to reach a settlement. Moreover, President Obama's total engagement in the conflict, at the height of his power and popularity, should also have helped to move the process forward. The fact that, despite these favorable conditions, the peace process did not advance has contributed to questions

and doubts as to whether an Israeli-Palestinian settlement could be reached in the foreseeable future.

As mentioned above, this study seeks to examine President Obama's efforts to advance the Israeli-Palestinian peace process in the first two years of his first term. It will focus on the Obama administration's demands that Israel freeze construction in the West Bank, that is, Judea and Samaria, as well as in East Jerusalem. The president made this demand formally and publicly in his Cairo speech on June 4, 2009, and again during Vice President Joe Biden's visit to Israel in March 2009. The study will review the major events of the period as well as statements made by American, Israeli, and Palestinian officials. It will not include a detailed, chronological description of each event, but it will address only those that are relevant.

This study ends with the expiration of the settlement construction moratorium agreed upon by Israel and the United States in late 2010. Netanyahu adamantly refused the US administration's demand to extend the freeze without compensation. The Israel-US dialogue on extending the moratorium in exchange for compensation, including the supply of advanced F-35 fighter aircraft to Israel, did not produce practical results. Since then, the political process has been virtually frozen. In summer 2013, Secretary of State John Kerry was able to restart the political process with direct talks between the parties, but this effort also came to naught.

In retrospect, President Obama was unable to achieve his primary goal in shaping his Middle East policy of reconciling with the Muslim world and upgrading the status of the United States in the Arab world. According to Michael Oren, historians who look back at Obama's policy on Islam will be divided in their assessments: "while some may credit the president for his good intentions, others might fault him for being naïve and detached from a complex and increasingly lethal reality" in the region. The latter group may ultimately conclude that he failed in his efforts to reconcile with the Muslim world and to improve the standing of the United States in the Arab world.¹⁶

In fact, President Obama's policy in the context of the Israel-Arab states in general and of the Israeli-Palestinian conflict in particular reflected an approach that he adopted early in his presidency of setting far-reaching, largely unrealistic objectives as concrete goals to be met within a specific timeframe. Obama believed that the vision of peace that he presented to the peoples of the region, which would include a Palestinian state existing peacefully with Israel, was a realistic political goal that could be achieved during his tenure. Future historians who examine Obama's foreign policy in a changing international system will, in fact, determine that it was pragmatic; however, in the context of the Middle East in general and the

peace process in particular, it is doubtful that one could point to pragmatic aspects of the president's policy.

Any responsible Israeli who aspires, naturally, to stop the cycle of violence between Israel and the Palestinians would appreciate the Obama administration's willingness to mobilize all its capabilities and the resources at its disposal and at the highest level to bring about an Israeli-Palestinian settlement. Nevertheless, the Obama administration's basic assumptions and positions on achieving a similar goal and the measures required appear to have been largely inaccurate. For this reason, Obama's administration was unable to advance the peace process. We must hope that the following administrations, along with the other parties to the peace process, will learn from past mistakes so that they can improve the chances for peace in the future.

Chapter 1

A Historical Perspective

The US Position on the Territories and Settlements over Time

The Obama administration's position on the Israeli-Palestinian conflict and Israeli settlements gained popularity in the international community, the United States, and Israeli society. According to this view, the Israeli-Palestinian conflict is a political and territorial issue that disputes the right to sovereignty over territory. This idea has been the guiding way of thinking behind US foreign policy in the Middle East since 1949. In the peace process negotiations, this idea translated into the idea that Israel should grant territory in exchange for the Arabs upgrading relations with Israel, as per the 1949 Armistice Agreements.

In the wake of the Six Day War and Israeli occupation of territories beyond the 1949 armistice line, Israel and Arab states were often engaged in efforts to resolve the conflict. The United States, which directed these efforts, believed that Israel should hold the territories as collateral in exchange for a peace agreement. Although the Six Day War was a defensive war for Israel, this fact did not give Israel the right to the territory. The UN Security Council Resolution 242 of November 1967 stated that "the acquisition of territory by war" is inadmissible, thus demanding "withdrawal of Israeli armed forces from territories occupied in the recent conflict." Israel focused on other phrases from Resolution 242, primarily concerning the right of nations "to live in secure and recognized boundaries" and the resolution's call for "withdrawal from *territories*" and not from "*the territories*," which would have entailed all territories acquired.¹

This view of "the territories" as collateral has led US administrations to reject building settlements as a means of changing the status quo in the territories. Since the end of the Six Day War, Israel and the United States have disagreed, with varying degrees of intensity, over whether building settlements in areas taken over during the Six Day War is just. Generally, opposition to settlements has been based on two arguments: 1. The settlements are illegal; 2. The settlements are an obstacle to peace. However, recent US administrations have largely focused on the latter

argument ever since President Reagan rejected the argument that the settlements are illegal. On several occasions, US officials have used the settlements in their arguments to demonstrate that both Israel and the Palestinians should refrain from acting unilaterally. Such acts, US officials claimed, undermined the other party's status, and thus were unacceptable to the administration. In most cases, however, administrations focused on Israel's settlement activity, regardless of similar unilateral actions by the Palestinians.

As previously mentioned, the Reagan administration had a significant impact on the settlement debate. Shortly after taking office, President Reagan announced that he believed Israeli settlements were "not illegal." In his view, the West Bank should be open to settlement by people of all faiths—Jews, Muslims, and Christians. He did, however, criticize the way in which settlement activity was carried out, calling it "ill-advised," "unnecessarily provocative," and contrary to the spirit of the Camp David Accords. However, Reagan's position on settlement activity was by no means perceived as giving the Israeli government "permission" to continue settlement activity without restraint. This was the background to the frequent disputes between Begin and the settlers who demanded an unrestrained construction in Judea and Samaria.²

The Second Intifada and increased Palestinian violence from 2000 to 2005 brought the Palestinians issue to light at an unprecedented level. It exposed the weakness of Israeli security forces who, at that stage, were unable to combat Palestinian terror against Israel. The United States viewed Israeli policy in occupied territories as the root cause for the Palestinian violence. According to the US view, if Israel ceased settlement activity and displayed a willingness to withdraw from occupied territories, the Palestinians could establish an independent and peaceful state. In granting the Palestinians a state, they would have no reason to continue their violence. This, in turn, would solve the Israeli-Palestinian conflict. This idea motivated the US administration's vehement opposition to settlements in the early 2000s.

The American "Sharm El-Sheikh Fact-Finding Committee Report" of April 30, 2001, which investigated the events leading to the outbreak of the Second Intifada in 2000, referred to the settlements as a major source of Palestinian violence. The report recommended Israel "freeze all settlement activity, including the 'natural growth' of existing settlements." According to the report, it would be difficult to prevent the recurrence of Palestinian-Israeli violence if the government of Israel did not halt all settlement construction. The report also contained an explicit strategic threat, that "the kind of security cooperation desired by the GOI [government of Israel with the United States] cannot for long co-exist with settlement activity described . . . as 'provocative.'"³

However, 9/11 and the US entry into Iraq and Afghanistan stimulated a change in American policy in the Middle East. The United States experienced a growing hostility towards radical Islam and its supporters in the Arab world, which, in turn, led also to a more understanding position towards Israeli settlements. The Bush administration was incredibly receptive to Israel's demand that the Palestinian Authority openly condemn terrorism as a precondition to restart negotiations.

This position greatly reduced political pressure on Israel. The Bush administration reached explicit understandings with the government of Prime Minister Ariel Sharon concerning settlement construction. They agreed that the settlements would not be established, expanded, or developed beyond the existing construction line. Israel also agreed not to expropriate Palestinian lands for construction.⁴

On April 14, 2004, President Bush laid out a new settlement framework. According to Bush, given the construction of large settlements in occupied territories, it would be unrealistic to expect Israel's permanent borders to return to the 1949 armistice lines. According to Elliott Abrams, who served in senior government positions during the Reagan and Bush administrations, Bush's use of the term "armistice lines of 1949" instead of "1967 borders" intentionally suggested that the 1967 borders were not sacrosanct at all. The implication was clear: "There would be no return to 1967 and Israel could keep the major settlement blocs."⁵ Various groups in Israel interpreted this position as the administration's indirect consent to continuing the settlement enterprise within the existing Jewish settlement blocs in Judea and Samaria.

The bottom line was clear: The Bush administration implicitly recognized Israel's right to continue settlement construction according to an agreed-upon framework. The underlying assumption to this position held that certain areas, already agreed upon by the United States and Israel, would remain in Israel's hands even under a permanent settlement with the Palestinians. "The letter was a masterpiece of diplomacy," wrote Oren. "It persuaded the Israeli public that ceding territory could yield concrete commitments from the United States. It safeguarded secure borders for the Jewish State. And it created diplomatic space for Israelis and Palestinians alike. The letter enabled Israeli governments to ease pressure from right-wing groups by building in those major population centers without precluding the establishment of a viable Palestinian state. Though they officially opposed any Israeli presence beyond the 1967 lines, Palestinian leaders understood that the areas suggested by the Bush-Sharon letter were nonnegotiable."⁶

The Issue of the Israeli-Palestinian Conflict in the 2008 Election Campaign

Barack Obama first revealed his position on Israel during the 2008 election campaign. At a conference of the American Israel Public Affairs Committee (AIPAC) on June 4, 2008, Obama expressed his strong support of Israel. Describing himself as a “true friend” of Israel committed to preserving the “unbreakable bond” between Israel and the United States, Obama emphasized that “Israel’s security is sacrosanct. It is non-negotiable.”⁷ He repeatedly highlighted the Holocaust and its consequences, arguing that the tragedy highlighted an urgent need for the Jewish people to return to the land of Israel. Although Obama did not say explicitly that the Holocaust was the reason for Israel’s founding, he implicitly connected these events.⁸

Obama asserted that President Bush’s foreign policy had not strengthened Israel’s security. He pointed to the fact that during the Bush presidency Hamas had taken over the Gaza Strip, Hezbollah had strengthened its hold on Lebanon, the Iraq War had emboldened Iran, and the Palestinian-Israeli peace talks had failed. Although his claims failed to suggest the direct role and involvement of the United States in these developments, Obama nonetheless asserted that the United States had become increasingly isolated in the region and that this was jeopardizing the safety of Israel, its “stalwart ally.”⁹

Obama announced that his administration would pave a new course for foreign policy in the Middle East. He rejected the trajectory of the Bush administration while also stressing that the United States needed to support Israel. Condemning calls for the United States to abandon Israel as its ally, Obama announced that the US administration would never accept this approach. Its alliance with Israel has been based on shared interests and values, and those who threaten Israel also threaten the United States.¹⁰

Obama promised that if elected president, he would ensure Israel’s “qualitative military advantage” and its ability to “defend itself from any threat.” He also promised to “implement a Memorandum of Understanding that provides \$30 billion in assistance to Israel over the next decade.” According to Obama, Israel should receive weapons “under the same guidelines as NATO.” In international forums, the United States would insist on Israel’s right to defend itself. In Obama’s view, however, Israelis understood that they would have “real security” only after there is “lasting peace” with the Palestinians:

And that is why we—as friends of Israel—must resolve to do all we can to help Israel and its neighbors to achieve [peace]. Because a secure, lasting peace is in Israel’s national interest. It is in America’s national interest. And it is in the interest of the Palestinian people and the Arab

world. As president, I will work to help Israel achieve the goal of two states, a Jewish state of Israel and a Palestinian state, living side by side in peace and security . . . The Palestinians need a state that is contiguous and cohesive.¹¹

Obama also stressed that “any agreement with the Palestinian people must preserve Israel’s identity as a Jewish state, with secure, recognized, and defensible borders. Jerusalem will remain the capital of Israel, and it must remain undivided.” Later, realizing that he had gone too far, he made clear that Jerusalem’s status would be determined in negotiations between the parties. On the subject of Hamas, Obama stated:

We must isolate Hamas unless and until they renounce terrorism, recognize Israel’s right to exist, and abide by past agreements. There is no room at the negotiating table for terrorist organizations. That is why I opposed holding elections in 2006 with Hamas on the ballot . . . But this administration pressed ahead, and the result is a Gaza controlled by Hamas, with rockets raining down on Israel.¹²

Obama stressed that both the Palestinians and Israelis have been committed to doing their part to advance peace, adding,

The Palestinian people must understand that progress will not come through the false prophets of extremism . . . The international community must stand by Palestinians who are committed to cracking down on terror and carrying the burden of peacemaking. I will strongly urge Arab governments to take steps to normalize relations with Israel . . . Egypt must cut off the smuggling of weapons into Gaza. Israel can also advance the cause of peace by taking appropriate steps—consistent with its security—to ease the freedom of movement for Palestinians, improve economic conditions in the West Bank, and to refrain from building new settlements—as it agreed to with the Bush administration at Annapolis.¹³

It is noteworthy that Obama did not demand a total moratorium on construction in the settlements, as he did later in his presidency.

Departing from the Bush doctrine on Israel, President Obama noted that the asymmetrical balance of power between Israel and the Palestinians justifiably placed a responsibility on the Israelis to be more forthcoming towards an agreement than the Palestinians. “I have no illusions,” the president stated, “that [the peace process] will be easy. It will require difficult decisions on both sides. But Israel is strong enough to achieve peace, if it has partners who are committed to the goal. Most Israelis and Palestinians want peace, and we must strengthen their hand. The United States must be a strong and consistent partner in this process—not to

force concessions, but to help committed partners avoid stalemate and the kind of vacuums that are filled by violence.”¹⁴

In a letter to President Bush on June 24, 2008, Obama detailed his policy prescription as to how neighboring Arab states should treat Israel. Obama asserted that “[The United States] must press Egypt to devote more resources and effort to stopping the smuggling of weapons into Gaza from the Sinai.” In the Gaza Strip, “[the United States] must continue to isolate Hamas, and ensure that others do so, until and unless they recognize Israel, renounce violence, and abide by past agreements,” which are the conditions of the Quartet. In the region, Arab governments “should step forward to give greater support to the Israeli-Palestinian peace efforts.” Not only should they “deliver on their commitments to provide large-scale financial assistance to the Palestinian Authority,” but they should also “provide important political and diplomatic support to President Abbas as he tries to reach a negotiated settlement.”¹⁵ Finally, Obama praised the Israeli-Syrian dialogue taking place under the auspices of Turkey and recommended that the administration support it. The letter does not mention the issue of the settlements. Obama may have believed that raising this issue for public discussion would put him in an uncomfortable position and lead to criticism from circles close to the Israeli right.¹⁶

This letter highlights Obama’s initial position that Arab governments could contribute a great share to the advancement of an Israeli-Palestinian peace by promoting normalization with Israel. According to Obama, “the entire regional atmosphere would improve, and peacemakers on all sides would see their efforts enhanced, if Arab governments would reach out to Israelis with a sincere indication of their readiness to accept Israel as a legitimate nation in the Middle East.”

As a candidate for president, Obama did the usual things. He visited Israel in July 2008; he reviewed the threats facing Israel from terrorist organizations and from Iran; and he reiterated his commitment of preventing Iran from obtaining nuclear capability. Obama called himself a friend of Israel and repeatedly talked about his “unshakeable commitment” to Israel’s security. This commitment, he said, was evident in actions he took while serving in Congress. He highlighted his work on expanding sanctions against Iran and his support for Israel in the Second Lebanon War. He visited Sderot, which suffered from constant rocket fire from the Gaza Strip, and promised that when he returned to the United States, he would seek to improve the situation in Sderot. In a press conference he held in Israel, Obama made the following main points:

- a. Jerusalem will remain the capital of Israel. This is one of the core issues, however, that must be discussed and decided between Israel and the Palestinians. It is

not the United States' role to dictate the solution; rather, it must help facilitate negotiations between the parties.

- b. Israel's interest is to reach a peace agreement with the Palestinians. Such an agreement, however, must not harm Israel's security. The role of the United States is to ensure that the agreement strengthens Israel's security. As president, he stated, he would pledge not to pressure Israel to make concessions that will harm its security.
- c. Israel has a window of opportunity to achieve a settlement with the Palestinians. On the Palestinian side, there is a group of moderate leaders who are interested in an agreement, and the United States should not miss the opportunity.
- d. Beyond the Palestinian issue, which primarily concerns Israel's interests, there are threats such as the Iranian nuclear program, which have implications for the national security of the United States. Resolving the Israeli-Palestinian conflict could help the United States confront other threats.
- e. Israel has the right to protect its citizens. As President Obama said, "If somebody was sending rockets into my house where my two daughters sleep at night, I'm going to do everything in my power to stop that. And I would expect Israelis to do the same thing."¹⁷

Obama continued expressing his support for Israel throughout the election campaign. In July 2008, he reiterated his commitment to a peace agreement as one of his key foreign policy issues. In a campaign speech, Obama emphasized that he would "not waste a minute" in addressing the peace process.¹⁸ In a televised debate in September 2008, he stressed that Iran was a grave threat to Israel. Therefore, the United States would do all that it could to prevent a nuclear Iran.¹⁹ On October 7, 2008, in a televised debate with his rival, Republican Senator John McCain, Obama stated that Iran should not be allowed to obtain nuclear weapons, partly because this would endanger "Israel, our strongest ally in the region and one of our strongest allies in the world."²⁰

However, Israel was not the focus of the 2008 election. Due to the economic crisis, the economy was the highest priority for the American voter in the 2008 elections. Obama knew how to present himself as a man personifying the changes that had taken place in the United States and as someone who could bring about fundamental changes in American society. In such circumstances, the issue of the Middle East—Israel included—was not a focus of the campaign, not even for American Jews.²¹

Either way, Obama's public rhetoric on Israel sometimes sharply contrasted that of his private rhetoric. In public appearances during his 2008 campaign season, Obama repeatedly highlighted his unwavering support for Israel. However, in

closed meetings before the election, Obama expressed that he did not intend to accept Prime Minister Netanyahu's positions on the peace process. In a meeting with about one hundred Jewish leaders in Ohio in February 2008, he said that being a friend of Israel does not necessarily mean holding right-wing views. In an implied criticism of the American Jewish community, Obama stated that he did not accept the belief, held by some American Jews, that if you do not identify with the Likud, you are not pro-Israel. In his opinion, "that can't be a measure of our friendship with Israel."²²

This view actually reflects those of many American Jews. There is a widespread belief that American Jews do not feel they are obligated to accept or support the positions of the Israeli government. They tend to believe that they are free to determine what are Israel's real and vital interests, even if they differ from those dictated by the Israeli government. As noted, a large percentage of American Jews disagreed, to some extent, with the Netanyahu government's policies. Specifically, they had issue with the government's positions on the peace process and settlements. As Obama endorsed the same line of thought as many American Jews, it was no surprise that 78 percent of American Jews supported Obama and about one-third of the donations he received during the election campaign were from Jewish business people.²³

The Jewish lobbying group J Street and its director, Jeremy Ben-Ami, boldly exemplify this position. While they call themselves "pro-Israel," they harshly criticize the Netanyahu government and the established American Jewish leadership. According to an interview with Ben-Ami, it would be an egregious mistake if the Israeli government discounted American Jewish opinion and labeled opposing thought as "anti-Israel." In Ben-Ami's opinion, the expansion of settlements and the insistence on building in East Jerusalem were not in Israel's interests.

Operation Cast Lead and its Consequences

The Obama administration began its direct engagement with the Israeli-Palestinian conflict at the end of Operation Cast Lead, a three-week Israeli incursion into the Gaza Strip following a sharp increase in the number and frequency of rocket attacks on Israel.

Shortly before the operation, Prime Minister Ehud Olmert warned Gaza residents and the leaders of Hamas of a military confrontation. Noting that Israel had withdrawn from Gaza about three years prior and did not wish to return, Olmert appealed directly to the people of Gaza, "I say to you in a last-minute call, stop it." Hamas, he stressed, is not only the enemy of Israel, but also of the people of Gaza, adding that Israelis "want to live as good neighbors with Gaza."

He continued saying that, while “we don’t want to harm you . . . we don’t want to fight with the Palestinian people,” and asserted that, “we will not allow Hamas to strike our children.” According to Olmert, Israel did not wish to use its great and destructive military power, and he added that Israel “didn’t come here to declare war,” but admitted that “Hamas must be stopped—that is the way it is going to be. I will not hesitate to use Israel’s might to strike Hamas and [Islamic] Jihad.”²⁴

Although ineffective in deterring Hamas, Olmert’s numerous public announcements and warnings did reinforce Israel’s image as a country under attack seeking peace negotiations. This image evoked sympathy and led the international community to stand in solidarity with Israel during Operation Cast Lead.

In his public announcement of Operation Cast Lead, Olmert deliberately refrained from raising high expectations regarding the outcome of the operation. He avoided committing himself to a statement that the operation aimed to stop the rocket fire from Gaza. “Yesterday,” Olmert stated, “the State of Israel began military operations in the area of the Gaza Strip in order to restore normal life and quiet to residents of the south who—for many years—have suffered from incessant rocket and mortar fire and terrorism designed to disrupt their lives and prevent them from enjoying a normal, relaxed and quiet life, as the citizen of any country is entitled to.”²⁵

The cabinet announcement on December 28, 2008 also used a restrained tone concerning the operation’s objectives, stating that “Yesterday the State of Israel started a military operation in the Gaza Strip whose goal is to restore peace and tranquility to the southern part of the country.”²⁶ A few days later, on January 3, 2009, the IDF began its ground operation in Gaza. The operation began with aerial attacks on numerous targets in the Gaza Strip, including military bases, training camps, government offices, and senior Hamas officials.

In its official capacity, the Obama administration was supportive and understanding of Israel’s motives to undertake a military operation in Gaza. Government announcements acknowledged that Israel needed to act to protect its citizens and blamed Hamas for causing the security situation to deteriorate. On January 8, 2009, the UN Security Council adopted Resolution 1860, which called for a ceasefire, and on January 17, Israel declared a unilateral ceasefire. According to UN figures, 1,300 Palestinians were killed in the conflict and 5,400 wounded. Thirteen Israelis were killed in the conflict: four civilians and nine soldiers.²⁷

Were these circumstances a good time to resume the political process with the goal of reaching an Israeli-Palestinian agreement? From a certain perspective, the answer is yes. The war once again demonstrated the futility of Israeli-Palestinian military confrontation, potentially motivating parties to the conflict to be more flexible and accommodating toward the peace process. Arguably, both Palestinian

and Israeli national interests included an agreement that would bring an end to the unceasing confrontations between them.

Secretary of State-designate, Hillary Clinton, reflected this thinking as she underscored the need for a peace agreement as soon as possible. In her Senate confirmation hearing on January 13, 2009, Clinton stated that the administration needed to increase its efforts to bring about a settlement that would provide Israel with peace, security, and normal relations with its neighbors while also providing Palestinians with economic opportunity and security. Clinton declared that the United States would seek to assist Israelis and Palestinians who wished to achieve this goal.²⁸

The Obama and Olmert administrations seem to have concluded that there was a need to strengthen the status of the president of the Palestinian Authority, Mahmoud Abbas, in order to create favorable conditions for a peace process. The Obama administration repeatedly stressed the fact that Palestinians were caught between two influential forces: Abbas' government and Hamas. Hamas' daring confrontation with Israel and its success in withstanding prolonged Israeli strikes had enhanced its prestige within the Palestinian public during Operation Cast Lead. In order to nullify this development, Israelis threw their weight behind strengthening Abbas' standing in the Palestinian community.

In order to convince Palestinians to align themselves with Abbas rather than Hamas, Israel would need to convince Palestinians that it was more beneficial to continue Abbas' moderate policy of seeking an agreement with Israel rather than resorting to violence. This meant improving the standard of living for average Palestinians. Therefore, Israel would do all it could to strengthen Abu Mazen's position, including, of course, exhibiting a greater willingness to make concessions towards reaching an Israeli-Palestinian agreement.

On January 18, 2009, European leaders met with Prime Minister Olmert. Their visit to Israel during the fighting was an impressive show of European support for Israel's battle against Hamas. Among those present were French president Nicolas Sarkozy, German chancellor Angela Merkel, British prime minister Gordon Brown, and Italian prime minister Silvio Berlusconi. In his remarks, Prime Minister Olmert emphasized his government's great appreciation of the European leaders for their willingness to demonstrate impressive support for the State of Israel and concern for its safety. "The united front that you represent and your uncompromising stand with regard to the security of the State of Israel," Olmert stressed, "warms our hearts and strengthens us at this sensitive time."²⁹

The Obama administration could not ignore such an impressive show of support of Israel by its major allies in Europe. Secretary of State-designate Clinton made

it clear that the United States would not conduct negotiations with Hamas until it accepted the conditions of the Quartet: to recognize Israel, renounce terror, and honor previous agreements. In Clinton's view, the violence that had erupted in the Gaza Strip demonstrated the grave dangers facing Israel. Therefore, US political involvement intended to advance the peace process was imperative in order to protect Israel's security and prevent the killing of innocent people. These circumstances ultimately spurred the administration to begin negotiations to reach a peace agreement.³⁰

However, President Obama, Secretary of State Clinton, and high-ranking officials in the Obama administration made several remarks that differed, at various levels of intensity, from the Israeli position in Operation Cast Lead, thus weakening Israel's status in the international community. First, Obama asked both Israel and Hamas to make efforts to maintain the ceasefire. His message implicitly created symmetry between Israel—a democratic peaceful state—and Hamas, a militant terror organization. Apparently, this message also left open the question who, in Obama's thinking, should be blamed for causing the military conflagration in the first place.³¹

From there, the president went straight to the possibility of including Hamas in the political process. In order to begin negotiations with these parties, the president stressed, Hamas needed to stop firing rockets at Israel while Israel needed to “complete the withdrawal of its forces from Gaza.” It is not clear what President Obama meant by that. After all, he certainly knew that during the disengagement from Gaza in 2005, Israel withdrew to the international border. Perhaps he wished to imply that he identified with the Palestinians' claim that as long as the Israeli “blockade” of Gaza continued, the “occupation” would continue. Palestinians argue that despite Israel's withdrawal from Gaza, Israel still controls air, sea, and land access, which is, in practice, a continuation of the “occupation.”³²

President Obama also stressed that he was “deeply concerned by the loss of Palestinian and Israeli life in recent days, and by the substantial suffering and humanitarian needs in Gaza.” He added that “our hearts go out to Palestinian civilians who are in need of immediate food, clean water, and basic medical care.” According to the president, “Gaza's border crossings should be opened to allow the flow of aid and commerce, with an appropriate monitoring regime with the international and Palestinian Authority participating,” apparently in order to prevent terrorists and weapons from entering Gaza.³³

Although the president expressed regret at the injuries and loss of life on both sides of the conflict, his great empathy for the residents of Gaza was evident. Only a few months after his impassioned remarks in Sderot defending Israel's right to

protect its citizens from attacks from Gaza, Obama refrained from condemning Hamas for firing rockets at civilian communities. This dramatic shift certainly gave the impression that his public support for Israel before the elections was only lip service. It was simply a tactical move intended to boost the support of the Jewish community for his candidacy, not a genuine expression of support of Israel. From Israel's perspective, this comment was a worrisome and discouraging signal that the president would tow a dangerous line in his continued handling of the Israeli-Palestinian conflict.³⁴

Although from a practical and strategic viewpoint, the political landscape following Operation Cast Lead may have looked like a good time to begin Israeli-Palestinian peace agreements, the increasingly discordant positions and attitudes between the parties made this a highly inopportune time. In the period following Operation Cast Lead, the atmosphere in Israel was quite tense. The predictions made by the Israeli political leaders that the 2005 disengagement from Gaza would bring peace and quiet had not materialized. The Israeli leadership's claim that with the withdrawal, the Palestinians would have no further justification for continuing their warfare against Israel had not materialized. Instead of enjoying peace at their southern border, Israelis witnessed a constant firing of rockets from Gaza towards the southern villages of Israel. This led to retaliations and eventually to unavoidable escalation. Israelis were certainly disappointed and frustrated by these events. Many accepted the right-wing argument, that an Israeli-Palestinian agreement had no prospects in the foreseeable future, and therefore Israeli concessions would not serve Israel's national interests.

Furthermore, the unprecedented nature of the Gaza rocket fire further deterred Israelis from being open to meeting with and making concessions to Palestinians. Prior to the conflict, Israeli leaders had openly advocated the old formula of "land for peace." According to this idea, withdrawal from Gaza, which Israel had carried out during the disengagement from Gaza, would foster peace between Israelis and Palestinians. The conflict demonstrated that this was not the case. This atmosphere certainly served the interests of the right-wing parties, in particular the Likud, led by Netanyahu.

On February 10, 2009, Benjamin Netanyahu and his right-wing government came to power. In the view of the US government, this undoubtedly signaled a major change in Israeli public opinion towards the peace process, reflecting a growing suspicion and distrust of Palestinian intentions, resulting in a growing reluctance to make concessions towards the Palestinians. These changes within Israel, however, did not deter President Obama's determination to advance negotiations between Israel and the Palestinian Authority no matter what the cost. He aggressively

maintained the position that a total freeze on settlements was a necessary step to reach a peace agreement. The Obama administration may have concluded that it would have to assume a tough and less compromising line in its efforts to advance the peace process based on Netanyahu's reputation. However, Israel viewed this demand as a demonstrative disregard for the democratic process in Israel, which led to a change in Israeli leadership and Israeli public opinion on the peace process. Various groups on the Israeli right went even further with some speculating that the president sought to undermine the stability of the recently formed right-wing government.

Based on Netanyahu's criticisms of the Olmert-Livni government's positions on the peace process, the US administration may have concluded that a confrontation with Prime Minister Netanyahu was inevitable and that it would have to assume a tougher, less compromising line to advance the peace process. News reports indicated that US officials felt personally alienated from Netanyahu. Robert Gates, who served as Secretary of Defense under Obama, expressed these feelings years later in his autobiography:

I first met Netanyahu during the Bush 41 [George H.W. Bush] administration, when I was deputy national security advisor and Bibi, as Israel's deputy foreign minister, called on me in my tiny West Wing office. I was offended by his glibness and his criticisms of US policy—not to mention his arrogance and outlandish ambition—and I told national security adviser Brent Scowcroft that Bibi ought not be allowed back on White House grounds.³⁵

This ultimately precipitated a massive shift in US-Israeli relations.

In conclusion, the military confrontation in Gaza during Operation Cast Lead did not lend to an atmosphere that was suitable for implementing and realizing a settlement between Israel and the Palestinians. The efforts of the Obama administration to depict Hamas as a common enemy of both Israel and the Palestinian Authority, which was meant to bring the two sides together, were unsuccessful. Israel was well aware of the great hostility between the two Palestinian factions. Foreign Minister Avigdor Lieberman even revealed that during the Gaza campaign, the leaders of the Palestinian Authority had secretly approached Israel and asked it to step up its fight against the Hamas rulers of Gaza, apparently in order to bring them down. Israel, however, determined that the friction between Hamas in Gaza and the Palestinian Authority in the West Bank did not relate to differences in their approach towards Israel.

Prime Minister Netanyahu refused to accept that the confrontation between the two Palestinian parties represented a struggle between those who adopted moderate

positions towards Israel (the Palestinian Authority) and those who held extremely hostile position towards Israel (Hamas). Both of them, he frequently stated, refused to recognize the State of Israel as a Jewish state. Both aspired to wipe out Israel from the Middle East. They only differed in the tactics used to achieve this goal. Netanyahu's position was gaining growing support within the Israeli public, as Israelis were aware of the celebrations in Ramallah, Nablus, and Jenin whenever Israeli casualties during battle were reported. In addition, the Israeli public knew that the Palestinian Authority had led the international campaign to smear Israel in general and the IDF in particular. Palestinian officials repeatedly accused Israel of committing "war crimes" in Gaza and threatened to apply to international bodies to bring to international courts the IDF officers who took part in the warfare in Gaza. These hostile acts did not go unnoticed by the Israeli public. The necessary conclusion was that even though the Palestinian Authority, like Israel, viewed Hamas as a bitter enemy, it could not be considered a serious partner for a political settlement with Israel.

Chapter 2

First Steps to Begin the Peace Process

Formulating the Administration's Positions

Upon entering office, President Obama and his advisers projected a clear message of “anything but Bush.” This meant that most foreign and domestic policies that had been acceptable during the Bush administration would be unacceptable to them. In particular, this new approach would dramatically alter US relations with Muslim countries as the Obama administration sought to reverse the negative, anti-Western image of the Muslim World, claiming that tensions in the relations between the two sides should certainly not be seen as a “clash of civilizations.”

Obama perceived Islam as a tolerant and peace-seeking religion. The majority of Muslims, he stressed, are peaceful and do not show hostility toward the West, its culture, or its way of life. As like all other religions, Islam has extremist, intolerant fringe elements, and they should be fought fiercely. However, according to Obama, the struggle against these groups should not become a battle against all Muslims, as Obama claimed, President Bush had been thinking. This way of thinking, President Obama claimed, eventually contributed a great share to the United States engagement in wars within Islamic states.

Seeking a radical departure from Bush's legacy in the Middle East, Obama undertook a vastly different approach upon coming into office. Obama repeatedly underscored the fact that he would approach the Middle East issues in a much more cautious and moderate manner than his predecessor. However, he did not adopt this way of thinking in the Israeli-Palestinian conflict. In this case, the Obama administration employed an overly optimistic and hurried approach—without making a real and thorough effort to consider the readiness of the parties to advance towards peace—and sought a comprehensive peace agreement, believing this was the only possible option.

Obama kicked off his presidency by highlighting his commitment to the Israeli-Palestinian peace process. On January 21, 2009, his first day in office, President Obama first phoned President Mahmoud Abbas, and then he called Prime

Minister Ehud Olmert, President Hosni Mubarak of Egypt, and King Abdullah of Jordan in order to make clear that he was committed to being actively involved in the Israeli-Palestinian peace process.¹ The following day, President Obama and Secretary of State Hillary Clinton made a joint announcement appointing Senator George Mitchell as special envoy for Middle East peace. According to Mitchell, President Obama asked him to leave for the Middle East that night, only reneging after Mitchell appealed for some time to prepare for the trip.² To give the mission added weight, Obama emphasized that Mitchell was “fully empowered” to speak for the White House and State Department.³

At a press conference in February 2009, Obama stressed that he was taking a new approach: “If you look at how we’ve approached the Middle East, my designation of George Mitchell as a special envoy to help deal with the Arab-Israeli situation, some of the interviews that I’ve given, it indicates the degree to which we want to do things differently in the region.”⁴ In one of his statements shortly after meeting with Prime Minister Netanyahu, the president noted that he did not want to create an “artificial timetable” for establishing a Palestinian state, but that “time is of the essence.”⁵ Although Obama sought to begin the presidency by demonstrating the fact that the Israeli-Palestinian peace process would be a key priority, his approach came off as precariously result-oriented and hurried.

Given this mindset, it is no surprise that Special Envoy Mitchell also was overly optimistic about the prospects of reaching an Israeli-Palestinian agreement. In an interview, Mitchell stated, “We think that the negotiation should last no more than two years . . . Personally I think it can be done in a shorter period of time.”⁶ It is difficult to believe that such an experienced official, who was very familiar with the situation in the Middle East, would risk making such an unfounded statement. Mitchell knew very well the main actors in the Middle East and was well versed in the previous failed attempts to reach a settlement. He must have known that an agreement could not be achieved within that short of a time frame.

Giving a target date may have been a tactical move intended to make it clear to the parties involved, and especially Israel, that the administration would not tolerate prolonged foot-dragging. The White House may have believed that the parties’ dependence on the United States left them with little room to maneuver and forced them to agree to the proposed time frame for reaching a settlement. The prospect that the parties would “disobey” the administration and act according to their own national interests was apparently not a source of concern to the Obama administration at this point in time. This would be a recurring theme. Throughout negotiations, the administration’s spokesman repeatedly stressed the “urgency” of

realizing the objectives of the peace process, even when the parties did not reflect any inclination to adopt them.

Mitchell failed to advance the peace process as the parties to the conflict diminished his prospects of success. The United States did not necessarily have the power or authority required to forcefully negotiate a peace deal during this time. The two opposing sides showed no enthusiasm about reaching a settlement. The false pretense of urgency reflected often by the Obama administration failed to motivate any genuine or significant action on their part.

Mitchell's personal qualities and prior experience also undermined his authority. In both the United States and Israel, people questioned Mitchell's suitability to this mission. The mission, and especially the long flights, required significant physical efforts. When Mitchell began this assignment, he was 76 years old. Mitchell was also said to be a pleasant, moderate man who was too much of a gentleman for a mission in a violent region like the Middle East. Others complained that he was too "square" and lacked creativity, which prevented him from thinking in new and original ways, as was needed in the Middle East.⁷

Mitchell was partly chosen for this job due of his previous success in leading negotiations between Northern Ireland and Ireland that resulted in the Good Friday Peace Agreement. However, this achievement did not provide him with knowledge or experience to lead negotiations in the Middle East. Any relation or comparison between these two peace processes is erroneous and poorly founded. While the situation in Ireland stemmed from a territorial conflict and competition for authority, the Israeli-Palestinian conflict stems from the Palestinians' refusal to recognize the right of the Jewish people to have an independent Jewish state in the Middle East. According to right-wing circles in Israel, a territorial agreement would not end the conflict as Palestinians would demand a return to the 1947 lines. These lines are indefensible. An Israel with 1947 borders would be surrounded by hostile Arab states and lack an effective, credible international borders. This would effectively guarantee the collapse of the State of Israel. Therefore, Israeli-Palestinian negotiations, unlike those in Ireland, involve the question of a state's basic survival and security.⁸

President Obama took office during the Israeli campaign season. The center-left party headed by Tzipi Livni advocated for a position that was in line with the US policy. Livni's Kadima Party supported unilateral withdrawals from Gaza in the wake of disengagement, as well as a "convergence plan" stipulating that Israel would evacuate from sixty settlements in Judea and Samaria. On the other hand, the right-wing Likud party, headed by Benjamin Netanyahu, was diametrically opposed to this plan. Based on the Israeli experiences following withdrawals from Lebanon

in 2000 and Gaza in 2005, Netanyahu argued that withdrawals failed to promote peace. Instead, they ushered in a new wave of violence. Therefore, as President Obama took office, there was great uncertainty in Israel. His bold claims about the optimistic prospects of peace were entirely detached from the reality on the ground.⁹

President Obama's seemingly optimistic assessment was based, among others, on the assumption that the Iranian threat had created a kind of alliance between Israel and the moderate Arab countries, headed by Saudi Arabia and the Gulf States. Therefore, Gulf States would be increasingly willing to concede more in a settlement deal. Based on this premise, Obama devised a tactic for his negotiation strategies: (1) bring the two sides—Israel and the Palestinians—to the negotiating table; (2) demand Israel freeze settlement construction; and (3) request, in return, that moderate Arabic states make symbolic gestures toward Israel.

The Obama administration believed this would achieve two things. First, it would persuade large segments of the Israeli public that peace was imminent. This would motivate the public to pressure their government to assume a more accommodating position that would advance peace. Second, these measures would create a positive atmosphere and make it possible to lead the parties toward a permanent settlement. In the view of the Obama administration, the demand that Israel freeze settlement construction would signal to the Arab States and Palestinians that the United States was ushering in a new age of Middle Eastern policy that was more “moderate” and sympathetic toward the Palestinian cause. Ultimately, Obama thought that a strategic web of incentives would motivate both parties to accept these demands. Apparently, it did not matter what the national interests dictated.

On January 27, 2009, Obama gave his first interview as president to Al Arabiya, an Arab news outlet. While this decision signaled an appeal for support in the Arab world, it was interpreted as a sign of slight bias and imbalance in Israel. Obama was apparently prepared to take this criticism. With the elections behind him and his position skyrocketing, he was willing to risk losing popularity within Israel in exchange for increased popularity in the Arab world.

In the interview, Obama praised his special envoy, noting that “George Mitchell is somebody of enormous stature . . . one of the few people who have international experience brokering peace deals.” The president emphasized that he had instructed Mitchell to listen closely to both sides, taking into consideration that past foreign interventions in the Middle East had failed mainly because the United States was not really “listening” to what the parties had to say. “All too often,” he stressed, “the United States starts by dictating . . . and we don’t always know all the factors that are involved. Ultimately, we cannot tell either the Israelis or the Palestinians what’s best for them. They’re going to have to make some decisions. But I do

believe that the moment is ripe for both sides to realize that the path that they are on is one that is not going to result in prosperity and security for their people. And that instead, it's time to return to the negotiating table."¹⁰

Seeking to diminish expectations for a swift breakthrough in the negotiations, Obama acknowledged that "it's going to be difficult, it's going to take time," and added:

I don't want to prejudge many of these issues, and I want to make sure that expectations are not raised so that we think that this is going to be resolved in a few months. But if we start the steady progress on these issues, I'm absolutely confident that the United States—working in tandem with the European Union, with Russia, with all the Arab states in the region [Israel was not mentioned here]—I'm absolutely certain that we can make significant progress.¹¹

The president also praised the Saudi peace plan initiated by King Abdullah. "I might not agree with every aspect of the proposal, but it took great courage," he said, noting that US intervention in the Israeli-Palestinian peace process was part of a broader administration plan "[to communicate] a message to the Arab world and the Muslim world, that we are ready to initiate a new partnership based on mutual respect and mutual interest." In an attempt to shatter the image of the Muslim world as a source of extremism and violence, Obama emphasized that,

The Muslim world is filled with extraordinary people who simply want to live their lives and see their children live better lives. My job to the Muslim world is to communicate that the Americans are not your enemy. We sometimes make mistakes. We have not been perfect. But if you look at the track record, as you say, America was not born as a colonial power, and that the same respect and partnership that America had with the Muslim world as recently as 20 or 30 years ago, there's no reason why we can't restore that.¹²

The president then added, "Now, Israel is a strong ally of the United States. They will not stop being a strong ally of the United States. And I will continue to believe that Israel's security is paramount." Nevertheless, he also said, "I also believe that there are Israelis who recognize that it is important to achieve peace. They will be willing to make sacrifices if the time is appropriate and if there is serious partnership on the other side."¹³

In the interview, President Obama presented his vision of a Palestinian state "that is contiguous, that allows freedom of movement for its people," while also living in peace with Israel. He highlighted the economic aspect of the future Palestinian state and its leaders' aspirations to improve the citizens' standard of living. "I

think,” he said, “it is possible for us to see a Palestinian state that . . . allows for trade with other countries, that allows the creation of businesses and commerce so that people have a better life.” President Obama ultimately expressed an optimistic view where the Israeli-Palestinian peace process would be relatively expedient, mutually beneficial, and sustainable.

In his first speech to a joint session of Congress on February 24, 2009, President Obama outlined his foreign policy vision for the Middle East. Most notably, President Obama announced that that he wanted to end US military involvement in Iraq and Afghanistan. Obama noted that he would “soon announce a way forward in Iraq that leaves Iraq to its people and responsibly ends this war.” He added that his government would later “forge a new and comprehensive strategy for Afghanistan and Pakistan to defeat al Qaeda and combat extremism.” As the president put it, “in words and deeds, we are showing the world that a new era of engagement has begun. For we know that America cannot meet the threats of this century alone” and that “the world cannot meet them without America.” His administration would “strengthen old alliances [and] forge new ones.” The president devoted only one line to Israel, stating that he intended to “seek progress toward a secure and lasting peace between Israel and her neighbors,” and added that “we have appointed an envoy to sustain our effort.” He did not elaborate beyond that. Obama stressed that he would not allow cynicism and doubt to affect his determination.¹⁴

A few days later, President Obama announced his plans for withdrawal of the American troops from Iraq. Given the reduced level of violence in Iraq and the Iraqi forces’ improved ability to respond to threats, the president argued that the United States was finally able to remove combat troops from Iraq in a responsible way. It, however, would retain a transitional force to carry out three distinct functions: training, equipping, and advising Iraqi security forces. This force would begin with 35,000–50,000 US troops. The president’s immediate and resolute position, informed by a strongly-held philosophical-ideological framework, would define his foreign policy conduct time and time again in both the Middle East in general and the Israeli-Palestinian peace process in particular.¹⁵

In a speech to the Turkish parliament in early April 2009, President Obama emphasized—to the applause of the members of parliament—that “the United States is not, and will never be, at war with Islam.” Reiterating his determination to advance the Israeli-Palestinian peace process, President Obama noted that “the United States strongly supports the goal of two states, Israel and Palestine, living side by side in peace and security. That is a goal that the parties agreed to in the road map and at Annapolis. That is a goal that I will actively pursue as President of the United States.” Here, before Turkish parliament members, not known for

their great sympathy to Israel, the president refrained from mentioning the Jewish character of Israel, likely intentionally.¹⁶ Obama referred to Turkey as a “friend and partner in Israel’s quest for security” and called upon Turkey to help the United States advance the Israeli-Palestinian peace process. He stated that the United States and Turkey are “working together . . . [and they] must not give in to pessimism and mistrust.” On the contrary, they must “pursue every opportunity for progress” to advance the peace process together. To secure Turkey as an ally in this process, he praised Turkey’s actions to promote an Israeli-Syrian peace agreement and stated that the United States and Turkey “must reject the use of terror, and recognize that Israel’s security concerns are legitimate.”¹⁷

After this, President Obama acknowledged that his policy was imbalanced. Several weeks after his Cairo speech in June 2009, President Obama admitted that his position on the Israeli-Palestinian agreement was slightly biased. In a meeting between Obama and American Jewish leaders, Anti-Defamation League Director, Abe Foxman, told Obama that he was concerned that the president’s approach to concessions from Israel and the Palestinians was imbalanced, favoring the Palestinians. In response, the president stated, “Abe, you are absolutely right and we are going to fix that.” He added that “the sense of evenhandedness has to be restored.” Nevertheless, President Obama’s rare candor and his acknowledgment that his policy was asymmetrical did not lead to any change.¹⁸

Obama’s openly biased position gradually hurt his popularity among Jews and Israelis. Although formal strategic-defense cooperation between the United States and Israel grew, American Jews felt that President Obama sought a rapprochement with the Arab and Muslim world at Israel’s expense. Many Israelis and American Jews did not hesitate to stress that they did not view President Obama as friendly to Israel although Israeli and American leaders repeatedly stressed that the strategic relations between Israel and the United States were not affected by the political controversies between the states with regard to the peace process.¹⁹ In his memoir, Robert Gates, former secretary of defense, stressed that even though the political relations between Israel and the United States were “frosty” from 2009–2012, “the defense relationship remained strong and in every dimension would reach unprecedented levels of cooperation.”²⁰

President Obama was prepared to snub Israel in order to advance US relations in the Muslim world. Obama likely reasoned that improving US-Muslim relations would serve vital national interests by weakening the motivation of Islamic extremists to attack the United States. Moreover, Obama thought that Israel was in a weak position to protest. Its massive dependence on the United States left Israel with no real option of “retaliation.” According to Obama’s cost-benefit analysis, a

Palestinian state would greatly benefit the United States by securing their national interests in the Middle East while costing relatively nothing in terms of its relations with Israel. Therefore, Obama was unwilling to wait for the right circumstances to develop in order to advance the negotiations. Rather, he sought to shorten the processes, break down barriers, and achieve the establishment of an independent Palestinian state as quickly as possible.²¹

The president's efforts to promote the Israeli-Palestinian peace process were well-received in the liberal American press. *New York Times* columnist, Tom Friedman stood out for his seemingly unconditional support of Obama's positions on the peace process. Friedman repeatedly blamed Israel and Netanyahu for the lack of progress in the peace process. In an interview with an Israeli journalist, Friedman compared Netanyahu to Egyptian President Mubarak. Just as President Mubarak was ousted after his failure to introduce democracy to Egypt, so too would Netanyahu soon awaken to a Palestinian intifada following his repeated failure to advance the peace process.²² Friedman's message was clear: Prime Minister Netanyahu harbored the primary responsibility for the stalemate in the peace process. In an attempt at balance, he admitted that the Palestinians were "not perfect." Nonetheless, this did not diminish Israel's responsibility and that of its prime minister for the lack of progress in the peace process.²³

During several trips to the Middle East, Mitchell clarified the positions of various parties to the Israeli-Palestinian peace process and explored various options for terms to the agreement, particularly the issue of how to reconcile Hamas and the Palestinian authority. On February 19, 2009, Mitchell held a conference call with American Jewish leaders. According to various reports, he expressed support for President Mubarak's efforts to bring about a reconciliation between Hamas and the Palestinian Authority since, in his view, the split among the Palestinians made it difficult to achieve peace. Mitchell estimated that the rigid positions of Hamas, along with the great sympathy it enjoyed in the "Palestinian street," would make it impossible for the Palestinian Authority to be more flexible in negotiations with Israel. The Palestinian Authority would certainly fear that its willingness to make concessions would cause Hamas and other radical Palestinians to accuse the Palestinian Authority of treason and collaboration with Israel and the United States.²⁴

The potential establishment of an independent Palestinian government in the Gaza Strip has far-reaching implications. On the one hand, a two-state solution that actually had two Palestinian states, one in Gaza and the other in the West Bank, would be unacceptable to Israel as it would gravely endanger her survival and security. The world powers that are part of the peace process would not be able to ignore this argument. On the other hand, a merger of Hamas and the Palestinian

Authority would probably moderate Hamas' positions and enable it to accept the Quartet's terms for participation in the political process. It would certainly enable the Palestinian Authority to become more flexible in its negotiations with Israel. Mitchell did not raise the possibility that a merger between Hamas and Fatah would lead to a Hamas takeover of the Palestinian Authority. Mitchell certainly knew that if this happened, the peace process would come to an end and his mission would become irrelevant.

The tour to the region also clarified Mitchell's position on settlements. Mitchell made it clear that his position did not necessarily reflect that of President Obama. Mitchell considered the settlements "an important issue, but not the only issue." He further stressed that while Palestinian and other Arab leaders brought up the settlements in every conversation, he would not pre-judge the issue. He emphasized that the circumstances had changed considerably since he had marked the settlements as high priority in the Mitchell Report of 2001.²⁵

Mitchell's whirlwind tour of the Middle East and premature engagement in the peace process came to an abrupt halt after Mitchell met with Secretary of State Clinton on February 3, 2009. Following the meeting, Clinton stated that the administration would wait to advance the peace process until the results of the Israeli election were known. She emphasized that "the United States is committed to this path, and we are going to work as hard as we can over what[ever] period of time is required to try to help the parties make progress together." Mitchell stressed the need for "patient, determined, and persevering diplomacy" to succeed in the mission. It is possible that the abrupt brake in the peace process reflected a certain discomfort between Mitchell and Clinton's understanding of the facts on the ground and President Obama's overly optimistic assessment of what he could achieve, especially with regard to Israeli concessions.²⁶

In her memoir *Hard Choices*, Clinton noted that "for the Israelis, we requested that they freeze all settlement construction in the Palestinian territories without exception. In retrospect, our early hard line on settlements didn't work." She continued,

Israel initially refused our request, and our disagreement played out in public, becoming a highly personal standoff between President Obama and Netanyahu, with the credibility of both leaders on the line. That made it very hard for either one to climb down or compromise. The Arab states were happy to sit on the sidelines and use the dustup as an excuse for their own inaction. And Abbas, who had consistently called for a halt to settlement construction for years, now claimed it was all our idea and

said that he wouldn't come to the peace table without a moratorium on settlement construction.²⁷

According to Clinton, during discussions on this issue at the White House, “the strongest voice in favor of doing so [making a demand for a settlement freeze] was Rahm Emanuel’s.” Emanuel “thought that the best way to deal with Netanyahu’s new coalition government was to take a strong position right out of the gate; otherwise he’d walk all over us.” Clinton writes that “the President was sympathetic to that argument,” believing it would:

help reestablish America as an honest broker in the peace process, softening the perception that we always took the side of the Israelis. Mitchell and I worried we could be locking ourselves into a confrontation we didn’t need, that the Israelis would feel they were being asked to do more than the other parties, and that once we raised it publicly Abbas couldn’t start serious negotiations without it.

She concludes, “But I agreed with Rahm and the President that if we were going to revive a moribund peace process, we had to take some risks. So that spring I delivered the President’s message as forcefully as I could, then tried to contain the consequences when both sides reacted badly.”²⁸

At the same time, Senator John Kerry, chairman of the Senate Foreign Relations Committee, visited Gaza with two congressmen. Kerry stated that his visit did not reflect a change in the administration’s position on Hamas. On the heels of Hamas’ military confrontation with Israel, Kerry’s visit showed empathy for Hamas and explicitly conveyed that the US administration sought some kind of relationship, even indirect and informal, with Hamas. In fact, Kerry and the congressmen emphasized that “[we] wanted to see for [ourselves] the destruction caused by the war with Israel last month and to assess the area’s needs.” These comments carried an implicit sympathy towards the suffering of the people of Gaza. Soon after, Mitchell and Clinton announced that they would participate in the donor nation conference on rebuilding Gaza, to be held in Cairo on September 2, 2009. These gestures naturally created a favorable basis for continued informal contacts between the United States and Hamas.²⁹

All of this took place only a few months following Operation Cast Lead, during which there was no sign at all of a moderate Hamas position. Hamas leaders repeatedly stressed their determination to continue the violent struggle against Israel until its total defeat. They were unwilling to accept the Quartet’s terms, which meant that they refused to renounce terrorism, recognize Israel, or commit to honoring previous agreements made by the Palestinian Authority. From Israel’s

perspective, these were worrying signs, validating its long-standing assessment that one cannot expect Hamas to adopt moderate positions.

In early March 2009, Secretary of State Clinton arrived in the Middle East, first to attend the Gaza Reconstruction Conference in Sharm el-Sheik, Egypt, and then to visit Israel and the Palestinian Authority. When the conference ended, she announced that the United States would contribute \$900 million to help rebuild Gaza. She complimented the leadership of the President Abbas and Prime Minister Salam Fayyad of the Palestinian Authority for their contribution to advancing the peace process. She then criticized the Israeli demolition of homes in Judea and Samaria. However, to show her approach was “evenhanded,” Clinton then expressed an understanding of Israel’s complicated situation due to the daily threat it was facing from rocket fire launched from Gaza. During her visit to Israel, she met with outgoing Prime Minister Ehud Olmert. It was clear that the real negotiations would begin with Benjamin Netanyahu.³⁰

In this visit, Clinton made it clear that the “rules of the game” that had governed US-Israeli relations in the past were no longer relevant. The Obama administration would chart a new course. Her remarks that the United States would act energetically and forcefully to reach an Israeli-Palestinian agreement clearly indicated that a powerful storm was approaching the shores of Israel. The administration expected Netanyahu to be more flexible in his political positions so that the United States would have more room to maneuver when drafting an agreement. This meant that Obama would no longer accept arguments that Israel’s internal political situation prevented Netanyahu from making concessions. Netanyahu was expected to undertake tough political decisions with little regard for internal implications.

At a press conference on March 24, 2009, Obama sent Israel a very clear message about his expectations in the Israeli-Palestinian peace process. “The status quo is unsustainable,” Obama emphasized, and “it is critical for us to advance a two-state solution where Israelis and Palestinians can live side by side in their own states with peace and security.” He noted that until “a couple of decades ago or even a decade ago,” no one would have believed that peace was attainable, but “if you stick to it, if you are persistent, then these problems can be dealt with.” He added: “That whole philosophy of persistence, by the way, is one that I’m going to be emphasizing again and again in the months and years to come, as long as I’m in this office. I’m a big believer in persistence.”³¹

While this determination and persistence motivated Obama to repeatedly intervene in the frustrating Israeli-Palestinian peace process, it also undermined his authority and prospects of success as he desperately held on to a policy that was obviously failing. It seems he was unwilling to reexamine his position’s validity,

relevancy, and feasibility at any point in time. His foreign policy refused to reflect the changing reality. For example, the Obama administration refused to question just how practical it was to negotiate or establish a comprehensive agreement based on the two-state vision. In fact, despite the repeated failures of his Middle East policy, Obama remained fixated on this formula.

In April 2009, the Obama administration requested congressional approval to allow funds to be transferred to the Palestinian Authority even if Fatah merged with Hamas.³² From Israel's perspective, this was another worrisome sign of the changing US policy on the peace process. Hamas appeared on the US government's list of foreign terrorist organizations, and, therefore, it could not receive US aid money. Representative Mark Steven Kirk (R-IL), a supporter of Israel, harshly criticized the administration for this move, comparing it to supporting a government that "only has a few Nazis in it." Administration officials rejected the criticism, arguing that the move was not tantamount to recognizing Hamas. Secretary Clinton pointed out that the United States provided aid to the government of Lebanon, even though some of its members belonged to Hezbollah, which was also on the list of foreign terrorist organizations. It is difficult to believe that Clinton failed to distinguish between a civilian government, which included representatives who supported a terrorist organization (Lebanon), and a government composed entirely of members of a terrorist organization (Hamas in Gaza). Again the Obama administration showed its willingness to pay a high price in its efforts to gain support in the Arab world.³³

Following a meeting with President Abbas in April 2009, Mitchell sent another worrisome message to Israel when he suggested that the Obama administration would not necessarily approve demands by Netanyahu that the future Palestinian state be completely demilitarized and that Israel control entry to and from the state for many years.³⁴ At a relatively early stage in the peace process, Mitchell sounded impatient and incensed that "this conflict has gone on for far too long and the people of this region should no longer have to wait for the just peace that guarantees security for all." Mitchell noted publicly—and especially for the sake of Prime Minister Netanyahu—that "the United States is committed to the establishment of a sovereign, independent Palestinian state where the aspirations of the Palestinian people to control their own destiny are realized."

Formulating Israel's Positions

On February 10, 2009, Knesset elections were held. Netanyahu was elected to be Israel's Prime Minister. From the outset, it was obvious that Netanyahu's political position on an Israeli-Palestinian agreement contrasted those of President Obama. President Obama took office with an orderly blueprint for the Israeli-Palestinian

peace process and a panel of advisers that were an echo chamber. As Netanyahu took office, the cards were already stacked against him. According to journalist and commentator Shmuel Rozner,

Obama surrounded himself with advisers who were suspected in advance of bias against Netanyahu, many of them veterans of the Clinton administration, who were still stuck in the peace narrative of the mid-1990s—a narrative in which Netanyahu was cast in the role of the evil heir who was holding up the peace process of the good leader, Yitzhak Rabin . . . Special Envoy George Mitchell was committed to what he stated in his report on the intifada that had had broken out eight years earlier, that is, that in the absence of a moratorium on settlements, it would be impossible to prevent the intifada. Chief of Staff Rahm Emanuel was close to the Israeli left, and as far as is known, had no fondness for Netanyahu . . . Obama had many advisers when he started out, but only a little good advice.³⁵

Upon entering office, Netanyahu did not seem to be troubled by the possibility of a confrontation with the US administration over the peace process and the issue of settlements. Since the end of the Six Day War in June 1967, all US administrations have taken a negative view of the settlements. Only occasionally, however, did the United States take significant punitive measures against Israel for continued settlement construction. In any case, despite the ongoing US opposition over the years, the settlement enterprise continued to grow. Netanyahu may have assumed that the results would be similar this time as well.

In his speech at the swearing-in ceremony for his government on March 31, 2009, Prime Minister Netanyahu indirectly confronted President Obama. He deliberately refused to declare any intention of reaching the final objective of a two-state solution, instead, emphasizing that Israel would pursue a gradual “three track” peace with Palestinians:

My Government will act vis-à-vis the Palestinian Authority to achieve peace on three parallel tracks: economic, security, and political. We strive to assist with the accelerated development of the Palestinian economy and in developing its economic ties with Israel. We will support a Palestinian security mechanism that will fight terror, and we will conduct ongoing peace negotiations with the PA, with the aim of reaching a final status arrangement. We have no desire to control another people; we have no wish to rule over the Palestinians. In the final status arrangement, the Palestinians will have all the authority needed to govern themselves, except those which threaten the existence and security of the State of Israel. This track—combining the economic, security, and political—is

the right way to achieve peace. All previous attempts to make shortcuts have achieved the opposite outcome and resulted in increased terror and greater bloodshed. We choose a realistic path, positive in approach and with a genuine desire to bring an end to the conflict between us and our neighbors.³⁶

Netanyahu's positions may have been shaped in reaction to statements by heads of the Palestinian Authority. Shortly after Netanyahu's victory was announced, Abbas argued that negotiations with the Netanyahu government should resume from the point at which they had stopped with the Olmert government. He also demanded that Israel demonstrate a commitment to two states for two peoples on the basis of the road map.

Olmert's legacy proved troublesome for Netanyahu, especially with regard to Israel's relations with the United States. Incoming administrations are traditionally held to the promises their predecessors made in order to prevent total anarchy; therefore, Netanyahu was expected to fulfill prior obligations. The United States could justifiably argue that an Israeli-Palestinian agreement should be based on the 1967 borders with agreement on land swaps based on Olmert's previous offers. Olmert also arguably agreed to the "right of return" of some 5,000 Palestinian refugees to Israel over the course of five years. According to Olmert, Abbas told him that this was a "serious offer" and also emphasized that "he has no interest in changing the character of the State of Israel."³⁷ Naturally, Olmert's statements and offers regarding settlements and refugees burdened the Netanyahu government by severely restricting their freedom to maneuver. As Netanyahu rejected US demands on the basis that it jeopardized Israeli security, the United States pointed to previous offers made by Olmert.

Although President Abbas was realistic enough to understand that Netanyahu would not accept Olmert's offers of settlement, the United States kept harping on Netanyahu to adopt some of these demands. The Palestinian leadership was certainly aware that during the election campaign, Netanyahu had harshly criticized Olmert and Foreign Minister Tzipi Livni's "defeatist" policy of "concessions." It was unlikely that after being elected on a right-wing platform, Netanyahu would agree to adopt the policy of his predecessor, whom he had called "radical left," as long as there were no unusual circumstances that would require him to change his positions. Netanyahu feared that the Obama administration would adopt positions close to those of Abbas, which certainly would lead to a confrontation between Israel and the United States. In fact, the US administration went even beyond the positions acceptable to the Palestinian Authority in the period preceding the president's involvement in the Middle East. Under these circumstances, a

confrontation between the Obama administration and the Netanyahu government was apparently inevitable.

Before Netanyahu's first meeting with President Obama, the Prime Minister's Bureau made clear that if the Palestinians did not recognize Israel as the nation-state of the Jewish people, it would be impossible to reach an agreement. Netanyahu knew the Obama administration would find it very difficult to oppose such demand. Mitchell had already indicated that the Obama administration's vision of a settlement was the establishment of a Palestinian state that would exist peacefully with the Jewish State of Israel. The Obama administration clearly viewed these demands as an attempt to stick spokes in the wheels of the peace process; however, it was also difficult to reject such a basic Israeli demand. Palestinian officials, primarily President Abbas, claimed that they could not accept such a demand because it contradicted the Palestinian "right of return" and harmed the standing of the Arabs in Israel.³⁸

On April 27, 2009, Abbas declared that it was not his duty to define the character of the State of Israel. In his view, it was Israel's job. As far as he was concerned, Israel could call itself whatever it wanted: "I do not recognize Israel as a Jewish state," he declared, "I do not recognize this, they can call it what they want, but I do not accept the definition of a Jewish state, and I say this publicly. You can call the country the Zionist, Hebrew, National Socialist Republic if you like. This is of no interest to me, but I demand that the State of Israel be based on the 1967 borders before the occupation of Palestinian territory."³⁹

Large segments of the population in Israel accepted this view. Indeed, many believed it was not the "role" of the Palestinians to decide whether Israel was a Jewish state. This was an issue that needed to be decided by Israeli society. The Palestinian position was not relevant. Many claimed that Netanyahu, in making this demand, was trying to push the Palestinians into a corner, justifying continuing stalemate in the peace process. The prime minister and his supporters rejected these arguments. They emphasized that negating the status of the State of Israel as the nation-state of the Jewish people was the core of the Israeli-Palestinian conflict. Therefore, only true and sincere Palestinian recognition of this historical fact would show an honest desire of the Palestinians for a peace agreement with Israel.

On April 22, 2009, President Obama met with King Abdullah of Jordan. In remarks after the meeting, the president noted that "we spoke obviously about a Middle East peace process, my commitment as well as his to moving that process forward with some sense of urgency." He expressed his "hope . . . that over the next several months, that you start seeing gestures of good faith on all sides" and noted that "we will be doing everything we can to encourage those confidence-building measures to take place." The president added that since Israel had just

formed a government following elections, “they are going to have to formulate and I think solidify their position. So George Mitchell will continue to listen both to Arab partners, to the Palestinians, as well as the Israelis.” Nevertheless, Obama stated, “we can’t talk forever” and “at some point, steps have to be taken so that people can see progress on the ground.” The president promised that “the United States is going to deeply engage in this process to see if we can make progress” and that its role will be to “create the conditions and the atmosphere and provide the help and assistance that facilitates an agreement.” He added that “it’s going to require some hard choices. It’s going to require resolution on the part of all the actors involved.”⁴⁰

On April 22, 2009, Secretary of State Clinton appeared before the House Foreign Affairs Committee and the next day, before the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs. In her remarks, she stressed that the United States was committed to preventing Iran from obtaining nuclear weapons. Immediately afterwards, she reiterated the US commitment to advancing the peace process and to realizing the goal of two states for two peoples. These comments implicitly connected Iran’s denuclearization with an Israeli-Palestinian agreement. According to Clinton, Arab countries were convinced that an Israeli willingness to hold negotiations with the Palestinian Authority would strengthen their ability to deal with the Iranian problem as it would unite key players and shift the attention. This meant that if Israel had wished to include as many regional actors as possible—led by the United States—in the campaign against Iran’s nuclear build-up, it had to meet the US administration halfway and be more flexible in its positions in advancing the peace process with the Palestinians.⁴¹

On May 5, 2009, Vice President Joe Biden addressed AIPAC’s annual policy conference. Though well aware of the views of those present, he did not hesitate to use blunt language about Israel and the Obama administration’s expectations of Israel on the Palestinian issue. The vice president declared that “a viable and independent Palestinian state . . . must be achieved,” adding that “Israel has to work towards a two-state solution. You’re not going to like my saying this, but [do] not build more settlements, dismantle existing outposts, and allow the Palestinians freedom of movement . . . This is a ‘show me’ deal—not based on faith—show me.”⁴² John Kerry, then the chairman of the Senate Foreign Relations Committee, made similar remarks, highlighting the need to freeze settlement construction:

And nothing will do more to show Israel’s commitment to making peace than freezing new settlement activity . . . But the fact is that settlements make it more difficult for Israel to protect its citizens. New settlements . . . fragment a future Palestinian state. They also fragment

what the Israeli Defense Forces must defend [since the settlers are spread out in many locations]. They undercut President Abbas, and strengthen Hamas by convincing everyday Palestinians that there is no reward for moderation . . . the window of opportunity for a two-state solution is fast closing.

In order to soften his blunt message, Kerry admitted that he was aware of Israel's bad experiences after the withdrawals from Lebanon and Gaza. In both cases, a military escalation and a major confrontation followed the withdrawal. He thus added that "the Israelis are not about to let the same thing happen in the West Bank, and nor should they." These remarks were met with thunderous applause from the audience, even though Kerry had failed to say exactly how it could be guaranteed that Israel's bitter experiences in Gaza and Lebanon would not be repeated following a withdrawal from Judea and Samaria.⁴³

These remarks did not bode well for the Netanyahu government. The Obama administration had made a great public tour condemning the Israeli settlement policy while highlighting the necessity of the peace process, putting the ball and the blame in Israel's court. Beyond simply voicing their specific policy disagreements, the United States had publicly embarrassed the Israeli government and Prime Minister Netanyahu. From Israel's perspective, this did not reflect the close alliance between the two countries. Israeli spokesmen repeatedly demanded that the administration conduct its dialogue with Israel discreetly, as was expected between states who have "special relations." These demands, however, failed to change the US conduct.

Chapter 3

The Obama-Netanyahu Meetings: Between Controversies and Agreement

Israel and the Vision of Two States for Two Peoples

Before a meeting with President Obama in May 2009, Netanyahu laid out his position on the Israeli-Palestinian peace process before an AIPAC conference. In his remarks, the prime minister argued that the American focus on the Israeli-Palestinian agreement as a key priority was mistaken as neither party would sign an agreement given the current realities. According to Netanyahu's position, while Iranian influence had motivated Palestinians to adopt more extreme positions, Israel's internal political environment had also moved to the right. Therefore, even if Netanyahu agreed to a moderate agreement, he would be unable to implement it. This, ultimately, made it impossible to advance the peace process.¹

According to Netanyahu, the top priority for US foreign policy in the Middle East was misplaced. Instead of focusing on Israeli-Palestinian peace, which was virtually impossible given the political realities, Netanyahu believed that the Obama administration should focus on the Iranian threat. According to Netanyahu, Iranian hard-liners were pushing the Middle East to the far Islamist right, thereby threatening the stability of Israel as well as the moderate Arab States. "There is something significant that is happening today in the Middle East," Netanyahu began, in a message to the Obama administration. He continued,

I believe for the first time in a century, that Arabs and Jews see a common danger . . . The common danger is echoed by Arab leaders throughout the Middle East; it is echoed by Israel repeatedly; it is echoed by Europeans, by many responsible governments around the world. And if I had to sum it up in one sentence, it is this: Iran must not be allowed to develop nuclear weapons.²

Netanyahu's position was clear: the Obama administration could not expect Israel to take risks in a settlement with the Palestinians before the Iranian threat was

removed because Israel could not be expected to take two such serious strategic risks at the same time.

Implicitly criticizing President Obama and his intention to place the Israeli-Palestinian issue at the top of his agenda, Netanyahu argued that the Palestinian issue was complex and demanded great efforts and a long time to resolve: “Peace with the Palestinians . . . has eluded us for more than thirteen years. Six successive prime ministers of Israel and two American presidents have not succeeded in achieving this final peace settlement.” In order to preserve the dignity of a president who had only recently entered the White House, Netanyahu sought to understand why Obama believed that he could achieve something so quickly that his predecessors had been unable to achieve, despite tremendous efforts.³

Netanyahu subtly suggested that President Obama would be mistaken to rush into a quick settlement as this failure would not only be harmful for Israelis and Palestinians, but it would also undermine the status and prestige of the United States. Moreover, after so many failed attempts to reach an agreement, the US administration would do well to avoid treading the same timeworn path of focusing on a solution to the settlement issue and take a “fresh approach.”⁴

Netanyahu instead suggested the “triple track” for reaching a settlement. This time, he changed the order used in his Knesset speech, placing the political track first, then the security track, followed by the economic track. This was probably in response to criticism from the US administration and from some in Netanyahu’s government. “The political track,” noted Netanyahu,

means that we are prepared to resume peace negotiations without any delay and without any preconditions—the sooner the better. The security track means that we want to continue the cooperation in the program led by General Dayton, in cooperation with the Jordanians and with the Palestinian Authority to strengthen the security apparatus of the Palestinians . . . The economic track means that we are prepared to work together to remove as many obstacles as we can to advance the Palestinian economy. We want to work with the Palestinian Authority on this track, not as a substitute for political negotiations, but as a boost to them.⁵

His message was clear: a true statesman does not set goals that are unachievable, even if they may be good goals. Netanyahu’s practical triple track proposal stood in direct opposition to Obama’s lofty, unrealistic goals. However, Netanyahu’s recommendations fell on deaf ears as the Obama administration interpreted Netanyahu’s behavior as a roundabout way to avert a “harsh verdict” and make concessions.⁶

On May 11, 2009, Netanyahu met with President Mubarak in Sharm el-Sheikh. After the meeting, Netanyahu noted Israel's sincere desire to expand the peace it had with Egypt to "our Palestinian neighbors." He praised the positive role that Egypt had fulfilled under Mubarak in promoting peace efforts. He further emphasized that Israel, Egypt, and all other peace-seeking nations in the region faced a threat from radical forces that "seek to burn, destroy and kill." Several days later, on May 14, Prime Minister Netanyahu held a secret meeting in Jordan with King Abdullah. These meetings sent a clear message to President Obama: the political process should not be limited to the Israeli-American-Palestinian context because the issue is regional. Leading Arab states should join the peace process and contribute their share to its success. Furthermore, these meetings also highlighted Netanyahu's belief that the Israeli-Palestinian agreement was not a current priority given the Iran's increasingly aggressive posture.⁷

However, the US administration wanted a clear, practical plan from Israel for withdrawal from territories so that the Palestinians could establish their state. The Obama administration, members of the Congress, and large segments within the American Jewish leadership interpreted Netanyahu's proposals as deliberate attempts at foot-dragging that would perpetuate the status quo. Netanyahu's recommendations stood in sharp contrast to Obama's desire to clearly, sharply, and quickly define the core issues between Israel and Palestinians in order to finally settle the conflict, once and for all.⁸

Netanyahu's repeated demands for the Palestinians to recognize Israel as a Jewish state were interpreted by the United States as a political vehicle to delay the political process and place blame on the Palestinians for the lack of progress. However, the US administrations could not oppose Netanyahu's demand because in principle all the administrations, including Obama's, recognized Israel as a Jewish state. In President Obama's speech to the UN General Assembly in September 2010, he made forceful comments on this issue: "Israel is a sovereign state, and the historic homeland of the Jewish people. It should be clear to all that efforts to chip away at Israel's legitimacy will only be met by the unshakeable opposition of the United States. And efforts to threaten or kill Israelis will do nothing to help the Palestinian people."⁹

The Obama administration's increased criticism of Netanyahu's government as well as its refusal to budge on the peace agreement as a key priority undermined the relationship between Israel and the United States. Moreover, it became increasingly clear that the US position toward Israel had been shaped by the increasingly popular idea that the Israeli-Palestinian conflict was the main source of America's

problems in the Muslim world. The resolution of the Israeli-Palestinian conflict would therefore cure other political maladies in the Middle East.¹⁰

Netanyahu was aware that his meeting with President Obama would be taking place in the shadow of a serious disagreement about the peace process. He tried to minimize the growing crisis by emphasizing the grave threat Iran posed to Israel and other US allies in the region. On the Palestinian issue, the prime minister tried to point out that Gaza had become a base for terror against Israel after the disengagement in 2005. It was clear that he wished to show the president that a withdrawal from Judea and Samaria would turn the area into a base for terror as well.

The problem, however, was that President Obama and other administration officials were familiar with these arguments and others like them. From the president's perspective, these arguments represented a short-sighted approach that could not fathom a new future for Israel after the establishment of a Palestinian state and peace agreements with its neighbors. The Obama administration believed that when such a turnabout would occur, Netanyahu's arguments would appear marginal and insignificant. Given the circumstances, Netanyahu realized that a disagreement on the political process and the ways to advance it were unavoidable.¹¹

As expected, the prime minister's meeting with the president on May 18, 2009 revealed fundamental differences of opinion between Israel and the United States. The face-to-face meeting with the president lasted half an hour longer than planned and was followed by a larger meeting attended by advisers to both sides. At the end of this meeting, President Obama made his positions unequivocally clear. In his view, a Palestinian state was not only in the interest of the Palestinians, but also in the interest of Israel, the United States, and the entire international system. This meant that if Israel did not accept the two-state formula and failed to act as the president wished, it would damage US interests and find itself at odds with Washington. This position reflected President Obama's implicit belief that he knew Israel's national interests better than the Israeli government. This notion, which would appear time and time again throughout negotiations, was partially based on the administration's understanding that the Israeli public did not support Netanyahu's position on Palestine.¹²

The president did not ignore the need for the Palestinians to do their part to advance the peace process. In his remarks he stressed that "the Palestinians are going to have to do a better job providing the kinds of security assurances that Israelis would need to achieve a two-state solution."¹³ This implied that the Palestinians were already working towards resolving their conflict with Israel, and that all that was required of them now was to do better. The president also suggested that Israel's only demands in peace negotiations could pertain to Israel's security needs.

The president did not utter a single word about the Jewish people's historical and religious ties to Judea and Samaria.

Washington did not listen to Israel's side. In its opinion, any Israeli objection was an attempt to halt the negotiations because they did not want to offer concessions. They could not be genuine, strategic arguments concerning actual national interest. Therefore, Washington came down hard against Israel, refusing to budge on their already formulated positions.

The president also asked the other Arab states to show greater support for the peace process through increased normalization with Israel. Here, too, the president implied that the Arab countries had already taken significant steps towards normalization and that all that was required of them now was to step up their activities. However, Arab States did not take any of these steps. This fact was apparently irrelevant to the Obama administration. Therefore, under these circumstances, it was only natural that Israel felt somehow abandoned by its major ally. This sentiment gradually spread from Israeli leadership to the public. Large segments of the Israeli public felt that the Obama administration was not evenhanded in its approach to the Israeli-Palestinian peace process. It clearly favored the Palestinian position. This undermined President Obama's role as an honest mediator in the eyes of the Israeli government as well as the public.

This damaged Obama's ability to advance the peace process. Historic record shows that the Israeli public has played a dominant role in the Israeli government's ability to make decisions related to the peace process. Thus, it was crucial that the Israeli public be convinced that its major ally, the United States, was standing firmly behind Israel to ensure that Israel's interests were preserved. In practice, however, Washington's position seemed to be unfavorable to Israel. The Obama administration rejected almost all of Israel's arguments, claiming they were irrelevant to a comprehensive Israeli-Palestinian agreement. According to Obama, once peace was established on the basis of recognized borders, the two sides would establish neighborly relations and normalization. Therefore, small, specific policy disagreements were insignificant and marginal to the overwhelming transformation of relations that would take place.¹⁴

The president closed his remarks by stressing that Prime Minister Netanyahu had a "historic opportunity" to promote the process of a settlement between Israel and the Palestinians. In order to achieve this, "all the parties involved have to take seriously obligations that they've previously agreed to . . . outlined in the road map." Obama added that:

there is no reason why we should not seize this opportunity and this moment for all the parties concerned to take seriously those obligations

and to move forward in a way that assures Israel's security, that stops the terrorist attacks that have been such a source of pain and hardship, that we can stop rocket attacks on Israel; but that also allow Palestinians to govern themselves as an independent state, that allows economic development to take place, that allows them to make serious progress in meeting the aspirations of their people.

The president stated in this context that “settlements have to be stopped in order for us to move forward.” While he acknowledged that this was “a difficult issue,” he insisted that “it’s an important one” and that Israel needed to honor its commitments in this regard. In this regard, East Jerusalem was also considered a settlement. Thus, Israel was expected to freeze construction in an area inside its capital.¹⁵

The president reiterated the clear connection between an Israeli-Palestinian agreement and the ability of the United States to establish a regional coalition against Iran. He noted that Arab countries in the region shared Washington’s concerns about Iran and its aim of developing nuclear capability. Nevertheless, their willingness to join a regional alliance against Iran depended upon settling the Israeli-Palestinian conflict. This implied that if Israel wished that the United States would firmly act against Iran, as it repeatedly had stated, it would have to be more flexible in its positions on a settlement in keeping with US demands.¹⁶ However, Obama’s connection between the US policy on Iran’s nuclear program and the peace process created significant backlash. One of Obama’s major supporters, Harvard law professor Alan Dershowitz, wrote that “opposition to a nuclear Iran—which would endanger the entire world—should not be dependent in any way on the issue of settlement expansion.”¹⁷

Let us return to Netanyahu’s meeting with Obama. According to various witnesses, the prime minister appeared to be stunned by the president’s harsh words. In such embarrassing circumstances Netanyahu had to find a middle path by avoiding an open and well-publicized confrontation with the president of the United States and by refraining from making statements that would contradict his conservative settlement position, that was the basis of which he had been elected.

In his opening remarks, Netanyahu thanked the president for his friendship with Israel and with him personally. Calling Obama “a great leader of the United States, a great leader of the world, a great friend of Israel,” the prime minister praised him for being “acutely cognizant of our security concerns” and noted that “the entire people of Israel appreciate it.” Later, Netanyahu focused on Iran’s threat to Israel and other countries in the region. Thus, gently and implicitly, the prime minister told the president that Iran was his greatest concern, far above the Palestinian issue.¹⁸

On the peace process, Netanyahu told the president that his objective was a comprehensive peace with all countries in the region, and not just the Palestinians. According to the prime minister, Israel did not wish to rule over the Palestinians, saying that “we want them to govern themselves, except for in a handful of spheres that could endanger the State of Israel.” Netanyahu added that “the goal has to be an end to conflict” so that the Palestinians could not make new demands after an agreement was signed. He continued: “There will have to be compromises by Israelis and Palestinians alike. We’re ready to do our share. We hope the Palestinians will do their share, as well.” Israel wanted the Palestinians to rule themselves, but “the Palestinians will have to recognize Israel as a Jewish state; will have to also enable Israel to have the means to defend itself.” The prime minister stated that “if those conditions are met, Israel’s security conditions are met . . . then I think we can envision an arrangement where Palestinians and Israelis live side by side in dignity, in security, and in peace.”¹⁹

This formulation, Netanyahu believed, would help him avoid a direct, public confrontation with President Obama. At the same time, he would not significantly deviate from his ideology and risk creating serious rifts within his coalition and his party. Netanyahu’s demands were difficult for Washington to reject and unacceptable to the Palestinians. The result led to a deadlock in the peace process. The US administration rescinded its pressure on Israel regarding the settlements, without blaming Israel. In his remarks, Netanyahu came close to using the term “Palestinian state,” but he never did so explicitly in order to demonstrate that he would adhere to Israel’s principles to the greatest extent possible. According to one source, Netanyahu told the president that if the United States could bring King Abdullah of Saudi Arabia to the negotiating table, then the Israeli public would support a settlement freeze as a “reciprocal gesture.” Here, too, Netanyahu assumingly was well aware that under the existing circumstances, the United States would interpret this suggestion as an attempt to block any progress in the peace process without having Israel take responsibility.²⁰

Several days after returning to Israel, Prime Minister Netanyahu addressed the Knesset. As was to be expected, he ignored the difficult meeting with the president, adhering to the ironclad principle of all Israeli prime ministers: never engage in a direct confrontation with the president of the United States, and certainly not in public. Netanyahu was also aware that Israel’s settlement policy did not have support in the White House, Congress, or among the American Jewish public. Therefore, Netanyahu focused on the positions that were common to both Israel and the United States. He also highlighted and praised the President’s efforts to add a regional dimension to the Israeli-Palestinian agreement by requesting Arab

states promote normalization processes with Israel. Here again, if the Arab states rejected the American appeal in this regard, the blame for the failure of the peace process would fall on them:

We believe that cooperation with Arab countries will strengthen us. It will provide stability and security to the Palestinians and to us. It has been said that there is a new Middle East. On the Middle Eastern horizon there are parties that endanger us all, and today the majority of us in the Middle East understand this. I believe that it creates an opportunity for us to expand the circle of peace, and I am pleased that President Obama sees this opportunity as well. It is important that we are joined by Arab countries other than Jordan and Egypt. First and foremost, we want to strengthen the existing circle of peace, but we believe it can be expanded, even at this very moment. We welcome President Obama's efforts to advance steps towards normalization with Israel.²¹

At the same time, the prime minister sought to draw “red lines” the administration should not cross in its demands that Israel resume the political process. One of these related to Jerusalem. Netanyahu emphasized that even if Israel agreed to accept a settlement freeze in Judea and Samaria, it would not apply to Jerusalem:

I returned here, to Jerusalem, our capital, from an important visit in Washington. It was very important to me to come back and to take part in this ceremony, to say here what I said in the United States: United Jerusalem is the capital of Israel. Jerusalem was always ours, and will always be ours, and it will never again be partitioned and divided. Only under Israeli sovereignty in a united Jerusalem can we ensure continued freedom of worship and freedom of access to holy places for people from the three religions. Only in this way will people of all religions, all minorities, and all ethnic groups continue to live safely.²²

On May 28, 2009, President Obama met with the head of the Palestinian Authority. At the conclusion of the talks, Obama reiterated his commitment to the two-state vision, stressing that Israel had to stop construction in the settlements in order to allow for the establishment of a viable Palestinian state with territorial contiguity. According to the president, implementing this vision was in the best interests of Israel, the Palestinians, and the United States. Obama again presented a rather rosy picture of the personal security of Israeli citizens. From his perspective, the Palestinians were doing a great deal to increase Israel's sense of security, and all that they had to do now was to act more forcefully to strengthen it. For the Palestinians, Obama stated, “it's going to be important and necessary to continue to take the security steps on the West Bank that President Abbas has already begun to take,”

adding that, in fact, “we’ve seen great progress in terms of security in the West Bank.” He continued: “Those security steps need to continue because Israel has to have some confidence that security in the West Bank is in place in order for us to advance this process.” The president again called on the Arab states to support the peace process and to help the Palestinian leaders politically and economically.²³

The Dispute over the Sharon-Bush Understandings

A serious dispute arose between Netanyahu and the Obama administration over whether they were obligated to honor previous agreements between Israeli and US administrations. According to the Netanyahu government, the Obama administration was responsible for picking up where the Bush administration had left off with regard to understandings over the Israeli settlement in Judea and Samaria. A basic tradition in the international system dictates that every government must abide by agreements and commitments made by previous administrations in their relations with other countries; the US administration’s demand that Israel freeze the settlement construction, therefore, was invalid.

Dov Weissglass, Prime Minister Sharon’s adviser, claimed that he had reached an agreement with Elliott Abrams and Stephen Hadley, President Bush’s advisers, dictating that Israel could continue limited settlement construction. According to Weissglass, the agreement dictated the following: there will be no new settlements established; lands belonging to Palestinians will not be expropriated for settlements; buildings will not be constructed beyond the area of each settlement; and funds will not be allocated to encourage populating the settlements. Weissglass stated that settlements would be permitted only within the “construction line” to be defined by a joint Israeli-US team. However, construction lines were never properly defined as the team was never set up. Therefore, the agreement remained an informal, oral agreement.²⁴

Secretary of State Clinton denied those arguments. She claimed that “in looking at the history of the Bush administration, there were no informal or oral enforceable agreements” regarding settlement construction. These potential loose understandings did not become part of the Bush administration’s commitments, which would have obligated the Obama administration. In fact, there were conflicting commitments that obligated Israel to act according to the road map.²⁵ The “road map” was a US-backed peace proposal that was formally introduced by President Bush in June 2003. It required both sides to take immediate steps to end violence and create favorable conditions for a lasting peace. Specifically, it required Israel to dismantle illegal outposts and for Palestinians to curb terrorism.²⁶

Abrams, however, denied Clinton's arguments. He claimed that Israel and the United States drafted specific parameters for the disengagement plan. According to Abrams, Israel would receive "ideological compensation" from the United States in exchange for disengagement. Weissglass discussed this agreement in a letter to Secretary of State Condoleezza Rice on April 18, 2004, in which he noted—probably in coordination with the administration—that he wished "to reconfirm the following understanding, which had been reached between us" and summarized what he called "agreed principles of settlement activities."²⁷

According to Abrams, the Bush administration decided that it would demand the following: that Israel declare its commitment to a viable Palestinian state; the security wall would be for security purposes only and was not intended as a border; Israel would end all subsidies to move across the Green Line into settlements in the West Bank or Gaza; no new settlements would be built nor would land be expropriated for new settlements or existing ones expanded; and new construction in settlements would reflect only natural growth and be only in built-up areas.²⁸ In the Bush-Sharon understandings, the United States could not demand a full settlement freeze. Abrams claims, however, that the Obama administration treated these understandings as a "personal note" from President Bush to Sharon that had been "forgotten and abandoned." Abrams believed that "this devaluation of solemn pledges among allies has been a huge Obama mistake, for it undermines the value not only of past American pledges but of his own future words as well and makes Israel far less likely to take risks for peace."²⁹

President Obama did not see significant risks in denying the Bush-Sharon understandings and therefore maintained his original settlement position, precipitating a major conflict between the two nations. As noted, Obama was at the height of his popularity during this time. Criticism of the Obama administration and its policies was insignificant. By focusing world attention on the settlements—an issue that was difficult to defend—President Obama managed to limit significantly Netanyahu's freedom of action. Clearly in the power seat, Obama believed Netanyahu would be forced to yield to his demands. According to Ambassador Oren, given the disagreements between Israel and the United States on Israeli policy on Gaza, Turkey, the United Nations, Iran, and the peace process, a clash between the two countries was unavoidable. It was a clash between a "miniscule state" and a superpower, and between an "adored and immensely powerful leader" and a "widely disdained and domestically hobbled one."³⁰

While Obama was "adored," Netanyahu was "pilloried by the press and scorned by much of international opinion." While the prime minister headed an "unwieldy coalition of ministers who often espoused irreconcilable policies," President Obama

headed a united party that controlled both houses of Congress. One leader, Obama, promised “hope and change,” while the other, Netanyahu, spoke of “defense and stability.” The president’s policies were to the left of center while Netanyahu’s were to the right of center. In Oren’s words, “Such were the rifts—diplomatic, political and personal—scoring the US-Israel alliance in the first months of 2009.”³¹

To placate Obama, Netanyahu adopted a new framework for Israeli settlements. The prime minister argued that Israeli’s have a right to a “normal life” in existing settlements while there are ongoing negotiations. This would be the interim settlement policy until a more concrete agreement could be reached. According to Netanyahu, “there is a need to enable the residents to lead normal lives, to allow mothers and fathers to raise their children like families elsewhere.”³² The meaning of this new term—which replaced the term “natural growth”—was not entirely clear. Perhaps the prime minister hoped that the Obama administration would find it difficult to reject such a basic human demand. Netanyahu may have hoped that once there was a “crack” in the uncompromising demand for a total freeze, the door would open to expand the scope of this crack even more.

In a meeting on June 18, 2009, Foreign Minister Lieberman told Secretary of State Clinton that Israel could not stop building in the settlements. He added, however, that this did not reflect a wish to change the demographic balance in the West Bank. “In every place around the world,” he said, “babies are born, people get married, some pass away. We cannot accept this vision about absolutely and completely freezing our settlements. I think that we must keep the natural growth. This approach, is very clear.” The foreign minister added that “we had some understandings with the previous administration and we acted according to those understandings. And we are, of course, ready immediately [for] direct talks with the Palestinians.”³³

The secretary of state was unwilling to concede to these appeals. The Obama administration was well aware of the efforts of the Netanyahu government to seek “creative” ways to avoid fulfilling its demands. Thus, Clinton made it clear that the American position was not going to change. As Clinton put it, “we want to see a stop to the settlements. We think that is an important and essential part of pursuing the efforts leading to a comprehensive peace agreement and the creation of a Palestinian state next to an Israeli-Jewish state that is secure in its borders.” The secretary also repeated her claim that “in looking at the history of the Bush administration, there were no informal or oral enforceable agreements,” and that “that has been verified by the official record of the administration and by the personnel in the positions of responsibility.” She emphasized again that the administration sought to stop all settlement construction.³⁴

Given the Obama administration's resolute stance on settlements, Netanyahu appealed to Washington to make an exception for Jerusalem. By highlighting Jerusalem's special status in Israeli politics and public opinion, Netanyahu sought to persuade the US administration that Jerusalem deserved special status. On Jerusalem Day, May 21, 2009, the prime minister made it clear that he would not accept the US administration's demand to include Jerusalem in the "freeze proposals," stating that "United Jerusalem is Israel's capital. Jerusalem was always ours and will always be ours. It will never again be partitioned and divided." Netanyahu may have hoped that this exceptional case would influence the Obama administration to be more flexible in their demands.³⁵

Netanyahu also diverted attention and blame away from Israel by focusing on Iran. Believing the issue was important to both Israel and the United States, he demanded that the United States focus on Iran's pursuit of nuclear weapons rather than Israel's peace process with the Palestinians. Netanyahu rejected Washington's connection between the Israeli-Palestinian conflict and the Iranian nuclear issue. From Netanyahu's perspective, eliminating the Iranian nuclear project and waging an uncompromising battle against radical Islam would motivate the Palestinians to adopt more flexible positions and reach a peace agreement with Israel. In an interview with Jeffrey Goldberg, Netanyahu stated that "the Obama presidency has two great missions: fixing the economy, and preventing Iran from gaining nuclear weapons." According to the prime minister, a nuclear Iran threatened all of western civilization, and nuclear weapons in the hands of Islamic radicals would threaten the entire world. Netanyahu believed that history had taught the Jewish people to take threats to their existence seriously.³⁶

The Obama administration, however, rejected these arguments. In an interview on June 1, 2009, the president doubled down on his Middle East policy. The implicit message of the president was clear: if Israel accepted his demands, the existing relationship between Israel and the United States would be preserved. If Israel refused, however, then his administration might take measures that would change the pattern of relations that had existed for years.

The president also spoke of his determination to realize the two-state vision, which "is going to require that each side, the Israelis and Palestinians, meet their obligations." He added: "I've said very clearly to the Israelis both privately and publicly that a freeze on settlements, including natural growth, is part of those obligations." At the same time, he stressed the Palestinians had to advance Israel's security and stop their incitement. According to the president, "all sides are going to have to give. And it's not going to be an easy path." In any case, he concluded that "the status quo is unsustainable." Without peace with the Palestinians, he stated,

Israel will continue to be threatened militarily and will face “enormous problems” on its borders. Thus, said the president, “it is not only in the Palestinians’ interest to have a state. I believe it is in the Israelis’, as well, and in the United States’ interest, as well.”³⁷ Later in the interview, Obama noted that “part of being a good friend is being honest,” and added: “I think there have been times where we have not as honest as we should be about the fact that the current direction, the current trajectory in the region, is profoundly negative—not only for Israeli interests but also US interests.”³⁸

President Obama’s demands placed Netanyahu in a difficult dilemma. On the one hand, if Netanyahu refused to accept them, he risked a head-on confrontation with Washington, with all the attendant possible consequences. On the other hand, if he accepted them, he risked undermining the stability of his government. The prime minister hoped to be able to find a compromise that would satisfy the Obama administration while maintaining the stability of his government and avoiding a rift between him and his party. In this historic test, he ultimately succeeded. It seems that the administration was not sufficiently aware of the significant role internal politics played in the prime minister’s decision-making process. In fact, if the prime minister had faced an unequivocal choice between conflict with the United States and the loss of his party’s support, most probably he would have preferred to risk a rift with Washington.³⁹

The Implications of the Israeli-Palestinian Conflict from a Regional Perspective

The meetings between Netanyahu and Obama failed to motivate the United States to adopt a more flexible position on the settlement issue. On May 19, 2009, Secretary of State Clinton again revealed the uncompromising attitude of the Obama administration towards the settlements. In an interview with Al Jazeera, a network not known for its sympathy towards Israel, she announced that Washington would not accept excuses for continued Israeli settlement construction and demanded a total halt to any settlement construction.⁴⁰

About a week later, on May 27, after meeting with the Egyptian foreign minister, the secretary reiterated that “with respect to settlements, the president was very clear when Prime Minister Netanyahu was here. He wants to see a stop to settlements—not some settlements, not outposts, not natural growth exceptions.” The administration may have feared that Israel would make extensive use of the innocent-sounding “natural growth” to increase the number of Israelis in the settlements in a way that could not be monitored. “We think it is in the best interests of the effort that we are engaged in that settlement expansion cease. That is our position. That is what

we have communicated very clearly,” said Clinton, “not only to the Israelis but to the Palestinians and others. And we intend to press that point.”⁴¹

Clinton’s comments reflected Obama’s determination that the United States would not compromise on its demand to freeze settlements. This position revealed Obama’s total apathy towards Netanyahu’s political circumstance. In fact, the administration had undertaken several measures that were debatably intended to undermine Netanyahu. Specifically, they were intended to either cause the downfall of Prime Minister Netanyahu’s government or to bring about a major change in the coalition in Israel so that it would include the Kadima Party, headed by Tzipi Livni.

Secretary of State Clinton writes in her book that shortly after the Israeli elections in 2009, she “talked to Livni about the idea of a unity government between Kadima and Likud that might be more open to pursuing peace with the Palestinians.” According to Clinton, however, Livni was “dead set against it.”⁴² Obama publicly revealed his opposition to the Netanyahu government through a variety of measures, including a “chance” meeting of President Obama with Defense Minister Ehud Barak in the White House. Netanyahu himself alluded to these fears; in a conversation with Italian prime minister Silvio Berlusconi, Netanyahu was quoted as saying, “An agreed-upon formula can be found with the United States [on settlements] if this is what they’re looking for.”⁴³

The Obama administration found issue with the Israeli demand that direct negotiations between the Israelis and Palestinians should begin without preconditions. Although, this is a well-known and widely accepted tradition in international relations, the Obama administration feared that this formula would become a fait accompli, cementing itself within the peace process and neutralizing the US demand that Israel freeze settlement construction before negotiations. In response to this position, US officials claimed that Israel should naturally lift the heavier burden and assume a more accommodating position because it is in a more favorable position. Therefore, Israel should be more flexible in the formal aspects of the peace process by making unilateral gestures that would enable the Palestinian Authority to begin negotiations. This approach had the support of large segments within Israel, especially on the left.⁴⁴

At the same time, public figures in both Israel and the United States tried to persuade the US administration that its focus on the settlement issue as a vital aspect to negotiations was misguided. Israel and the United States had disputed the issue of settlements since the end of the Six Day War. The question of the settlements stemmed from the fact that there was no agreed upon border between Israel and the Palestinians. As soon as both parties agreed on the demarcation of the border between them, the settlements issue would disappear, since each side would

naturally have the right to build as much as it wanted within its sovereign territory. Therefore, borders, not settlements, should have been the first topic of discussion.

Nonetheless, the Obama administration's public and relentless demands generated a major public relations issue by creating the impression that the two countries were in a crisis. This caused tremendous damage to Israel's international standing and undermined the rule of the Israeli government. It also increased the Israeli public's lack of trust in the Obama administration and made it difficult for the administration to present itself as an honest broker between the two sides. In practice, this situation only diminished the administration's chances of realizing its ambition of bringing about an Israeli-Palestinian agreement. However, Obama's failure to motivate Israel to accept his demands revealed his administration's weakness. The fact that the United States could not motivate its close ally—who is utterly dependent upon its support—to adopt flexible positions in negotiations severely weakened the international status and prestige of the United States.

Administration officials reiterated that an Israeli-Palestinian agreement was “a vital national security interest of the United States.” According to their position, the Israeli-Palestinian conflict was the main source of US problems in the Middle East. An Israeli-Palestinian resolution would improve US relations with Arab and Muslim nations, thereby also improving the regional standing of the United States in the Middle East.⁴⁵

The president expressed his position openly as early as the 2008 election campaign. In an interview with Tom Brokaw on *Meet the Press* on July 27, 2008, he argued that the United States had to adopt an “overarching strategy” in the Middle East, recognizing that all the region's problems were interconnected. If the Israeli-Palestinian conflict was resolved, the Arab states would strengthen ties with the United States, enabling the Americans to then exert more power in solving other regional crises, such as those in Iraq, Afghanistan, and Iran. According to Obama, “If we've gotten an Israeli-Palestinian peace deal, maybe at the same time peeling Syria out of the Iranian orbit, that makes it easier to isolate Iran so that they have a tougher time developing a nuclear weapon.”⁴⁶ A solution to the Israeli-Palestinian crisis was a solution to other Middle Eastern crises.

Several of Obama's top advisers agreed with this position, creating an echo chamber within the White House. National Security Adviser Jim Jones noted, “I'm of the belief that had God appeared in front of President Obama in 2009 and tell him he could choose one thing on the face of the planet, and one thing only, to be done, to make the world a better place and give people more hope and opportunity for the future, I would venture that it would have something to do with finding the two-state solution to the Middle East.”⁴⁷ In a speech at the first annual conference

of J Street, Jones stated, “Of all the problems the administration faces globally, I would recommend to the president . . . to solve this one [the Palestinian problem]. This is the epicenter.”⁴⁸

General David Petraeus, commander of the US forces in Afghanistan and later head of the CIA, corroborated this point. In a testimony before the Senate Armed Services Committee in March 2010, Petraeus reviewed the security challenges facing the United States: “The enduring hostilities between Israel and some of its neighbors,” noted Petraeus, “present distinct challenges to our ability to advance our interests in the AOR [Area of Operations].” He continued:

The conflict foments anti-American sentiment, due to a perception of US favoritism for Israel. Arab anger over the Palestinian question limits the strength and depth of US partnerships with governments and peoples in the AOR and weakens the legitimacy of moderate regimes in the Arab world. Meanwhile, al-Qaeda and other militant groups exploit that anger to mobilize support. The conflict also gives Iran influence in the Arab world through its clients, Lebanese Hezbollah and Hamas.⁴⁹

This suggests that although Israel was not necessarily responsible for the US military involvement in the Middle East or its tense relations with the Arab world, it definitely affected the intensity of these conflicts. This may have added to the American perception that Israel “owes” something to the United States and should therefore be more accommodating to US demands. From the American perspective, the US-Israeli alliance has not been based on a system of mutual benefit, as is customary with alliances between states. In the Israeli-US context, the United States appears as the “giver” while Israel is the “recipient” of extensive political, defense, and economic aid. Israel’s contributions to the alliance are downplayed.⁵⁰

At a press conference at the Nuclear Security Summit in April 2010, the president indicated that his views on the United States’ role and abilities vis-à-vis the peace process had begun to change. The president stressed the limits of American power to advance the peace process. Obama stated that “the need for peace between Israelis and Palestinians and the Arab states remains as critical as ever,” but “it is a very hard thing to do.” The president noted that “even if we are applying all of our political capital to that issue, the Israeli people through their government, and the Palestinian people through the Palestinian Authority, as well as other Arab states, may say to themselves, we are not prepared to resolve this—these issues—no matter how much pressure the United States brings to bear.” He continued: “And the truth is, in some of these conflicts the United States can’t impose solutions unless the participants in these conflicts are willing to break out of old patterns of antagonism. I think it was former Secretary of State Jim Baker who said, in the context of Middle East

peace, we can't want it more than they do."⁵¹ American power and leverage could not be used to force parties to accept a settlement desired by the United States.

The president now stressed that the process of reaching an Israeli-Palestinian agreement was not a matter of days or weeks and that the process would have its ups and downs, one step forward and two steps back, and there would also be frustration.⁵² "Whether we like it or not," said the president, "we remain a dominant military superpower, and when conflicts break out, one way or another we get pulled into them. And that ends up costing us significantly in terms of both blood and treasure."⁵³

However, not all administration officials accepted the idea that the Israeli-Palestinian conflict was linked to other conflicts in the Middle East. Dennis Ross, special adviser to Secretary of State Clinton for the Persian Gulf and Southwest Asia, and David Makovsky, a scholar on the Middle East, wrote a book, *Myths, Illusions, and Facts*, rejecting the underlying principles behind the Obama administration's Middle East policy. Ross and Makovsky argued that the idea that resolving the Israeli-Palestinian conflict would bring calm to the Middle East and improve US standing in the region was simply detached from reality. According to Ross and Makovsky,

of all the policy myths that have kept us from making real progress in the Middle East, one stands out for its impact and longevity: the idea that if only the Palestinian conflict were solved, all the other Middle East conflicts would melt away . . . this myth transcends all others and has had amazing staying power here . . . few ideas have been as consistently and forcefully promoted—by laymen, policymakers, and leaders alike.⁵⁴

These ideas were well known to the Obama administration. They may well have contributed to the growing doubt among officials that the Israeli-Palestinian conflict should be the administration's top priority and that its resolution could dramatically change the standing of the United States in the Muslim and Arab world. Obama, however, continued to view the problems of the Middle East in general, and the Israeli-Palestinian conflict in particular, as issues of supreme importance to the United States with far reaching implications on the region and United States' position in it. The administration was still determined to reach a settlement despite the Arab states' refusal accept US demands and take steps to normalize with Israel. The Obama administration refused to see this as expressing limitations of the United States' power in a way that would make it difficult to realize its vision of resolving the Israeli-Palestinian conflict.

In 2009, the Obama administration was still convinced that progress in the Israeli-Palestinian peace process must be its top priority, even though they conceded

that it would take much longer than previously anticipated. Netanyahu faced the decision as to whether he should make concessions to the Palestinians and the United States in order to advance the peace process or whether he should preserve the stability of the Israeli government. However, if he stuck to his basic principles, there was a chance the US administration would ultimately meet him halfway and agree to some compromise.

Chapter 4

The Cairo Speech and the Bar Ilan Speech

On June 2, 2009, just prior to his Middle East visit, President Obama gave an interview with National Public Radio to publicly convey several harsh messages to Israel. Yet again, Obama assumed that Washington knew best what Israel's interests were and would, of course, act to advance them. Obama asserted that:

part of being a good friend is being honest. And I think there have been times where we are not as honest as we should be about the fact that the current direction, the current trajectory in the region, is profoundly negative—not only for Israeli interests but also US interests. And that's part of a new dialogue that I'd like to see encouraged in the region.¹

At the same time, it became increasingly obvious that the US administration tended to personalize the dispute between the two countries. The administration repeatedly blamed Netanyahu's positions, strategies, and statecraft for the failure to advance peace accords. Soon after American press picked up on Obama's deep disappointment and frustration with Netanyahu's conduct, Israeli press leaked similar stories, hinting at the fact that Netanyahu was responsible for the rift with the United States.

Formally, the president continued to emphasize that he believed in an Israeli-Palestinian dialogue that would lead to peace. At the same time, however, he stressed the need of both parties to honor their commitments. Practically, the greatest burden fell on Israel. Israel was expected to freeze all activities in the settlements. The president stressed that he had "said very clearly to the Israelis both privately and publicly that a freeze on settlements, including natural growth, is part of those obligations," and added that "the key is to just believe that that process can move forward and that all sides are going to have to give. And it's not going to be an easy path, but one that I think we can achieve."²

On June 3, 2009, President Obama arrived in Saudi Arabia for a meeting with King Abdullah. Speaking to the journalists who awaited him, the president repeatedly

praised the Saudi king and his great wisdom. In his meeting with Abdullah, Obama emphasized the religious aspect of his visit to the region, telling the king that he “thought it was very important to come to the place where Islam began.”³³ Obama’s adviser David Axelrod asserted that “there has been a breach, an undeniable breach between America and the Islamic world, and that breach has been years in the making.” He added that “it is not going to be reversed in one speech. It is not going to be reversed perhaps in one administration. But the president is a strong believer in open, honest dialogue.”³⁴

Obama left Saudi Arabia for Cairo, where he would make the pivotal speech expected to dramatically change relations between Islam and the West, and in particular, between Islam and the United States. However, the very fact that the president decided to refrain from visiting Israel while in the Middle East was apparently indicative of his unfriendly stance towards the state, which was expected to pay the highest price for the implementation of the peace process.

Not all American presidents visited Israel during their time in office. Obama’s predecessor, President George W. Bush, went twice during his second term, once in January 2008, and the second time in May of that year, as part of Israel’s sixtieth birthday celebrations. On the other hand, Presidents George H. W. Bush, Ford, and Reagan, who was considered to be a great friend of Israel, did not visit Israel during their time in office. President Nixon visited Israel in June 1974, two months before his resignation. During his two terms in office, President Clinton made four trips: in October 1994, when he went for the signing of the peace treaty with Jordan; in October 1995, for Prime Minister Yitzhak Rabin’s funeral; and in March and December 1998, to advance the peace process. President Carter went to Israel in March 1979 for the signing of the peace treaty with Egypt.⁵

It is difficult to believe the administration did not realize that if President Obama failed to visit Israel, this would be seen in both Israel and the Arab world as a lack of sympathy for Israel and a failure to recognize it as an important American ally in the region. Martin Indyk, who served as US ambassador to Israel during the Clinton administration, believes that President Obama’s decision to refrain from visiting Israel during his Middle East visit in June 2009 was the initial cause of the rift between him and the Netanyahu government: “He reached out to the Arab and Muslim world and then he didn’t go to Israel. That was the original miscalculation.” According to Indyk, “He lost them there and he never got them back. It sent a message that he didn’t like them that much, that he wanted to put some distance between the United States and Israel.”⁶

Indeed, many saw Obama’s decision to forgo a trip to Israel as proof that he had made up his mind on the settlements. In these circumstances, there was no point

in a visit, which naturally would have required the president to make a friendly but disingenuous statement. The president's failure to visit Israel was used as an argument against him in the 2012 election campaign. When the issue was raised, the president chose to evade a direct response, telling the viewers of his visit to Yad Vashem and Sderot in 2008.

In fact, according to a survey conducted during the same period by the Anti-Defamation League and the Begin-Sadat Center for Strategic Studies at Bar Ilan University, the Israeli public expressed fear at the weakening of US support for Israel and its rapprochement with the Arab world. Only 38 percent of respondents believed that President Obama was friendly to Israel, while 73 percent believed this of President Bush. 63 percent thought that efforts by Obama to reconcile with the Muslim and Arab world would be at Israel's expense. These results had special significance given that more than 90 percent of the respondents believed that Israel-US relations were a vital element of Israel's security.⁷

In a newspaper interview several months before leaving his post as Israel's ambassador to the United States, Michael Oren noted that the president's failure to visit Israel definitely contributed to Israel's perception that Obama was unfavorable toward Israel, although he thought this belief was relatively groundless. According to Oren,

The Bush administration left behind the legacy of Iraq and Afghanistan and the estrangement of the United States from the Arab and Muslim world. Obama wanted to do things differently and attempted a different approach, reaching out to the Arab and Muslim world, the Iranians, and the Syrians, and delivering the Cairo speech. This was not understood in Israel because for Israel, everything is measured in terms of security or lack of security. When the US president goes to Egypt and Turkey and does not visit Israel, he causes a feeling of insecurity. Both the Cairo speech and the demand for a total freeze on settlements in Judea and Samaria and Jerusalem created the sense, in the summer of 2009, that the president was not sufficiently committed to Israel's security. I can tell you with certainty that this feeling was mistaken. Obama is a true friend and a very serious person and we should not underestimate him or his determination.⁸

The Israeli public's distrust of President Obama made it difficult for the president to advance the peace process. Although public opinion polls reveal that Israelis showed a great willingness to make territorial concessions to advance the peace process, the public seems to have argued that these concessions could only be made if they were convinced that Palestinians truly desired peace. This would be evidenced through measures such as the normalization of relations. Reports of

incitement in the Palestinian media, harsh anti-Israel statements by senior Palestinian Authority officials, and the anti-Israeli tone of school textbooks in the Palestinian Authority exacerbated the Israeli fear that Palestinians do not want a true peace and corroborated the idea that Obama's peace process would not change this.

The concern that President Obama did not recognize Israel's needs was further aggravated by the fact that Obama did not act on his demands that Palestinians change their attitude towards Israel. This seemed to be an irrelevant detail to him. More than 60 percent of Israelis polled stated that they did not trust President Obama to take into account and defend Israel's interests in the peace process that he was promoting. This situation made it extremely difficult for Netanyahu to approach negotiations or advance the peace process.⁹

In early June 2009, President Obama went to Cairo to deliver his speech, which would turn over a new leaf in the US relationship with the Muslim world. The Cairo address was a milestone for the president and his administration in their handling of the Israeli-Palestinian conflict. In retrospect, the Cairo speech was characterized by modes of thinking that harmed the ability of the administration to advance the peace process. Many in Israel, especially those close to the Netanyahu government, emphasized the one-sidedness in the speech, as well as the asymmetry between the approach to Israel and the attitude to the Arabs. The fact that the president chose to give his first public address in Cairo indicated these tendencies. Indeed, Egypt had peaceful relations with Israel. The Obama administration, however, was well aware of the fact that Egypt's position regarding the peace process was almost identical with that of the Palestinians.

Obama began his Cairo speech by acknowledging that "we meet at a time of great tension between the United States and Muslims around the world." The president attributed the tension to a variety of factors, including historical forces "that go beyond any current policy debate"; colonialism, which "denied rights and opportunities to many Muslims"; the Cold War, during which "Muslim-majority countries were too often treated as proxies without regard to their own aspirations"; and the fact that "sweeping change brought by modernity and globalization led many Muslims to view the West as hostile to the traditions of Islam." The message was that the West bore primary responsibility for its troubled relations with the Muslim world and, hence, he implied, it was the West that needed to overcome the difficulties and restore normal relations.¹⁰

According to the president, marginal and "violent extremists" took advantage of the tensions between the Muslim world and the West and engaged in violence against the West—particularly the United States—with the September 11 attacks being the pinnacle of this violence. With these remarks, the president quietly absolved radical

Islam of rejecting modern western culture and viewing the West as the enemy of Islam. The tension between the two sides, said the president, was not a result of a clash of civilizations, as many in the West believed, but of provocative “events” caused by marginal elements who sought to drive a wedge between Islam and the West. In Obama’s view, a violent fringe group within Israel was responsible for the wave of terror and escalating violence in the world. President Obama implied that the all-out war declared by his predecessor, President George W. Bush, on the centers of Islamic terrorism in Iraq and Afghanistan was inappropriate.¹¹

Obama’s remarks suggested that the United States could not absolve itself of responsibility for the tension. Its extreme reaction to the violence perpetrated by fringe elements in Islam had caused the tensions to escalate unnecessarily. The claims that Islam was hostile to the West and especially to the United States, and that the struggle between the two civilizations was deep, had exacerbated mutual suspicions. According to the president, as long as various actors on both sides focused on the differences between them rather than on points of commonality, those who sought to increase hatred would be strengthened. This vicious circle had to be stopped.

The president’s visit to Cairo was intended to initiate “a new beginning” in the relations between the United States and the entire Muslim world, based on mutual respect and common interests. There was no reason, the president noted, that the United States and Islam should be “in competition”; they could work together for common goals. He was aware, as he told his listeners, that hostility and suspicion could not be eliminated overnight. It would take time. Nevertheless, he was “convinced that in order to move forward . . . there must be a sustained effort to listen to each other; to learn from each other; to respect one another; and to seek common ground.”¹²

Obama’s address also minimized the scope of the Iranian threat to Israel. This contradicted repeated statements by Israeli officials, especially Prime Minister Netanyahu, depicting Iran’s nuclear activity as an existential threat to Israel. To the president, the threat to destroy Israel was merely “deeply wrong,” and it served “to evoke in the minds of Israelis this most painful memories while preventing the peace that the people of this region deserve.” And thus, in a roundabout way, the president again clearly connected the Iranian issue and the peace process, in explicit contrast to the positions of Israeli leaders.¹³

In speaking about Israel, the president candidly told the entire Arab world that the United States had close relations with Israel on a wide range of issues, and “this bond is unbreakable.”¹⁴ These words seem to have been perceived by many Israelis as lip service. Large segments of Israelis perceived President Obama’s intensive

efforts to appease the Arab world and his uncompromising demand from Israel to stop construction in the settlements as a reflection of his coldness to Israel. His words revealed his lack of sensitivity to Israel's historical experience as well as a lack of understanding of the fears that Israel had faced throughout its history.

Obama also implicitly undermined and minimized the historical connection between the Jewish people and the State of Israel. In his speech, Obama emphasized the suffering of the Jewish people, which culminated in the Holocaust and led to the emergence of the state. Not one word was mentioned about the Jewish people's historical and religious connection to the land of Israel. Therefore, Obama suggested that Israel was formed as a result of the suffering and persecution of the Jewish people rather than as a result of the implicit right of the people to the land in which the ancient Jewish nation used to live.

Obama demanded that the Palestinians stop incitement against Israel. He condemned Holocaust denial and insisted that the "Palestinians must abandon violence." He spoke about Palestinian suffering "in pursuit of a homeland" and the daily humiliations Palestinians suffered at the hands of the Israeli occupation. He did not, however, present Israel's explanations for undertaking those measures; namely, that they were necessary to ensure Israel's security and to minimize Palestinian terror. In a threatening tone apparently directed at the Netanyahu government, President Obama stated that the United States would "align [its] policies with those who pursue peace." In other words, if Israel was recalcitrant in accepting US demands, this would damage Israeli-US relations. Finally, the president stated that "we will say in public what we say in private to Israelis and Palestinians and Arabs." This statement made it clear to Netanyahu that he should not think he could bridge his differences with the US administration in an intimate conversation with the president as previous Israeli leaders had done.¹⁵

There was an implicit comparison between Palestinian suffering and Jewish suffering. Given this perspective, he then concluded that the Palestinians' situation was "intolerable." The United States could not ignore the legitimate aspirations of the Palestinian people and their right to a state of their own. This, to Obama, was no less important than Israel's right to exist. However, this did not justify the means to pursue the ends. The president demanded that the Palestinians must "abandon violence" and that "resistance through violence and killing is wrong and it does not succeed."

Without coincidence, President Obama sustained this argument by referring to the African-American struggle for civil rights in the United States. "For centuries," the president stated, "black people in America suffered the lash of the whip as slaves and the humiliation of segregation." But, he added, "it was not violence that won

full and equal rights.” Rather, it was “a peaceful and determined insistence upon the ideals at the center of America’s founding.” Obama insisted that “violence is a dead end.” Thus, whether intentional or not, the president implied that the suffering of Palestinians was identical to that of African-Americans. In the words of Michael Oren: “Repulsed by the colonialist legacy he encountered in Kenya, he may also have shared the sense of identification felt by some African-Americans—among them Condoleezza Rice—with the Palestinians.”¹⁶

At this stage, he refrained from calling Israel a Jewish state, as the Netanyahu government had demanded, further adding to the impression that Obama was biased in his Middle East policy. Israeli government circles perceived his failure to mention Israel’s Jewish character as manifesting his lack of balance in his attitude towards the Palestinians and Israel. At this point, however, the president did not perceive Israeli dissatisfaction with his actions and remarks as having great political significance. Bearing waves of sympathy and hopes for dramatic change in his country’s standing in the Muslim world and its relationship with it, the president could, at that time, afford to marginalize the desires and demands of the government of Israel.

This impression was further cemented by Obama’s unequal treatment of the Palestinians versus the Israelis. Although both parties were supposed to adhere to road map commitments, Obama only condemned Palestinian violence as an “immoral” action that was unsuccessful. Israelis, on the other hand, were under a much harsher demand. The president’s demand of Israel was extremely clear: The United States did not accept the legitimacy of the settlements. Construction in the settlements, the president stated, was a violation of previous agreements and undermined efforts to achieve peace. Settlements had to stop. The leadership in Israel certainly liked neither the demands of the president nor the way they were presented. While Obama’s tone toward the Palestinians was moderate and cautious, he was much more forceful and resolute toward Israel. Palestinians were given vague guidelines and subjective demands, while Israelis were asked to prove they had made concrete, practical steps.¹⁷

In response to Obama’s Cairo address, Israel issued a statement expressing its hope that President Obama’s speech would create a new atmosphere of reconciliation in the Middle East. Israel’s announcement did not address the president’s demand for a total freeze on settlements in Judea and Samaria. Informally, high-ranking Israeli officials told the media that Israel did not intend to accede to the president’s demand and fundamentally change its settlement policy. Instead, the officials emphasized that Israel planned to continue to build within existing settlements as necessary for purposes of natural growth.

Following the Cairo speech, Obama spoke with a small group of journalists and reiterated that he was aware of Israel's internal political environment and the limitations it placed on the peace process and settlements. The president noted that he had met with Netanyahu three times, twice when he served in the Senate and once after becoming president. He remarked that Netanyahu was a very intelligent man and was easy to talk to. In his view, Netanyahu was motivated by a real sense of historical value regarding the task set before him. With a stable coalition behind him, Netanyahu had been given a great opportunity to advance the peace process that had not been afforded to a Labor Party leader.¹⁸

In order to highlight his familiarity with internal Israeli politics, President Obama also noted that he had several advisers focusing on Israeli politics.¹⁹ Malcolm Hoenlein, the executive vice chairman of the Conference of Presidents of Major American Jewish Organizations, told the president that “if you want Israel to take risks, then its leaders must know that the United States is right next to them.” Obama disagreed with Hoenlein, pointing out that while President Bush was sympathetic to Israel, his policy did not lead to real progress toward realizing a peace agreement in the Middle East: “Look at the past eight years,” said the president. “During those eight years, there was no disagreement between us and Israel, and what did we get from that? When there is no daylight, Israel just sits on the sidelines, and that erodes our credibility with the Arab states.” The president said nothing about the Palestinian refusal to enter into negotiations, again suggesting Israel was to blame for the lack of progress.²⁰

Alan Dershowitz expressed a view similar to that of Hoenlein in a March 2010 interview with *Haaretz*. Hoenlein argued that in dealing with a democracy, it was not always possible for the United States to dictate terms. In his view, Israel could not make peace without clear American support. Israelis supported Ehud Barak's generous offer in 2000–2001 primarily because they trusted Bill Clinton's commitment towards Israel. Dershowitz added that the lack of trust in Obama would make it difficult to persuade Israelis to take risks for peace.²¹

US Special Envoy Mitchell first felt the gravity of Obama's Cairo speech during intensive talks with the Israeli prime minister in June 2009. According to reports of Mitchell's meeting with the prime minister, the Israeli government communicated to Mitchell that it would not accept President Obama's demands in full. Mitchell, therefore, stressed that the differences between Israel and the United States “are not disagreements among adversaries. The United States and Israel are and will remain close allies and friends.” He also indicated discomfort with the American focus on the settlement issue: “In my experience, focusing on a single issue ill

serves the wider diplomatic process.” He noted that his government’s objective was “the prompt resumption and early conclusion of negotiations.”²²

Obama left Egypt for Germany, and after a meeting with Chancellor Merkel in Dresden, he reiterated the need for all parties to redouble their efforts to implement the vision of two states for two peoples. He also stressed the urgency of the matter:

I think the moment is now for us to act on what we all know to be the truth, which is that each side is going to have to make some difficult compromises . . . The Palestinians have to get serious about creating the security environment that is required for Israel to feel confident.²³

In reference to the settlement freeze, Obama said that “Israelis are going to have to take some difficult steps. I discussed some of those in the [Cairo] speech.”²⁴ He did not mention the conditions for the Palestinians, notably he declined to note the demand that the Palestinian Authority work to eradicate terror in its territory. This once again implicitly placed blame and responsibility on the Israelis.

Obama also once again implied that he knew better the interests of Israel than the elected government of Israel: “As Israel’s friend, the United States, I think, has an obligation to just be honest with that friend about how important it is to achieve a two-state solution—for Israel’s national security interests, as well as ours, as well as the Palestinians’.” The president did not stop there, adding that his demands on the settlement freeze were “not the only steps, by the way, that Israel can take and will need to take in order to advance movement towards peace.” He noted several other measures that the Israelis could undertake, such as increasing freedom of movement within the West Bank, dealing with the humanitarian crisis in Gaza, and allowing reconstruction to proceed more aggressively.²⁵

President Obama then turned to the Palestinians. He noted that “what’s been interesting is that less attention has been focused on the insistence on my part that the Palestinians and the Arab states have to take very concrete actions . . . They have to continue to make progress on security in the West Bank.” He again used measured words in addressing the Palestinians, implying that they were already working to increase Israel’s sense of security and that all that was required of them was to step up their efforts. Israel did not share this view. Israeli spokesmen argued that the Palestinian Authority was doing nothing against terrorists who were targeting Israelis, instead primarily taking action against criminals. According to Obama, the Palestinian Authority was also obligated to address “problems of corruption and mismanagement.” He added:

So there are going to be a whole set of things having to do with the Palestinians’ ability to govern effectively and maintain security. And if

they're not solved, Israelis are going to have trouble moving forward. And the Arab states, what I'd like to see is indicators that they are willing, if Israel makes tough commitments, to also make some hard choices that will allow for an opening of commerce, diplomatic exchanges between Israel and its neighbors.²⁶

After his meeting with Merkel, President Obama visited the Buchenwald Concentration Camp. He may have believed that this gesture, along with a photo taken with Elie Wiesel at the camp's gates, would give the impression that he identified with the memory of the Holocaust. This, he hoped, would somewhat soften the reputation he had acquired in the wake of the Cairo speech of not being evenhanded towards Israel and the Palestinians. However, the result was the opposite. In his speech at Buchenwald, Obama emphasized the suffering of the Jewish people during the Holocaust and quickly moved to the rebirth of Israel after the Holocaust. This made the Jewish leaders in attendance feel that here, too, as in his Cairo speech, the president had accepted the Arab claim that the establishment of Israel was the consequence of the Holocaust. This could have been interpreted as a total denial of the Jewish people's historical and religious ties to the land of Israel. The liberators of the camp, said the president, "could not have known how the nation of Israel would rise out of the destruction of the Holocaust and the strong, enduring bonds between that great nation and my own."²⁷

In his remarks in Dresden, the president referred to anti-Israel incitement in the Palestinian Authority. Yet instead of making it clear that incitement was a serious issue, he praised President Abbas for making a certain amount of progress:

When it comes to the Palestinians, we know what they're supposed to be doing . . . They have to deal with incitement issues. There's still a tendency, even within—among Palestinians who say they are interested in peace with Israel, to engage in statements—that incite a hatred of Israel or are not constructive to the peace process. Now I think, to his credit, President Abbas has made progress on this issue—but not enough.

Here, too, the president's message was clear: this was not an issue of strategic importance. Obama depicted President Abbas as already part of the solution, not part of the problem, because he had made progress in this domain. Abbas simply needed to work a little harder.²⁸ However, the progress was extremely limited. There were overwhelming examples of Palestinian incitement. For example, the government dedicated a public square in Ramallah to a terrorist who had murdered dozens of Israelis; propagated conspiracy theories about Israel's supposed intentions to destroy Muslim holy places; and endorsed "actions that glorified and encouraged further violence."²⁹

The president's lenient position on incitement in the Palestinian Authority drew criticism from administration officials. In *The Missing Peace*, Dennis Ross, who was involved in the Israeli-Palestinian peace process for many years, argued that Palestinian incitement undermined trust between the conflicting nations: "The Palestinians' systemic incitement in their media, an educational system that bred hatred, and the glorification of violence made Israelis feel that their [the Palestinians'] real purpose was not peace." According to Ross, the United States was misguided in its relations with the Palestinian Authority. The United States did not want to delay the peace process or undermine its relations with the Arab world. Thus, it refused to confront Arafat and mistakenly accepted his claims of being too weak to cope with the incitement. Ross warned that peace talks could not be successful when there was one type of atmosphere around the negotiating table and another on the streets.³⁰

In a meeting with French president Nicolas Sarkozy on June 6, 2009, President Obama once again sought to reverse the impression that he was biased towards the Palestinians. He highlighted the point that the peace process cannot begin without Israeli trust in the Palestinians commitment to peace. This began with the Palestinians "[renouncing] violence, [ending] incitement, [and improving] their governance capacity." The president reiterated that "the Arab States have to be a part of this process," adding that "it's not sufficient just to point at the Palestinian problem and then say we are not going to engage, we're not going to take responsibility. They are going to have to step up as well because the Arab States not only are important politically, they're also important economically. And to the extent that they put their shoulder behind the wheel, that can move the process forward in a significant way."³¹

In the aforementioned meeting with the Jewish leaders in mid-July 2009, President Obama claimed he was applying equal pressure on both Israel and the Palestinians to resolve the conflict. He blamed the press for distorting his policy toward Israel. Obama reiterated his continued commitment to Israel and its security and stressed that he would not take positions that could harm Israel's security. Several of those present at the meeting were convinced of the sincerity of his intentions to resolve the conflict. Rabbi Steven Wernick, executive vice president of the United Synagogue of Conservative Judaism, was impressed with the president's extensive knowledge of even the finer nuances of the conflict and left the meeting encouraged. Despite his reservations, he believed it was necessary to give the president a chance to implement his policy. According to Wernick, contrary to the media opinion, Obama had not pressured Israel more than the Palestinians as Obama demanded Israel to

freeze settlement construction and Palestinians to stop violence, to end incitement, and to carry out reforms in their educational system.³²

However, other American supporters of Israel remained skeptical. Although most supported the settlement freeze, they were dissatisfied with Obama’s treatment of Israel throughout the political process. In their view, the administration’s aggressive policy toward Israel on the settlement issue was intended to restrict the freedom of action of the Netanyahu government. The administration’s settlement policy could only be interpreted as an attempt by the United States to force the government of Israel to act in contradiction to the mandate it had received from its people.³³

On July 21, 2009, Prime Minister Netanyahu addressed Christians United for Israel. The prime minister, aware that he was speaking to a sympathetic audience, took advantage of the opportunity to subtly criticize the president. Hinting that Obama did not understand the origins of the Israeli-Palestinian conflict, Netanyahu expressed that it was superficial and erroneous to characterize the conflict as a territorial dispute stemming from the Six Day War. He noted that the Arabs had opposed the establishment of a Jewish state in 1947, when “there were no Palestinian refugees, no questions of disputed territories, no question of settlements.” He continued:

And those who will demand that Israel recognize the right of the Palestinians to a state [that is, President Obama and his supporters] should be equally clear about their demand that the Palestinians recognize the right of the Jews to a state of their own. I think that this is the key element to achieving peace. The Palestinians must recognize the right of the Jewish people to their own state. They still have not.³⁴

In his speech at the Knesset the following day, on July 22, 2009, Netanyahu enumerated the conditions that should inform an Israeli-Palestinian political agreement. His remarks were primarily directed toward President Obama. Netanyahu’s five conditions were as follows: a) Palestinians recognize Israel as the nation-state of the Jewish people; b) The Palestinian refugee problem will not be resolved within the borders of the Jewish state; c) The peace agreement will end the claims against Israel; d) The Palestinian state to be established must be effectively demilitarized, ensuring that there is no foreign army to the west of the Jordan River, that the airspace would not be in hostile hands, and that weapons would not be brought into this area; e) There must be international recognition of the demilitarization arrangements.

Netanyahu’s conditions for agreeing to the two-state solution placed the Bar Ilan address, discussed in the next chapter, in a very different light from the way it was perceived in the first days after it was delivered. The “fine print” that Netanyahu inserted into the two-state vision gave it a new meaning, which differed significantly from what President Obama had intended.³⁵

After Obama's return from the Middle East, the president spoke by phone with Prime Minister Netanyahu. This conversation took place shortly before Netanyahu was about to make an important political speech at Bar Ilan University and declare his support for the two-state vision. After the phone call, the White House released the following statement:

The President and Prime Minister had a constructive, twenty-minute conversation. The President reiterated the principal elements of his Cairo speech, including his commitment to Israel's security. He indicated that he looked forward to hearing the Prime Minister's upcoming speech outlining his views on peace and security. The President also noted that Senator Mitchell would be in Israel again as he starts his fourth trip to the region as the Special Envoy for Middle East peace.

In addition, the White House released a photograph of the president during the phone call with Netanyahu, showing President Obama with his feet resting on his desk. This was interpreted in Israel as a show of authority and contempt by the president for the prime minister. The Prime Minister's Bureau chose to ignore the photo and announced that the conversation had been positive.³⁶

On June 14, 2009, Netanyahu gave his address at Bar Ilan. In the speech, the prime minister presented his positions on the issue of an agreement. Netanyahu noted that Israel faced "three immense challenges—the Iranian threat, the economic crisis, and the advancement of peace." Once again, Netanyahu relayed to President Obama that Israel did not accept the idea that the Israeli-Palestinian agreement was a top Middle East policy. From Israel's perspective, the Iranian threat should have been the top international priority. It should have been followed by the international economic crisis, and only then, the peace process and an agreement with the Palestinians. However, to avoid clashing with the president, Netanyahu only briefly addressed the first two issues in his speech and moved quickly to the Palestinian issue.³⁷

Netanyahu stressed at the very beginning of his speech that he shared Obama's position on the peace process: "I fully support the idea of a regional peace that [President Obama] is leading" and "share the President's desire to bring about a new era of reconciliation in our region," and not just between Israel and the Palestinians. Highlighting his personal commitment to regional peace in the Middle East, Netanyahu outlined his personal efforts in meeting with the leaders of Egypt and Jordan. He also reiterated his willingness to meet with other regional leaders, if they desired. Netanyahu appealed to Arab governments and private institutions to initiate joint economic projects in order to begin economic normalization processes, which would facilitate and complement a political agreement. This position would put the

ball in the Arab court while also hitting a nerve with the Obama administration. In publicly requesting meetings with Middle Eastern leaders, Netanyahu suggested that Obama had failed to convince these leaders to normalize relations with Israel.³⁸

Netanyahu continued to subtly lock horns with President Obama. Indirectly, Netanyahu rejected the president's thesis that the source of the Israeli-Palestinian conflict was the occupation of territories in the Six Day War: "If the advantages of peace are so evident, we must ask ourselves why has peace eluded us, even as our hand remains outstretched to peace? Why has this conflict continued for more than sixty years? In order to bring an *end* to the conflict, we must give an honest and forthright answer to the question: What is the root of the conflict?" The prime minister's firm response completely contradicted the president's point of view: "And the simple truth," said the prime minister,

is that the root of the conflict was and remains the [Arabs'] refusal to recognize the right of the Jewish people to a state of their own in their historic homeland. In 1947, when the United Nations proposed the partition plan of a Jewish state and an Arab state, the entire Arab world rejected the resolution. The Jewish community, by contrast, welcomed it by dancing and rejoicing. The Arabs rejected any Jewish state, in any borders. Those who think that the continued enmity toward Israel is a product of our presence in Judea, Samaria, and Gaza are confusing cause and effect. The attacks against us began in the 1920s, escalated into a comprehensive attack in 1948 with the declaration of Israel's independence, continued with the *fedayeen* attacks in the 1950s, and reached their peak in 1967, on the eve of the Six Day War, in an attempt to tighten a noose around Israel's neck. All this occurred during close to fifty years *before* a single Israeli soldier ever set foot in Judea and Samaria.³⁹

The prime minister also rejected the idea that Israel should withdraw to the 1967 borders as a formula for an agreement. Netanyahu noted that "many good people have told us that withdrawal from territories is the key to peace with the Palestinians. Well, we withdrew. But the fact is that every withdrawal was met with massive waves of terror, by suicide bombers and thousands of missiles." He continued:

We tried withdrawal with an agreement and withdrawal without an agreement. We tried a partial withdrawal and a full withdrawal. In 2000 and again last year, Israel proposed an almost total withdrawal in exchange for an end to the conflict, and twice our offers were rejected. We evacuated every last inch of the Gaza Strip, uprooted over twenty settlements and evicted thousands of Israelis from their homes. In response, we received a hail of missiles on our cities, towns, and children. The claim that territorial withdrawals will bring peace with the Palestinians, or at

least advance peace, simply does not square with the facts. In addition, Hamas in the south, like Hezbollah in the north, repeatedly proclaims its commitment to “liberate” the Israeli cities of Ashkelon and Beersheba, Acre and Haifa, Ashdod, and Tiberias. Territorial withdrawals have not lessened the hatred.⁴⁰

The rest of Netanyahu’s speech addressed various areas of disagreement between Israel and the United States including Obama’s lack of balance, the Palestinian refusal to acknowledge Israel as a Jewish state, and the root causes leading to the emergence of the State of Israel. Netanyahu explicitly criticized the lack of balance in President Obama’s approach to Israel and the Palestinians, noting that “achieving peace will require courage and candor from both sides, not just from the Israeli side.”

He also reiterated his demand that the Palestinian leadership recognize Israel as the nation-state of the Jewish people: “I am yearning for that moment, for when Palestinian leaders say those words to our people and to their people, the path will be opened to resolving all the other problems between us, however difficult. Therefore, a fundamental prerequisite for ending the conflict is a public, binding, and unequivocal Palestinian recognition of Israel as the nation-state of the Jewish people.”

Finally, the prime minister rejected Obama’s belief that the State of Israel emerged in response to Jewish persecution and the Holocaust. According to Netanyahu, the right of the Jewish people to the land of Israel did not result from suffering and persecution: “The tragic history of powerlessness of our people explains why the Jewish people need a sovereign power of self-defense. But our right to build our sovereign state *here*, in the land of Israel, arises from one simple fact: this is the homeland of the Jewish people; this is where our identity was forged.”⁴¹

Netanyahu made it clear that Israel rejected the Palestinian claim to the “right of return” as a condition of an Israeli-Palestinian agreement. The refugee problem, he stressed, would have to be resolved in a Palestinian state and not in Israel. The prime minister noted that “we do not want to rule over [the Palestinians]; we do not want to govern their lives,” and added that “in my vision of peace, in this small land of ours, two peoples will live freely, side-by-side, as good neighbors with mutual respect. Each will have its own flag, its own anthem, its own government. Neither will threaten the security or survival of the other.”

Netanyahu stressed Israel’s need for defensible borders, noting that historical experience did not allow any compromise on this matter. In any peace agreement, the territory controlled by the Palestinians would have to be demilitarized; that is, “without an army, without control of its airspace, and with effective security measures to prevent weapons smuggling into the territory . . . And obviously, the

Palestinians will not be able to forge military pacts.”⁴² According to Netanyahu, “if we receive this guarantee regarding demilitarization and Israel’s security needs, and if the Palestinians recognize Israel as the state of the Jewish people, then we will be ready in a future peace agreement to reach a solution where a demilitarized Palestinian state exists alongside the Jewish state.” The demilitarization of Palestine was vital to Israel’s survival and security.

The prime minister also addressed the most complex core issue—the status of Jerusalem. He reiterated that “Jerusalem, the capital of Israel, must remain undivided with continued religious freedom for all faiths.” The territorial issue would be discussed “as part of the final peace agreement.” Until then, “we have no intention of building new settlements or of expropriating additional land for existing settlements.” Nevertheless, Israel insisted on the right to allow settlers in Judea and Samaria to lead “normal lives.”⁴³

Although people perceived the Bar Ilan speech as Netanyahu’s acceptance of Obama’s position, a careful examination of the prime minister’s remarks indicates the speech was actually a blatant, even daring, defiance of an American president at the height of his popularity. In the Bar Ilan speech, Netanyahu presented the president’s views one by one, and rejected them with his own opposing views, whether implicitly or explicitly. He rejected Obama’s attempt to make an Israeli-Palestinian agreement the most important issue on the agenda in the Middle East and laid out his own proposal for what Israel needs to focus on in order to go forward.

Netanyahu elucidated that he, too, supported a regional peace that would provide a foundation for an Israeli-Palestinian agreement, thereby placing the ball back in Obama’s court. If President Obama could rally the Arab States around an agreement, then his harsh, resolute demands would be justified. However, as he was unable to do so, it was unjust and unfounded for Israel to bear the burden and responsibility for the peace process.

Only after Netanyahu had rejected all of President Obama’s assertions did he say the two words that the president wished to hear: “Palestinian state.” Although these were the words that ushered in a wave of criticism, it is worth paying close attention to the web of conditions that Netanyahu demanded for this Palestinian state. This “state” would be demilitarized. The Palestinian state would not have its own army and would not have control over its airspace or water sources. Jerusalem would not be the capital of the future Palestinian state. Israel would control the state borders, guaranteeing an Israeli military presence in the Palestinian state. Therefore, Netanyahu used the words “Palestinian state,” as President Obama demanded, the entity Netanyahu referred to was far from a “state.” Rather, Netanyahu was referring

to an autonomous entity with powers—especially domestic powers—in the realm of economics, education, and health, but not in foreign relations or defense policy.

Netanyahu refused the president's direct and unequivocal demand for a total moratorium on settlements. The only thing he was willing to accede to the president at that point was to return to the Bush-Sharon formula of understandings, and even less than that. As noted, he pledged not to build new settlements and to refrain from expropriating Palestinian lands for expanding existing settlements. He said nothing, however, about providing incentives for Israelis who wished to move over the Green Line. Sharon gave Bush a commitment that Israel would not provide such incentives. A senior figure in the Prime Minister's Bureau told the media: "The Americans have a problem if they don't understand that we can't hurt the life of the communities that live there. They are our brethren, the flesh of our flesh. In any case, the benefits of a withdrawal are highly doubted, if they at all exist. Our experiences with evacuating settlements in Gaza failed."⁴⁴

This, then, was the "real" Bar Ilan address. Indeed, the term "Palestinian state" had been uttered, yet the dominant part of the speech reflected Netanyahu's rejection of the American president's demands. This was certainly a bold measure, especially only ten days after Obama's Cairo speech. Comments by ministers considered to be two-state opponents showed that they also realized that the speech did not have great practical significance for the Israeli-Palestinian peace process. The fact that it was not brought before the Cabinet for approval made it clear to them that Netanyahu had no real interest in making the two-state vision official. Benny Begin expressed this sentiment several days after the speech: "It is no coincidence that there is no such Cabinet resolution. I say this following the speech. It was not brought to the Cabinet for discussion, nor will it be. It is not the position of the government and therefore, it allows a person like me to be a Cabinet member with the understanding that there is no two-state reality."⁴⁵

In response to the Bar Ilan speech, President Obama released a restrained, anemic announcement, noting the positive aspects of Netanyahu's speech, and in particular, his willingness to talk about a Palestinian state. The president declared that "overall, I thought that there was positive movement in the Prime Minister's speech. He acknowledged the need for two states."⁴⁶ Obama knew that Netanyahu's willingness to accept a Palestinian state was dependent upon several conditions, which significantly contradicted the idea that the prime minister was prepared to accept the establishment of a Palestinian state.

However, Obama also knew that as long as the Bar Ilan address was not brought for Cabinet approval, it would not obligate the State of Israel or its leadership. For these reasons, apparently, the president refrained from attributing far-reaching

importance to the speech. Nevertheless, he believed that Netanyahu's words, including the conditions he presented, could serve as the basis for resuming negotiations and bargaining between the sides. Special Envoy Mitchell noted that Israel and the Palestinians now had a common objective: realizing the two-state vision. In this way, the president brought greater harm to his prestige and authority, primarily in the eyes of the Palestinians, who had expressed great reservations about the Bar Ilan address.

Saeb Erekat, the chief negotiator for the Palestinian Authority, asserted that Netanyahu's speech destroyed the chances for peace. According to Erekat, "The peace process can be compared to a turtle, and now that Netanyahu has turned it over, it's lying on its back. Not in a thousand years will Netanyahu find a single Palestinian who would agree to the conditions stipulated in his speech. The speech is a unilateral declaration ending the political negotiations on permanent status issues." President Mubarak declared that Israel's demand to recognize it as a Jewish state was destroying the chances for peace. Khaled Mashal, Hamas' Political Bureau chief, stated that Israel's demand to demilitarize the Palestinian state would mean creating a huge prison, not a sovereign country like all others. The minimum to which Hamas would agree was the establishment of a Palestinian state with Jerusalem as its capital; full sovereignty; dismantling of the settlements; and the right of return for the Palestinian refugees. At this stage, there was no substitute for the armed struggle. President Abbas stressed his demand that Israel recognize the principle of two states and cease settlement construction, including in Jerusalem, before the start of negotiations for a permanent settlement.⁴⁷

Chapter 5

Consolidating Understandings on a Limited Settlement Freeze

Over time, the Obama administration gradually backed down from its demand for a total freeze to a demand for a limited freeze. It also decreased the priority given to settlement issue. Facing deteriorating relations with Israeli and decreasing support from pro-Israel Americans, Obama shifted his approach. However, he did not realize this until after a long, painstaking process of negotiations took place.

The Israeli government took three issues with the Obama administration's approach to the settlement dispute. First, there was no point in focusing on the settlement issue because it would only reduce the chances of an agreement. It was a small aspect in a long, on-going peace process. Its resolution would do little to advance the overall process. Second, the Obama administration's tendency to publicly expose its dispute with Israel undermined Israel's credibility and political capital by portraying it as a weak, isolated state. This belittled its position within the Israeli-Palestinian peace process. Finally, Obama's lack of balance in favor of the Palestinians led Palestinians to conclude that they did not need to be flexible in the peace process because Obama would ensure they received a good deal. These factors created unfavorable circumstances for Israeli-US negotiations over the settlement issue. Furthermore, Israel believed that the issue of borders should be given preference over settlements. Once borders were properly and concretely defined, Israelis and Palestinians would know where they were legitimately and legally allowed to build settlements for their respective populations.¹

In exchange for Israeli concessions on this issue, Israel required that Palestinians recognize Israel as a "Jewish state" and end violence. Israel would not agree to the concessions demanded without these conditions. In an interview with the *New York Times*, Israel's Defense Minister Ehud Barak stated that "for us, it is very important that the Palestinians commit to seeking an end to the conflict and a finality of any claims." According to Barak, "We should not isolate this issue of settlements and make it the most important one." He added that Israel was seeking a regional

agreement that would result in a state for the Palestinians while also providing Israel with greater regional security.²

Obama's demand for a total settlement halt in Judea and Samaria, including Jerusalem, was unacceptable to Israel. For Netanyahu, the idea of Jerusalem as an "open city" was paramount in the settlement dispute. In response to US protests over Israeli plans to build in Jerusalem's Shimon Hatzadik neighborhood, the prime minister proclaimed that Israeli sovereignty over Jerusalem "cannot be challenged" and that "residents of Jerusalem may purchase apartments in all parts of the city." He noted that "in recent years, hundreds of apartments in Jewish neighborhoods and in the western part of the city have been purchased by—or rented to—Arab residents, and we did not interfere." According to Netanyahu, "this says that there is no ban on Arabs buying apartments in the western part of the city and there is no ban on Jews buying or building apartments in the eastern part of the city. This is the policy of an open city, an undivided city that has no separation according to religion or national affiliation." Lastly, the prime minister declared, "We cannot accept the idea that Jews will not have the right to live and purchase in all parts of Jerusalem. I can only describe to myself what would happen if someone would propose that Jews could not live in certain neighborhoods in New York, London, Paris, or Rome. There would certainly be a major international outcry. Accordingly, we cannot agree to such a decree in Jerusalem."³

Netanyahu refused to back down from his position that Jerusalem was to remain an "open city." Jerusalem was at the heart of the Likud's ideology, the basis on which Netanyahu was elected. Capitulating on Jerusalem would not only convey the idea that Netanyahu had no "red lines," but it also would make it strategically difficult for Israel to take a principled stand against any other political-ideological issues. On a more practical note, Netanyahu knew that prohibiting Jews from purchasing homes in Jerusalem was difficult for the United States to stomach. As it sounds anti-Semitic, it would be difficult from the president to gain broad support for this position within the American public and Congress.

The Obama administration finally listened and, in return, gradually softened their position on the settlement issue. On July 15, 2009, Secretary of State Clinton gave a speech to the Council on Foreign Relations where she refrained from mentioning Washington's demand for a settlement freeze, noting only that the administration had "been working with the Israelis to deal with the issue of settlements, to ease the living conditions of Palestinians, and create circumstances that can lead to the establishment of a viable Palestinian state." She added that "for the last few decades, American administrations have held consistent positions on the settlement issue," and refrained from mentioning the traditional US opposition to settlements. This

was only several weeks after President Obama had declared to the entire world that the United States did not recognize the legitimacy of the settlements.⁴ The deliberate refrain from repeating the president's firm and unequivocal demand for a settlement freeze was a very subtle step back.

Clinton went even further to place the United States with Israel on one side of the peace process and the Palestinians and Arabs on the other by emphasizing that "we know that progress toward peace cannot be the responsibility of the United States or Israel alone. Ending the conflict requires action on all sides." According to Clinton,

The Palestinians have the responsibility to improve and extend the positive actions already taken on security, to act forcefully against incitement, and to refrain from any action that would make meaningful negotiations less likely [This may have been in reference to raising the Palestinian issue in UN institutions]. And Arab states have a responsibility to support the Palestinian Authority with words and deeds, to take steps to improve relations with Israel, and to prepare their publics to embrace peace and accept Israel's place in the region.⁵

Clinton then demanded Arab states step up their actions to advance the peace process. She called the Saudi peace proposal "a positive step," but added that "we believe that more is needed. So we are asking those who embrace the proposal to take meaningful steps now." The secretary called on Arab leaders to follow in the footsteps of Anwar Sadat and King Hussein, who "crossed important thresholds, and their boldness and vision mobilized peace constituencies in Israel and paved the way for lasting agreements." She then addressed "all sides," telling them that "sending messages of peace is not enough. You must also act against the cultures of hate, intolerance, and disrespect that perpetuate conflict." There could be no doubt that this was directed primarily at the Arab and Palestinian side.⁶

Congress echoed Clinton's new, softer position toward Israel. In late July 2009, 225 members of Congress sent a letter to King Abdullah of Saudi Arabia urging him to make "a dramatic gesture toward Israel akin to the steps taken earlier by the leaders of Egypt and Jordan."⁷ This letter was intended to support President Obama, who had asked moderate Arab states to take steps toward normalizing relations with Israel. This letter also suggested that Congress recognized the need to rebalance the peace process in favor of the Israelis.

On July 31, 2009, Secretary of State Clinton acted on Congress' proposal. Following a meeting with Saudi foreign minister Saud al-Faisal, the secretary of state announced that Washington had asked moderate Arab states, including Saudi Arabia, "to work with us to take steps to improve relations with Israel, to support

the Palestinian Authority and to prepare their people to embrace the eventual peace between the Palestinians and the Israelis.” Clinton expressed the belief that “Saudi Arabia’s continued leadership is absolutely vital to achieve a comprehensive and lasting peace.”⁸

However, the Saudi foreign minister subtly skirted around the secretary of state’s request. Al-Faisal noted that Saudi Arabia and the United States “are working closely to promote peace between Palestinians and Israelis, to encourage reconciliation in Lebanon, to stabilize Pakistan and Afghanistan, to combat terrorism, and to emphasize the need for Iran to adhere to its obligation under the Nuclear Non-Proliferation Treaty.” He added that “we consult on many more political issues as well, as global economic matters, energy, and environment.” He also expressed the belief that the US-Saudi commercial relationship “benefits both our people.” Thus, the Saudi foreign minister implied that Saudi Arabia had a wide range of concerns and interests, which were perhaps more important to it than reaching an Israeli-Palestinian agreement.⁹

Referring directly to the issue of an Israeli-Palestinian agreement, the Saudi foreign minister stated that his government completely rejected President Obama’s gradual, multi-stage approach: “I expressed to the secretary our view that a bold and historic step is required to end this conflict, and divert the resources of the region from war and destruction to peace and development.” He added that “incrementalism and the step-by-step approach has not and, we believe, will not, achieve peace. Temporary security, confidence-building measures will also not bring peace.”

In the Saudi view, “what is required is a comprehensive approach that defines the final outcome at the outset, and launches into negotiations over final-status issues, borders, Jerusalem, water, refugees, and security. The whole world knows what a settlement should look like: withdrawal from all the occupied territories, including Jerusalem; a just settlement of refugees; and an equitable settlement of issues such as water and security.” According to the Saudi foreign minister, “The Arab world is in accord with such a settlement through the Arab Peace Initiative adopted at the 2002 Arab Summit in Beirut.” Al-Faisal asserted that “Israel is trying to distract by shifting attention from the core issue—an end to the occupation that began in 1967 and the establishment of a Palestinian state—to incidental issues such as academic concerns and civil aviation methods.” However, he said, “this is not the way to peace.”¹⁰

The response of the Arab countries caused confusion, disappointment, and great frustration in the US administration. These countries were generally “pro-Western.” Some of them were the beneficiaries of generous American aid, and some had a significant American military presence on their soil. Their bold refusal of the US

requests undermined the prestige and power of the Obama administration, putting them in a very embarrassing situation.

According to one source, President Obama was misled either by some Arab states or by his own diplomats. The Saudi ambassador to the United States, in a meeting with President Obama, promised that should the president visit Saudi Arabia, he would not leave empty handed. Before his visit, the president made a gesture of goodwill to Saudi Arabia and released several prisoners from detention in Guantanamo. Obama was thus confident that the Saudi leaders would reciprocate.¹¹

Although Obama may have been misled with regard to the Saudi position, he should not have been shocked at the rejection. The king had claimed that he did not trust Netanyahu or Abbas. He had refused to take even minimal steps toward normalization with Israel until the president had achieved an Israeli-Palestinian agreement. Even then, the king did not make a firm commitment to normalization processes, claiming that he would simply “consider” normalization if this agreement were reached.¹²

Following his visit to Saudi Arabia, President Obama finally realized that the Arab countries were not prepared to concrete steps to normalize relations with Israel. As normalization had been Israel’s main condition for an agreement, this severely limited Obama’s options in pursuing an Israeli-Palestinian peace agreement. He had several options: (1) promote an agreement demanding Israel freeze settlements for nothing in return; (2) delay negotiations until circumstances were more favorable; or (3) formulate an alternative plan. The administration decided to pursue the first course of action. This meant that Israel would be required to accept the settlement moratorium and would receive nothing in return.

Special Envoy Mitchell first revealed Washington’s total capitulation to the Arab states by backing away from the demand that they *immediately or fully* normalize relations. After a meeting with Egyptian president Mubarak, Mitchell stated that the administration was not asking the Arab states for such comprehensive normalization, which would occur later during the peace process. This essentially meant that there was nothing required of the Arab states while Israel was being required to place a total freeze on settlements. The administration believed that this demand was justified as it was a necessary step to move the peace process forward and end an activity deemed illegitimate.¹³

These statements reinforced the Israeli government’s position that the US administration was using aggressive and heavy-handed tactics that undermined its position as a fair and balanced mediator. The US administration had demanded that Israel take real and painful steps, with far-reaching political consequences for the government’s stability and the prime minister’s future in order to advance

the peace process. In contrast, the Arab countries were asked to take only verbal, symbolic steps within a very loose timeline. Netanyahu's government understood that it would need to act with both determination and extreme caution in order to counter the administration's moves and avoid a dramatic rift with the United States.

The Arab states' refusal to accede to Washington's request that they undertake normalization measures towards Israel did not dissuade the US administration from further pressing the issue. Clinton again asked for confidence-building measures, noting that "we have also asked the Arab states, including our friends in Saudi Arabia, to work with us to take steps to improve relations with Israel, to support the Palestinian Authority, and to prepare their people to embrace the eventual peace between the Palestinians and the Israelis."¹⁴ In addition, the administration asked countries that previously had low-level, informal relations with Israel—Qatar, Oman, Morocco, and Tunisia—to reopen their liaison offices in Israel and allow Israel to open liaison offices in those countries. They were also asked to agree to Israel's request to allow El Al planes to fly over their territory. Furthermore, President Obama wrote to King Muhammad IV of Morocco, asking him to demonstrate leadership and to bridge the gaps between Israel and the Arab states. No Arab country agreed to the administration's requests.

Nonetheless, Washington continued its efforts. A State Department spokesman declared on August 10, 2009, that "confidence-building measures are critical elements of getting the parties to the next step, which is negotiations."¹⁵ On August 18, 2009, President Mubarak reported that the Arab states were not prepared to make gestures toward normalization until Israel took steps to justify them. He also noted that a temporary settlement freeze would not be considered a sufficient step. Following these events, a senior administration official admitted that the attempt to promote peace between Israel and the Palestinians and between Israel and the Arab countries had failed.¹⁶

Under these circumstances, it was only natural that the Palestinians would feel that they had the upper hand in the balance of power between the main actors driving the peace process. In a speech to the Fatah Summit on August 4, 2009, President Abbas challenged Netanyahu. He loudly criticized the fact that Netanyahu had neglected to fulfill his promise that he would seek to improve the Palestinian economy and the standard of living of the residents of the Palestinian Authority. In Abbas' view, these empty promises were a vain attempt to divert international attention away from the demand to grant the Palestinians the right to self-determination.¹⁷ Abbas also asserted that continuing the dialogue with Israel without a deadline would jeopardize Palestinian interests. Ongoing negotiations enabled Israel to continue building in the settlements without restrictions. As time passed, Israel's hold on the

area would grow stronger, making it more and more difficult to realize the vision of a Palestinian state.

At the Fatah Summit, Abbas laid out his terms of agreement for an Israeli-Palestinian peace deal. His main principles included the following: (a) talks must be connected to the situation on the ground; (b) settlement construction, especially in Jerusalem, must halt while talks are underway; (c) negotiations must be based on UN resolutions and the Arab peace initiative of 2002; (d) the talks must address the Palestinian's core issues, especially Jerusalem and the refugees; (e) a state with temporary borders is illegitimate; (f) Israel will not be recognized as a Jewish state as this would affect the rights of refugees and minorities living in Israel; (g) an international mediator will oversee negotiations; (h) international forces must monitor the implementation of the terms to the agreement; and (i) the peace agreement will be subject to a Palestinian referendum.¹⁸ Abbas then asserted that he would restart peace talks if Israel stopped all settlement activity, including construction in Jerusalem.

Despite demanding strict conditions, Abbas claimed that he was seeking a “just peace.” According to Abbas, “The fundamental national goal of our people is to totally end the Israeli occupation of all Palestinian lands occupied since 1967; to ensure a just solution of the refugee problem of our people in accordance with resolution 194; and to establish a Palestinian state with full sovereignty over our national land with the noble Jerusalem as its capital.” Prime Minister Salam Fayyad announced on August 25, 2009, that he had drafted a document calling for the establishment of a “de facto state” in order to expedite the end of the occupation, with or without a peace treaty with Israel. The document also called for the establishment of institutions and infrastructures to carry out this mission.¹⁹

The Iranian Green Revolution, a post-election popular uprising, played a significant factor in creating a stalemate in the Israeli-Palestinians conflict. Iran's new role in the region was a greater, more immediate concern that placed the Israeli-Palestinian conflict on the back burner.

In late July 2009, Robert Gates, the US defense minister, arrived in Israel to discuss how Iranian current events affected the peace process. Gates wrote in his memoirs that:

Bibi was convinced the Iranian regime was extremely fragile and that a strike on their nuclear facilities very likely would trigger the regime's overthrow by the Iranian people. I strongly disagreed, convinced that a foreign military attack would instead rally the Iranian people behind their government. Netanyahu also believed Iranian retaliation after a strike would be pro forma, perhaps the launch of a few dozen missiles at Israel

and some rocket salvos from Lebanese-based Hezbollah. He argued that the Iranians were realists and would not want to provoke a larger military attack by the United States by going after American targets—especially our ships in the Gulf—or by attacking other countries’ oil facilities.²⁰

In Netanyahu’s view, if the Gulf was closed to oil exports, this “would cut the Iranians’ own economic throats.” Gates disagreed with this as well. He believed the prime minister was being “misled” by the Iraqis’ and Syrians’ lack of response in 1981 and 2007 respectively to the Israeli strike on their nuclear facilities. In Gates’ view, Iran was an entirely different case, and its response could ignite a war in the Middle East. According to the defense secretary, the two nations interpreted the same intelligence concerning Iran’s nuclear program in vastly different lights. This contributed to greater difference of opinion between the United States and Israel.²¹

By September 2009, the “deterrent power” inherent in President Obama’s Cairo speech clearly appeared to be dissipating. No sanctions were inflicted on Israel after it rejected the president’s demand for a total moratorium. This suggests that Obama either did not have or was not willing to use leverage over the Israelis. In a television interview with Charlie Rose, Special Envoy Mitchell was asked if the administration had a means to threaten Israel if it did not accept the US demands. Mitchell did not have a convincing answer and was able to say only that “under American law, the United States can withhold support on loan guarantees to Israel.”²² It is doubtful that he believed such a move would pose a real threat to Israel; eventually, he retracted his comment.

This change in the balance of power between President Obama and Prime Minister Netanyahu developed mainly because the Obama administration had adopted positions that left Netanyahu without any real option of compromise. He was pushed into a corner: oppose Obama or undermine Israel’s internal political stability. Netanyahu went with the former, and Obama did nothing. Following this event, the balance of power between President Obama and Prime Minister Netanyahu paradoxically shifted in Netanyahu’s favor.

Although Netanyahu was able to refuse Obama’s main demand, national security interests prevented Netanyahu from being able to completely defy the superpower. The United States was Israel’s only supporter in the international arena, and no Israeli leader could afford a total rift with its main and only ally. The president of the United States symbolized the unity of the American people, and even those who opposed the president would not be amenable to another state humiliating him. Therefore, Netanyahu sought to forge a “middle path” regarding the settlement issue, to prevent ostracizing either the Obama administration or his supporters.

On September 6, 2009, Defense Minister Barak announced that he had approved construction of 455 previously planned housing units, most of which were to be built in settlement blocs. Israel also intended to complete another 2,500 housing units already under construction. Barak noted that this was being done within the framework of an ongoing dialogue with the US administration, which would lay the groundwork for an agreement with Washington on suspending construction in the settlements. For most of the buildings, the approval process had taken place under previous governments.

This announcement signaled the prime minister's intentions to strike a balance between making gestures towards the Palestinians in order to allow the talks to resume and enabling the settlers to continue to lead "normal lives." Of note, Netanyahu argued that construction in Jerusalem would continue as per usual because Jerusalem was not a settlement. Although the White House verbally condemned Israel's unilateral decision, it accepted this decision without any significant punishment because the proposed settlement construction did not radically deviate from what the Israelis had done in the past.²³

On September 22, 2009, Prime Minister Netanyahu, President Obama, and President Abbas met in New York at the opening of the UN General Assembly. Prior to these meetings, Netanyahu announced a nine-month freeze on settlement construction as a concession to restart peace talks. He stressed that the freeze would affect neither daily life in the large settlements nor in Jerusalem. The Palestinians, on the other hand, demanded a halt of settlement construction for an unlimited period, while the administration demanded a one-year freeze.²⁴ Netanyahu was well aware of the danger that agreeing to a freeze on settlement construction, even for a limited time, would set a precedent.

President Obama, in his remarks at the three-way meeting, called on the Palestinians "to do more to stop incitement and to move forward with negotiations." He praised Israel for removing roadblocks and easing conditions for the Palestinians and called on it to "translate" its discussions about "restraining" settlement activity "into real action." Of note, the president used "restraining" rather than "freezing," thereby suggesting that he understood that the total freeze would not be realistic given the existing circumstances. Given these less than favorable circumstances, Obama still believed that talks needed to resume, stating that "simply put, it is past time to talk about starting negotiations—it is time to move forward." He added: "Despite all the obstacles, despite all the history, despite all the mistrust, we have to find a way forward," and "permanent status negotiations must begin and begin soon."²⁵

However, geopolitical realities at this time totally inhibited any advancement in the peace process. The gaps between the Israeli and Palestinian positions, even on

the “technical” issues related to starting the talks, could not be bridged. Furthermore, the Obama administration lacked the means to translate tough positions into the language of action. He could not make Israel and the Palestinians yield to his demands. Ultimately, this meeting seemed to be a pointless, desperate effort by the president to breathe new life into a peace process that appeared to be dying.²⁶

On September 23, 2009, President Obama addressed the UN General Assembly. A significant portion of his speech was devoted to the Israeli-Palestinian peace process. President Obama testified that “upon taking office, I appointed a special envoy for Middle East peace, and America has worked steadily and aggressively to advance the cause of two states—Israel and Palestine—in which peace and security take root.” He noted that “we have made some progress. Palestinians have strengthened their efforts on security. Israelis have facilitated greater freedom of movement for the Palestinians. As a result of these efforts on both sides, the economy in the West Bank has begun to grow.” Yet he added that “more progress is needed. We continue to call on Palestinians to end incitement against Israel, and we continue to emphasize that America does not accept the legitimacy of continued Israeli settlements. The time has come,” the president emphasized, “to re-launch negotiations without preconditions that address the permanent status issues: security for Israelis and Palestinians, borders, refugees, and Jerusalem.”²⁷

Obama underscored the fact that both sides had already suffered too much. Laying out his vision, Obama noted, “The goal is clear: Two states living side by side in peace and security—a Jewish state of Israel, with true security for all Israelis; and a viable, independent Palestinian state with contiguous territory that ends the occupation that began in 1967, and realizes the potential of the Palestinian people.” The goal was also to have “peace between Israel and Lebanon, Israel and Syria, and a broader peace between Israel and its many neighbors.” The president added that “in pursuit of that goal, we will develop regional initiatives with multilateral participation, alongside bilateral negotiations.” He stated that he was “not naïve. I know this will be difficult,” but nevertheless, he would not cease his efforts to achieve an agreement between Israel and the Palestinians.²⁸

From Israel’s perspective, the president’s speech made several positive points. These included an unequivocal statement that Israel was the nation-state of the Jewish people (“Jewish State of Israel”), the demand for negotiations without preconditions, the explicit demand that the Palestinian Authority stop incitement, and finally, “true security for all Israelis.” On the other hand, the president made several points that were problematic for Israel. Obama repeatedly emphasized, this time before the most important international forum, that “America does not accept the legitimacy of continued Israeli settlements.” He implicitly tied US defense aid

to Israel's positions in the peace process in saying, "The United States does Israel no favors when we fail to couple an unwavering commitment to its security with an insistence that Israel respect the legitimate claims and rights of the Palestinians." He also stated that the agreement between the Israelis and Palestinians must lead to the establishment of "a viable, independent Palestinian state with contiguous territory that ends the occupation that began in 1967."²⁹

In September 2009, the Palestinian Authority announced four conditions required to restart talks. These included the following: a) negotiations should be based on international resolutions calling for the establishment of an independent Palestinian state; b) timelines and deadlines must be determined; c) settlement activity must freeze; and d) talks must recommence from the "framework agreement" between Abbas and Olmert. Abbas agreed with Netanyahu that the parties needed to define borders at the beginning of negotiations as this would solve issues relating to settlements, Jerusalem, and water sources. Abbas naturally sought to focus on the issue of borders, assuming that there was broad international agreement that Israel needed to withdraw to the June 4, 1967 borders. He noted that an ongoing dialogue was taking place with Israel on the issues of security, the economy, and daily life.³⁰

In October 2009, Netanyahu proposed a limited freeze on settlement construction. Israel would restrain construction of new settlements while allowing previously approved housing units to continue. This freeze would not apply to East Jerusalem, public buildings, or infrastructure projects. Following a meeting with Secretary of State Clinton in late October 2009, Prime Minister Netanyahu stated that "I said we would not build new settlements . . . and that we were prepared to adopt a policy of restraint on the existing settlements, but also one that would still enable normal life for the residents who are living there." He added:

there has not been a precondition for entering or continuing with the peace process between us and the Palestinians . . . This is a new demand. It's a change of policy, the Palestinian policy . . . This uses a pretext, or at least does something as an obstacle that prevents the reestablishment of negotiations . . . The issue of settlements, the issue of territories, the issue of borders—these will be engaged in the negotiations . . . But you can't resolve it in advance of the negotiations.³¹

The Obama administration's initial response was fairly sympathetic. Clinton agreed that the prime minister was correct in his claim that a settlement freeze had never been a precondition for negotiations and that it was always part of the negotiations. She noted that the prime minister's proposal to restrain construction in the settlements was "unprecedented in the context of the prior two negotiations," and added:

I think that where we are right now is to try to get into the negotiations. The prime minister will be able to present his government's proposal about what they are doing regarding settlements, which I think when fully explained will be seen as being not only unprecedented but in response to many of the concerns that have been expressed . . . I mean, negotiation, by its very definition, is a process of trying to meet the other's needs while protecting your core interests. And on settlements, there's never been a precondition.³²

The secretary of state clung to this position despite harsh criticism from the Arab world. In a speech four years later at the Saban Forum of the Brookings Institution, she repeated her view:

When Prime Minister Netanyahu agreed to a 10-month settlement freeze, it wasn't perfect. It didn't cover East Jerusalem, but it covered much of the contested area in the West Bank. And I stood on a stage with him . . . and I said it was unprecedented for any Israeli prime minister to have done that. I got so criticized. I got criticized from the right, the left, the center, Israeli, Jewish, Arab, Christian, you name it. Everybody criticized me. But the fact was it was a 10-month settlement freeze. And he was good to his word. And we couldn't get the Palestinians into the conversation until the tenth month.³³

Netanyahu's settlement freeze, however, was harshly criticized, especially in the Arab states and by the Palestinians. In their perspective, this was not a true "freeze" on settlement construction as it was for a limited period of time and did not apply to Jerusalem. This proved the decision to be less than beneficial to the Israelis. It did not satisfy the Palestinians and failed to motivate them to return them to the negotiating table. Although it provided Netanyahu with a "time-out" and eased the administration's pressure on him, it failed to achieve the goal of advancing the peace process as the Palestinians rejected this concession.³⁴ According to Secretary of State Clinton, Abbas called Netanyahu's limited freeze on settlement construction "worse than useless." Disappointed that the freeze excluded Jerusalem, Abbas refused to return to the negotiating table.³⁵

On November 2, 2009, Secretary of State Clinton clarified the US position on Israel's settlement policy in an attempt to reflect a balanced approach and get Palestinians to return to the negotiation table. She stated that "the Obama Administration's position on settlements is clear, unequivocal . . . the United States does not accept the legitimacy of continued Israeli settlements." According to Clinton, "the Israelis have responded to the call from the United States, the Palestinians, and the Arab world to stop settlement activity by expressing a willingness to restrain

settlement activity. They will build no new settlements, expropriate no land, allow no new construction or approvals.”³⁶ Clinton then praised the Palestinian Authority for its efforts to increase security in the West Bank: “I told Prime Minister Netanyahu that these positive steps on the part of the Palestinians should be met by positive steps from Israel—movement and access, operations by the IDF and on Israeli security arrangements on the West Bank. Israel has done a few things in that regard but they need to do much more.” She stressed that “President Abbas has shown leadership and determination on this issue and Israel should reciprocate.”³⁷

Within a short time, however, the secretary of state realized that her circumlocutions and efforts to create the impression of evenhandedness satisfied neither the Arab world nor the Palestinians. She was forced to issue a “corrective” statement, making it clear that Netanyahu’s offer of “restraint” was “nowhere near enough, but I think . . . it is a better place to be than the alternative, which is unrestrained [growth].” Thus, within a short period of time, the administration’s weakness and its inability to withstand Arab pressure was exposed as Clinton sought to appease calls for a total settlement freeze. This further corroborated Israel’s belief that the credibility and trustworthiness of the United States as an honest broker between the two opposing sides had been seriously damaged.³⁸

In a dramatic turn of events, on November 5, 2009, President Abbas announced that he had no interest in running for president in the next elections. He made it clear that he would remain chairman of the PLO, and that in this capacity, he could continue to conduct negotiations with Israel. This announcement was a reflection of Abbas’ weakened standing among the Palestinians which, in turn, revealed his diminished ability to enter into decisive negotiations with Israel.

It seemed that the announcement was meant to spur the Obama administration into increasing its pressure on Israel. In the absence of a conspicuous political achievement, Abbas was liable to lose the elections to extremist forces. Therefore, he had no interest in making a mockery of himself by running for office. It was on the Americans now to pressure Israelis to make concessions. On December 16, 2009, the PLO Central Committee announced that Abbas would remain president of the Palestinian Authority after his term ended on January 25, 2010, until the elections at a later date. The Central Committee recommended holding the elections before July 1, 2010, but to this day, they have not taken place.

On November 25, 2009, the Israeli government decided to “act to temporarily suspend construction in Judea and Samaria.” The government resolution stated the following: a) The suspension would last for ten months; b) The suspension of construction would not apply to building for security purposes or to essential public buildings; c) Suspension of permits would not apply to permits granted in

accordance with the law before the date on which the order commences, if the foundations of the building had already been laid; d) The government of Israel called on the Palestinian Authority to enter negotiations without preconditions with the goal of ending the conflict and reaching a peace agreement.³⁹

Secretary of State Clinton announced that this agreement would help advance the peace process in the Middle East. Although she repeated on the formal level that a settlement must be based on agreement between the parties, Clinton sketched the general outlines of the framework for an agreement that would be acceptable to the administration:

Today's announcement by the Government of Israel [on the settlement freeze] helps move forward toward resolving the Israeli-Palestinian conflict. We believe that through good-faith negotiations the parties can mutually agree on an outcome which ends the conflict and reconciles the Palestinian goal of an independent and viable state based on the 1967 lines, with agreed swaps, and the Israeli goal of a Jewish state with secure and recognized borders that reflect subsequent [demographic] developments and meet Israeli security requirements. Let me say to all the people of the region and world: our commitment to achieving a solution with two states living side by side in peace and security is unwavering.⁴⁰

Clinton's remarks expressed the administration's recognition that over the years, demographic changes that had taken place in Judea and Samaria would have to be taken into account in any future agreement with the Palestinians. This meant that the administration indirectly recognized that the large settlement blocs in Judea and Samaria would be under Israeli sovereignty in a future agreement. This outline was also mentioned in the letter dated April 14, 2004, from President Bush to Prime Minister Sharon. However, the Palestinians yet again expressed disappointment with the Israeli decision, which President Abbas called "insufficient" and "unacceptable."⁴¹

To prevent another stalemate and demonstrate the seriousness of its intentions, Israel reported to Washington immediately after the decision on the freeze that it had sent seventy inspectors to seventy settlements throughout Judea and Samaria. The inspectors conveyed orders to these settlements to cease construction in at least sixty building sites. At the same time, the IDF issued an order revoking the authority of twenty-four local and regional government councils to issue building permits and also instructed them to act according to the new guidelines. Construction equipment would be confiscated in the case of illegal construction. The Ministry of Defense announced that it was recruiting another forty building inspectors in order to prevent irregularities in Judea and Samaria. The ministry also began to take aerial photographs so that if the orders were violated, this would immediately

be obvious. In addition, the government of Israel stressed that since April 2008, it had removed 250 road blocks in Judea and Samaria in order to make life easier for the Palestinian residents and to enable the economy and commerce to develop in the area.⁴²

In return for Israel's acquiescence to a settlement freeze, the White House announced that the president had approved extensive financial aid for Israel of nearly \$30 billion dollars over the next decade. The first payment was to be for \$2.775 billion. According to Israeli-US understandings, 75 percent of the military aid Israel received was to be spent in the United States.⁴³

In an address to Israeli ambassadors on December 28, 2009, Netanyahu outlined concrete actions that Israel had taken in order to bring the Palestinians to the negotiating table. These measures included lifting restrictions on the movement of Palestinians throughout Judea and Samaria, stimulating economic prosperity in the Palestinian Authority, mentioning the "Palestinian State" in the Bar Ilan speech, and initiating a ten-month settlement freeze. According to the prime minister, the Palestinians did not respond positively to these gestures. They had demanded a total freeze on settlement construction, including in Jerusalem. They had promoted the Goldstone Report in international organizations. They refrained from noting at the Fatah conference that they were seeking peace, and they were conducting a campaign to delegitimize Israel in international organizations.⁴⁴ For all Israel had done, it had received nothing but criticism.

As there was no tangible benefit to continuing a settlement freeze and offering the Palestinians concessions, the Israeli government decided to reverse its settlement policy. On December 28, 2009, the government announced its decision to build 692 housing units in Jerusalem. The announcement of the decision was intended to emphasize to the Palestinian Authority that "united Jerusalem" was the capital of Israel and was not included in the settlement freeze plan. As expected, and as a matter of course, the White House spokesman criticized the decision, stating that "the status of Jerusalem is a permanent status issue that must be resolved by the parties through negotiations" and that "neither party should engage in efforts or take actions that could unilaterally pre-empt, or appear to pre-empt, negotiations."⁴⁵

In December 2009, President Abbas announced that he would not "allow anyone to start a new intifada." He repeated this several times. This was undoubtedly pleasant music to the ears of Israel's leaders and the US government. This statement certainly contributed to the establishing of the reputation of the president of the Palestinian Authority as a moderate, peace-seeking leader, even though militant incitement against Israel continued to grow stronger under his presidency. In fact, his statements may have been a result of the Palestinian leaders' realization that they

would not be able to use violence to force Israel to accept positions it considered unacceptable. Their previous attempts, by means of two intifadas, had failed because Israel was able to restrain Palestinian terror and minimize its damage. Furthermore, Palestinian terror, and particularly suicide terror, had damaged the Palestinians' standing within the West and increased understanding of Israeli anxiety about taking risks in a political agreement with the Palestinians.⁴⁶

Abbas acknowledged this indirectly, claiming that even Hamas had concluded that the use of violence against Israel was pointless. According to the president of the Palestinian Authority:

We have said more than once that we oppose the rockets [from Gaza], which are ineffective, and [Hamas] said that we are discouraged and we do not want resistance [terror] and that we do not want and we do not want. They have worked against us through agreements with the organizations [the other organizations in Gaza], and furthermore, they [Hamas] have begun to prevent [terrorist attacks] and have even begun to strike at anyone who attempts to carry out acts of resistance . . . In short, there are no differences of opinion between us [and Hamas]. Of faith? No! Of policy? No! Of resistance? No! So where do you [Hamas] differ? Why do you not come to sign the document [of reconciliation]?⁴⁷

These statements actually may have contributed to prolonging the political stalemate. It should be acknowledged that over the years, Palestinian terror was a powerful factor driving the negotiations forward. It should be assumed that once it had become clear to Israel's leaders and to Washington that the Palestinian Authority had no means of pressuring Israel militarily, the motivation of both Israel and the United States to engage in dialogue to promote an agreement would diminish. In Secretary of State Clinton's survey of the background to the peace process early in President Obama's first term, she noted the psychological difficulty that many Israelis had in this context because of the great price Israel had paid during the Second Intifada. Ultimately, wrote Clinton, Israel was able to stop Palestinian terror, which "was, of course, a great source of relief for Israelis." Nonetheless, she added, "it also lessened the pressure on them to seek even greater security through a comprehensive peace agreement."⁴⁸

In any case, because of the relative lull in terrorism and the Palestinian Authority's explicit stand opposing violence against Israel, the threat by US government officials that ceasing the peace process would lead to renewed violence was not seen as very credible in Israel. US officials of various ranks often made such threats, explicitly or implicitly, in an attempt to goad Israel into agreeing to concessions to move the peace process forward. Thus, for example, Special Envoy Mitchell said

in an interview with the Maine Public Broadcasting Network that “an eruption of violence, or some other negative act, could occur at any time, with unforeseeable consequences.” He added that there was no way to know what would happen if the United States simply abandoned the peace process.⁴⁹

Chapter 6

The Biden Crisis and the Resolution of the Dispute

In early March 2010, Vice President Joe Biden arrived in Israel. The reception was cordial. Prime Minister Netanyahu expressed his appreciation for Washington's peace-making efforts, noting that Israel was aware that the peace process required "a great deal of patience" and added that he was happy that the efforts were "beginning to bear fruit." He pointed out that if any agreement was to be reached, the Palestinians would have to recognize "the permanence and legitimacy of the Jewish State of Israel" and that Israel's security would have to be "guaranteed for generations to come." To this end, there was a need to ensure that an agreement would prove itself "not on paper, but on the ground." The vice president emphasized his friendship of many years with Israel and the deep relationship between Israel and the United States. He reiterated that an Israeli-Palestinian peace was the interest of Israel, the Arab world, and the United States.¹

The rest of the visit was much less pleasant both for the government of Israel and for the prime minister. While Biden was in Israel, the Interior Ministry announced approval of the construction of 1,600 housing units in the Jerusalem neighborhood of Ramat Shlomo. The timing of the announcement was unfortunate. It is still not clear whether it was a result of the bureaucratic negligence or whether it was intentional—designed to embarrass Netanyahu and his government at a very sensitive time. Events of this kind had occurred in the past during visits to Israel by US government officials and caused embarrassment to both Israel and the United States.

This time, the administration's response was unusual. Instead of issuing a routine statement condemning the new settlements, the Obama administration played up the magnitude of the incident and revealed it publicly and dramatically. In doing so, the Obama administration raised suspicions that it was seeking to exploit a relatively minor incident in order to change the status quo and force the Netanyahu government to freeze construction in East Jerusalem. Biden issued a relatively

routine statement outlining his areas of concern regarding new Israeli settlements and stated that the “substance and timing of the announcement, particularly with the launching of proximity talks, is precisely the kind of step that undermines the trust we need right now . . . We must build an atmosphere to support negotiations, not complicate them.”²

However, Secretary of State Clinton went further. In a phone call lasting nearly forty-five minutes, she rebuked the prime minister for the stinging insult to the vice president during his visit to Israel. Clinton stated that she did not see how such a thing could have happened, given the strong commitment of the United States to Israel’s security. The prime minister claimed that it was a bureaucratic mishap and that he, too, had been surprised. According to Clinton, the move sent a “deeply negative signal” about Israel’s relations with the United States and had damaged the relationship.³

In her memoir, Secretary of State Clinton gave some interesting personal background to her “long and heated” conversation with the prime minister. She noted that President Obama and Rahm Emanuel were “furious” about Israel’s conduct during the Biden visit and demanded that she make this clear to Netanyahu. Clinton wrote, “I told the prime minister that President Obama viewed the news about East Jerusalem ‘as a personal insult to him, the vice president, and the United States,’” which she called “strong stuff for a diplomatic conversation,” and added that she “didn’t enjoy playing the bad cop, but it was part of the job.” The prime minister, according to Clinton, assured her “and the president that the timing was entirely unintentional and unfortunate.” She pointed out, however, that “he refused to reverse the decision.”⁴

Several days after Clinton’s difficult conversation with Netanyahu, the secretary of state appeared at the 2010 AIPAC Policy Conference. In this speech, Clinton sought to correct the impression that she was friendly toward the Netanyahu government. Early in her remarks she emphasized her commitment to Israel. Then she referred indirectly to the dispute taking place in the United States about whether Israel was an asset or a burden to the country. “Given the shared challenges we face,” said Clinton, “the relationship between the United States and Israel has never been more important. The United States has long recognized that a strong and secure Israel is vital to our own strategic interests. And we know that the forces that threaten Israel also threaten the United States of America. And therefore,” Clinton assured her audience, “we firmly believe that when we strengthen Israel’s security, we strengthen America’s security . . . our commitment to Israel’s security and Israel’s future is rock solid, unwavering, enduring, and forever.”⁵

The secretary of state also made it clear that the United States acknowledged the great importance of Jerusalem to Israel and the Palestinians. “We believe,” she stressed, “that through good-faith negotiations the parties can mutually agree on an outcome that realizes the aspirations of both parties for Jerusalem and safeguards its status for people around the world.” She added, “But for negotiations to be successful . . . both Israelis and Palestinians must refrain from unilateral statements and actions that undermine the process or prejudice the outcome of talks.” She noted that the United States condemned the announcement of plans to build in East Jerusalem, made during the vice president’s visit, because the United States desired “two states for two peoples, secure and at peace.” According to the secretary of state, “This was not about wounded pride. Nor is it a judgment on the final status of Jerusalem, which is an issue to be settled at the negotiating table.” However, “new construction in East Jerusalem . . . undermines that mutual trust and endangers the proximity talks . . . And it exposes daylight between Israel and the United States that others in the region hope to exploit. It undermines America’s unique ability to play a role—an essential role—in the peace process.” Clinton noted that she had spoken to Prime Minister Netanyahu about “concrete steps Israel could take to improve the atmosphere and rebuild confidence” and that “the prime minister responded with specific actions Israel is prepared to take toward this end.” In addition, they had talked about “a range of other mutual confidence-building measures.”⁶

In remarks made before his departure from Israel, Biden took a relatively conciliatory approach to Israel and its government, perhaps convinced that the settlement construction announcement was truly a bureaucratic mishap and not an intentional smear campaign. He reiterated his “deep friendship and kinship” for “this magnificent country.” The United States, he said, “has no better friend in the community of nations than Israel.” He added that “our nations’ unbreakable bond” was “impervious to any shifts in either country and either country’s partisan politics” and that “no matter what challenges we face, this bond will endure.” Biden noted that progress in the peace process will occur “when the rest of the world knows there is absolutely no space between the United States and Israel when it comes to security.” He then added: “I applaud Prime Minister Netanyahu’s recent call for two states for two people[s], lending a vital voice to what the Israelis, Palestinians, their Arab neighbors all know in their heart to be true . . . the status quo is not sustainable.” In Biden’s opinion, establishment of a Palestinian state would also help Israel to remain a Jewish, democratic state.⁷

Although the US administration forgave Netanyahu for his bureaucratic blunder during Biden’s visit, Israel was less forgiving. The crisis between Israel and the United States increased pressure on Netanyahu at home. The center and the left

accused him directly of being responsible for the crisis, claiming that his stubborn, uncompromising policy had caused it. Although there was a majority of Israeli support for settlement construction in Jerusalem, many claimed that Israel could have afforded to freeze construction in Jerusalem, at least for a limited time, in order to advance the peace process. In any case, there was broad agreement that the timing of the announcement on construction in Ramat Shlomo was irresponsible. Those to the right of the Likud exploited the crisis in order to demonstrate the validity of their position that surrendering to the dictates of Washington and the Palestinian Authority would not satisfy them. In fact, it would only whet their appetite for more. Far right supporters argued that Netanyahu's concessions to the United States and the Palestinian Authority were interpreted by these parties as a sign of weakness, allowing them to demand even more.

Shortly after the crisis erupted, Prime Minister Netanyahu left for the United States to address the AIPAC Policy Conference. Prior to his departure, he reiterated Israel's resolute stance on the settlement issue. According to Netanyahu, his government's policy on Jerusalem "is the same policy of all Israeli governments in the past forty-two years and it has not changed." He added that "from our point of view, construction in Jerusalem is like construction in Tel Aviv. These are the things which we have made very clear to the American administration." According to Netanyahu, "it is very important that these matters not be left subject to commentary and speculation." In order to prevent confusion on this matter, he sent a letter to Secretary of State Clinton "so that these issues would be very clear." This effectively set the stage for a major clash between the prime minister and the Obama administration.⁸

As US-Israeli relations were at an all-time low, the prime minister's speech at the AIPAC Conference aroused greater interest than usual. He faced sharp criticism at home and steep demands abroad. Thus, Netanyahu had many reasons to keep a low profile on settlements and Jerusalem in order to avoid alienating either his home base or his international support.⁹

Nevertheless, the prime minister had a different tactic, choosing to challenge the president on his home turf before a sympathetic audience of thousands of Israel supporters. "Seventy-five years ago," the prime minister told his listeners:

many leaders around the world put their heads in the sand [and failed to act against the Nazi threat] . . . Ultimately, two of history's greatest leaders helped turn the tide. Franklin Delano Roosevelt and Winston Churchill helped save the world . . . They helped save the world, but they were too late to save six million of my own people, the Jewish people. [The lesson for today is clear.] The future of the Jewish state

can never depend on the goodwill of even the greatest of men. Israel must always reserve the right to defend itself. Today, an unprecedented threat to humanity looms large . . . Iran’s brazen bid to develop nuclear weapons is certainly first and foremost a threat to my country, to Israel, but it’s a threat to the entire region; it’s a threat to the entire world. Israel thus expects the international community [that is, the United States] to act swiftly and to act decisively to thwart this danger. But we always reserve the right of self-defense.¹⁰

Later in his remarks, Netanyahu reached the heart of his disagreement with the Obama administration at that time—the status of Jerusalem. He reflected Israel’s position in very clear words: “The connection between the Jewish people and the land of Israel cannot be denied,” he told his audience. “The connection between the Jewish people and Jerusalem cannot be denied. The Jewish people were building Jerusalem 3,000 years ago and the Jewish people are building Jerusalem today. Jerusalem is not a settlement. It’s our capital.” The prime minister continued:

In Jerusalem, my government has maintained the policies of every single Israeli government since 1967, including those led by Golda Meir, Menachem Begin, and Yitzhak Rabin. Today, nearly a quarter of a million Jews, that’s almost half the city’s Jewish population, live in neighborhoods that are just beyond the 1949 armistice lines. All these neighborhoods are within five minutes from the Knesset. They are an integral and inextricable part of modern Jerusalem. Everyone knows — everyone: Americans, Europeans, Israelis certainly, Palestinians—everyone knows that these neighborhoods will be part of Israel in any peace settlement and therefore, building in them no way precludes the possibility of a two-state solution.¹¹

Netanyahu added that “it’s only under Israeli sovereignty in Jerusalem that religious freedom for all faiths has been guaranteed.” He noted that Israel did not wish to rule over the Palestinians, that “we want them as our neighbors, living freely in security, dignity, and peace.”

Later, he sought to make clear to the Obama administration that its conduct in the context of the peace process showed a desire to force an agreement on Israel, and that Israel would not accept this. “The United States,” said Netanyahu, “can help the parties resolve their problems but it cannot solve the problems for the parties. Peace cannot be imposed from the outside. It can only come through direct negotiations.” He stated that Israel faced “security problems and challenges unlike any other nation on earth. And therefore, a peace agreement with the Palestinians must have effective security arrangements on the ground—not just on a piece of paper—on the ground.” According to the prime minister, Israel had to “make sure

that what happened [after the withdrawals] in Lebanon and Gaza doesn't happen again in the West Bank.”

The most important aspect of Netanyahu's speech was the prime minister's firm, resolute, and clear position on Jerusalem. Neither the status of Jerusalem nor construction in the city would be subject to negotiations. This position was based, to a large extent, on his assessment that Washington was deliberately pushing towards a confrontation with Israel. The Obama administration had transformed a relatively minor incident into a major controversy in order to push Netanyahu into a corner and force him to be more flexible on construction in Jerusalem. Thus, he estimated, that under such circumstances, his willingness to make concessions would only encourage the Obama administration to increase the pressure on him.

Following his AIPAC speech, Netanyahu met with members of Congress and received a warm welcome from representatives of both parties. House Minority Leader Nancy Pelosi, a Democrat like the president, went out of her way to show her friendship to Israel: “We in Congress stand by Israel, something [on which] we have a joint bipartisan commitment—no separation between us on this subject. In Congress, we speak with one voice on the subject of Israel.” She was joined by John Boehner, a key figure in the Republican Party, who stated unequivocally that “we have no stronger ally anywhere in the world than Israel.”¹²

Shortly after the AIPAC speech, Prime Minister Netanyahu arrived at the White House for a meeting with President Obama. According to Ambassador Oren, the president told the prime minister and his staff that they had “an assignment,” which, according to Oren, meant “that we were supposed to work out a schedule for meeting his demands including the construction freeze.”

After initial attempts to reach understandings had failed, the president announced that he was going to bed early. Netanyahu asked if he could stay to consult with the president's advisers, especially Jim Jones and Dennis Ross. After consultations lasting about two hours, the prime minister asked to meet again privately with the president. This time the meeting lasted half an hour. Reports in Israel claimed that the prime minister and the president had reached tacit understandings on slowing down construction in Jerusalem, but they were not making it official in order not to damage Netanyahu's standing at home. These reports were not confirmed. Even though the two leaders met for a total of two hours, the White House did not issue an announcement on the content of the talks, which also deviated from accepted practice. Israeli and American media reported that there was a serious crisis in relations between the two countries.¹³

However, in mid-2010, a gradual, but clear change began to emerge in the Obama administration's policy on and attitude towards the Israeli-Palestinian

peace process. It is likely that the president's decisive steps made him realize that he risked a widening rift with Israel, which could have far-reaching consequences for the United States' strategic position in the Middle East. Nonetheless, Obama shifted his position and grew more favorable toward Israel.

According to Secretary of State Clinton, the White House meeting between the president and the prime minister came to the brink of disaster, forcing both to rethink their positions. Clinton said that "at one point during the discussion, the president reportedly left him [Netanyahu] waiting in the Roosevelt Room for about an hour while he took care of other matters. It was an unusual move, but one that effectively telegraphed his [the president's] displeasure." She added that "one positive outcome of this mini-crisis was that the Israelis got a lot better understanding about the need to warn us before any new, potentially controversial housing projects were announced, and they became much more sensitive about East Jerusalem. At least while the ten-month moratorium remained in place, there was little if any additional construction there."¹⁴

Netanyahu firmly held his position that he would not formally agree to a settlement freeze in Jerusalem. He would, however, make incremental steps to decrease the rate of construction in order to restart talks with the Palestinians. After long months of clashes and wrangling, the two leaders had learned the limits of their power and influence over the other. This understanding was what may have led to the thaw in relations in mid-2010.

In late April 2010, President Obama invited thirty-seven Jewish members of Congress to the White House, which was dubbed the "love offensive." In his talk, he emphasized the "unbreakable bond of friendship" between the United States and Israel, which he called the "key strategic ally" of the United States in the Middle East. Jim Jones, Obama's national security adviser, praised the "shared values, deep and interwoven connections, and mutual interests" of Israel and the United States. Secretary of State Clinton also did her part, emphasizing her "deep personal commitment to . . . promoting Israel's future." This was the first of many encounters that led toward a "détente."

The main theory as to what triggered this "détente" is that Obama feared domestic backlash. Polls indicated that pro-Israel voters were having doubts about the Democrats because of the administration's policies on Israel.¹⁵ His support base was slipping. The criticism was especially noticeable in Congress. Members of Congress, seeking to win over Jewish voters and Israel supporters, highlighted their friendship with Israel. In March and April 2010, against the backdrop of the serious tensions during Vice President Biden's visit to Israel, 76 senators and 334

members of the House sent a letter to Secretary of State Clinton. The Senate’s version of the letter read, among others, as follows:

We write to urge you to do everything possible to ensure that the recent tensions between the US and Israeli administrations over the untimely announcement of future housing construction in East Jerusalem do not derail Israeli-Palestinian peace negotiations or harm US-Israel relations. In fact, we strongly believe that it is more important than ever for Israel and the Palestinians to enter into direct, face-to-face negotiations without preconditions on either side.

In the House’s version of the letter, congressional members criticized Obama’s treatment of Netanyahu: “We recognize that, despite the extraordinary closeness between our country and Israel, there will be differences over issues both large and small. Our view is that such differences are best resolved quietly, in trust and confidence, as befits longstanding strategic allies.”¹⁶

On July 6, 2010, Prime Minister Netanyahu met again with President Obama. This time, however, the atmosphere was relaxed. The president was clearly making an effort to emphasize the friendly atmosphere of the meeting and the strong ties between Israel and the United States. Describing the meeting as an “excellent one-on-one discussion,” he noted the “extraordinary friendship” and the “unbreakable” bond between the two countries, which “encompasses our national security interests, our strategic interests, but most importantly, the bond of two democracies who share a common set of values and whose people have grown closer and closer as time goes on.” He stressed the following points:

- a. The administration greatly appreciated Israel’s willingness to help rehabilitate the economy of the Gaza Strip by allowing more goods to be brought into Gaza. There were still issues to be discussed on this subject. Israel and the United States, as well as the Quartet, were working together to find appropriate solutions to enable delivery of goods to Gaza, but to prevent the smuggling of weapons to Hamas.
- b. The administration succeeded in imposing unprecedented sanctions imposed on Iran. The administration intended to continue to step up the pressure to motivate Iran to moderate its stance on the nuclear issue, cease its provocative activity, and stop threatening its neighbors.
- c. Netanyahu was a leader who wanted peace. He was prepared to take risks for peace. In his discussion with the president, Netanyahu had emphasized his willingness to enter negotiations on what the administration saw as the correct goal: realizing the vision of two states for two peoples. Now was the right time

to implement this goal. The administration expected that the proximity talks then taking place would lead to direct negotiations between the parties.

- d. The parties to the negotiations would have to engage in confidence-building measures in order to show that they were serious and that there was a point to the process. The Arab countries would have to support the peace process and give it a broad base beyond the bilateral Israeli-Palestinian agreement.¹⁷

The president insinuated that the United States' long standing policy on Israel's "nuclear option" had not changed. Given the reports that the Obama administration often linked the Iranian and Israeli nuclear issue, the president made it clear that,

we strongly believe that, given its size, its history, the region that it is in, and the threats that are leveled against it, that Israel has unique security requirements. It's got to be able to respond to threats or any combination of threats in the region. And that's why we remain unwavering in our commitment to Israel's security. And the United States will never ask Israel to take any steps that would undermine their security interests.¹⁸

As for the moratorium on settlement construction, the president noted that the government of Israel had "work[ed] through layers of various governmental entities and jurisdictions" and acted with restraint in the previous months. This restraint, he believed, had contributed to the possibility of direct negotiations between the parties. He hoped for the following: parties would restart talks before the ten-month settlement freeze expired; unilateral actions by one party would not serve as an excuse for another to delay talks; and parties would actively work towards creating an atmosphere conducive to success. In the president's opinion, the parties could take additional confidence-building measures in order to move the negotiations forward. The president had spoken about this privately with Netanyahu. At the same time, he emphasized that Palestinians needed to stop excusing continued incitement against Israel and, instead, make concrete steps to end the violence.¹⁹

The president's comments were important from several points of view. First, Obama finally reprioritized his security concerns in Israel. The Iranian nuclear issue and the Gaza Strip were the two most important areas of concern, followed by the Israeli-Palestinian agreement. This was very important because in the first months of his presidency, he had always placed reaching an Israeli-Palestinian agreement at the top of his agenda. He stated, time and again, sometimes explicitly and other times implicitly, that a resolution of the Palestinian problem would have wide-ranging consequences for the other strategic issues faced by Israel and the United States, including Iran's nuclear program.

Second, at the start of his remarks, Obama refrained from mentioning the settlements and the continuation of the freeze on construction. He addressed this

issue only after he had been asked about it directly. Here, too, he made an effort to placate the prime minister, stressing that Netanyahu sought peace and was facing difficult security problems in a region full of dangers. A small aspect of the conflict should not come to dictate it. The president expressed his appreciation for the fact that in such difficult circumstances, the prime minister was willing to take risks for peace. These remarks obviously reflected that the president was making a real effort to show evenhandedness in his treatment of Israel, the Arab states, and the Palestinians.

The president's way of expressing himself was different this time. He was making it clear to the Arab countries that they had to do their part to reach an agreement and ensure its stability. He voiced clear demands to the Palestinians that they should stop incitement, refrain from provocative statements against Israel in international organizations, and avoid using Israeli actions as an excuse for refusing to engage in direct negotiations. He also gave almost explicit backing to Israel's right to maintain its often-defined "nuclear option." The nature of the Iranian threat demanded it be taken seriously. In this context, the president's declaration that he would not push Israel to take steps that could harm its security suggested that the United States would not pressure Israel to sign the Nuclear Non-Proliferation Treaty (NPT).²⁰

In fact, Professor Uzi Arad, head of the Israeli National Security Council, upon his return to Israel after accompanying Netanyahu on his visit to the United States, reflected upon the president's statement on the nuclear issue. Amidst reports that the United States would support the call for a nuclear-free Middle East in international forums, Arad noted that "Obama's comments and the commitments conveyed by Washington give Israel the right to maintain the policy in place until now." He also emphasized the president's commitment to maintain Israel's qualitative advantage and his recognition that Israel should decide its own national security interests.²¹

Netanyahu was very pleased with this result. He had come to a settlement agreement that satisfied the Obama administration while also avoiding a rupture within his own government. The prime minister opened his address to the prestigious Council on Foreign Relations in New York in July 2010 by noting that "we had a good day in Washington."²²

Netanyahu began his speech by reiterating his commitment to the peace process. Netanyahu noted that he was the third prime minister in Israel—after David Ben Gurion and Yitzhak Rabin—who had come back to serve as prime minister after a period out of office. "When you get to be at my advanced age," Netanyahu stated, "you don't come back to spend time in office." He emphasized his desire for peace and Israel's commitment to a political settlement based on the vision of two states for two peoples, a Jewish state and a demilitarized Palestinian state. Israel already

had tried the withdrawal that was being proposed by the United States, in Lebanon in 2000 and in the Gaza Strip in 2005. In both cases, the areas from which Israel had withdrawn “were very quickly taken over by Iran’s proxies, which poured rockets and missiles into them, which were later fired on us.” If Israel needed to carry out an additional withdrawal, it had to ensure that the territories left behind would not serve as bases for terror against Israel.²³

Later in his speech, Netanyahu addressed the issue of the legitimacy of the State of Israel. He noted that the issue would be resolved when the Palestinians recognized Israel as the nation-state of the Jewish people, just as Israel was prepared to recognize a Palestinian state as the nation-state of the Palestinian people. This mutual recognition would be accompanied by another Israeli demand: that the Palestinians would agree that whatever peace settlement was reached would effectively culminate the Israeli-Palestinian conflict and end claims by the two sides. Finally, any agreement would have to acknowledge that the Palestinian state established would resolve the issue of the Palestinian refugees. Israel had absorbed Jews from Arab countries, and the Palestinian state would have to absorb Palestinian refugees who wished to live there.²⁴ However, Netanyahu also stressed that Israel’s “unprecedented” settlement freeze had not led to any progress in the peace process. Seven months into the freeze, the Palestinians were still not ready to return to the negotiating table.²⁵

Highlighting the importance of resuming the peace process, Netanyahu stressed that there should be a rapid transition from proximity talks to direct talks between the parties. The delay did not serve the interests of either party. Given the current status quo, each party had made unilateral actions that the other had taken as an excuse to delay talks.²⁶

Since the Oslo Accords were signed, Netanyahu added, Israel’s strategic environment had changed, including the rise of Iran and its proxies and the increasing use of missiles and rockets. These changes posed a serious security challenge for Israel. Israel had a bitter experience implementing the principle of “land for peace.” It had withdrawn twice, once from Lebanon and once from Gaza, and in both cases, its security situation had deteriorated and thousands of rockets and missiles had been fired at Israeli civilians. If Israel had to withdraw again, it would have to ask itself how to prevent this rocket and missile fire from recurring. A solution was needed that would prevent mass smuggling of missiles and rockets to the areas evacuated. President Obama understood the dangers Israel would face if it withdrew from additional territories.²⁷

According to the prime minister, Israel would also need to ensure that the peace agreement strengthened its legitimacy in the international community. This would

require the Palestinians to state unequivocally that they recognized Israel as the nation-state of the Jewish people. The meaning of such a declaration would be that the peace agreement would not serve as a stepping stone for continuing the conflict, but would totally end claims against Israel and the conflict with it. The agreement would have to ensure an end to the Palestinians' call for the "right of return." The Palestinian refugees would be able to go to the Palestinian state, not to Israel. The Palestinian state would need to absorb the refugees, just as Israel had absorbed Jewish refugees from Arab lands. The agreement would require Israeli Arabs to accept remaining in Israel and not to pursue separation and establishment of a state in the Negev or the Galilee. If the Palestinians exhibited such willingness, Israel, too, would agree to go far for peace.²⁸

On August 20, 2010, Secretary of State Clinton and Special Envoy Mitchell announced that the US government had invited Prime Minister Netanyahu, President Abbas of the Palestinian Authority, President Mubarak of Egypt, and King Abdullah of Jordan to a meeting of heads of state with President Obama in early September 2010. Tony Blair, the Quartet representative, was also invited. Clinton made it clear that the direct talks "should take place without preconditions," as Israel had demanded during that entire period. Special Envoy Mitchell made sure to point out, however, that the administration would not be a spectator, but rather an "active and sustained participant." Mitchell also noted that the US administration did not have high expectations and did not expect that the problems would be resolved immediately, but that they would be "presented, debated, discussed." The administration, Mitchell emphasized, would show "patience, perseverance, and determination" in advancing the peace process.²⁹

These statements by high-ranking administration officials clearly indicated that the administration had internalized the fact that its previous propensity to expect an agreement within a defined period of time had been mistaken. This practice had raised questions about the administration's ability to realistically see and understand the situation in the region and the gaps in the parties' positions. The fact that the administration had been unable to stick to the timetables it had set for itself demonstrated its political and strategic weakness vis-à-vis the opposing sides and damaged its image of being a deterrent. For this reason, the US administration now had a noticeable tendency to lower expectations and to emphasize that great patience would be required to promote a settlement.

For precisely this reason, it is difficult to understand the administration's reasoning for convening a summit of leaders from Israel, the Palestinian Authority, Egypt, and Jordan, along with the Quartet envoy. In practice, there had been no discernible change in the parties' positions on the issue of a settlement. Moreover,

the position of the United States in the region had been greatly weakened since the Cairo speech in June 2009. Such a highly publicized summit would create expectations for a dramatic development and a breakthrough; in practice, these expectations had no basis in reality. Netanyahu and Abbas clearly were seeking a way to evade the expectations created by the meeting without bringing down President Obama's wrath. The only possible way was to stress their strong desire for peace and their hope to realize this ambition in the future.

On September 1, 2010, Obama met with the four Middle Eastern leaders at the White House. Netanyahu, in remarks made prior to a working dinner, emphasized the following main points: Israel's goal was not to achieve a "a brief interlude between two wars," but "to forge a secure and durable peace between Israelis and Palestinians." Israel did not wish to "play a blame game" concerning the other side's responsibility for the conflict, which was pointless. No one would win from such wrangling. The goal now was to accept the situation as it was and to find a practical arrangement that would satisfy both parties.

In addition, the Jewish people were not strangers in their ancestral homeland, the land of their forefathers. They recognized, however, that another people also claimed control over the country; thus, a fair settlement between the sides was needed. Finally, Israel had suffered a bitter experience with its withdrawals from Lebanon and the Gaza Strip. Therefore, it demanded that any agreement be anchored in security arrangements that would prevent the territories it evacuated from being taken over by terrorist organizations. Netanyahu claimed that Israel was not looking into the past in order to point an accusing finger at the Palestinians for creating the conflict; rather, Israel accepted the current situation as a fact and sought to find practical solutions to the conflict.³⁰

President Obama met separately with President Mubarak. Obama and Mubarak, in a joint statement issued after their meeting, expressed their "strong support" for resuming direct talks between Israel and the Palestinians and their hope that the talks would result in "two states living side-by-side in peace and security." The omission of the words "Palestinian state" was most likely intentional so that Mubarak would not have to refer to Israel as a "Jewish state." President Obama expressed his thanks to President Mubarak for his leadership in the region and promised to report to him on developments in the peace process.³¹

A similar joint announcement was also made after the president's meeting with King Abdullah.³² The following day, a meeting was held at the State Department with Prime Minister Netanyahu, President Abbas, and Secretary of State Clinton. In describing the meeting in her memoirs, the secretary noted that "it was time to roll up our sleeves and see what we could accomplish." She told Netanyahu and

Abbas that “the core issues at the center of these negotiations . . . will get no easier if we wait. Nor will they resolve themselves . . . This is a time for bold leadership and a time for statesmen who have the courage to make difficult decisions.”³³

Netanyahu and Abbas had no choice but to reiterate their deep commitment to peace. Netanyahu harkened back to biblical times and the reconciliation between Abraham’s sons Isaac—from whom the Jews are descended—and Ishmael—the forefather of the Arabs—when they buried their father. He added his wish for a “durable, lasting peace for generations.” Abbas, for his part, mentioned the historic handshake between Yitzhak Rabin and Yasser Arafat. He, too, expressed his hope for a durable peace. The secretary of state, who probably had her fill of these rhetorical exclamations, had no choice, but to sum up the situation by saying that “the gaps we had to overcome were substantial and time was running short, but at least everyone was saying the right things.” Later, Clinton led the two leaders to her office, and shortly thereafter, left them alone. Thus, the principle of direct negotiations was implemented in a rather embarrassing fashion. The two sides promised to meet again. “It was a moment of optimism and ambition,” wrote Clinton, “that, sadly, would not be matched by action.”³⁴

Following separate meetings with Abbas and Netanyahu, Obama noted that the two sides had come to the meeting “with a sense of purpose and seriousness and cordiality that, frankly, exceeded a lot of people’s expectations.” Both, said the president, had “affirmed the goal of creating two states, living side by side in peace and security.” They had also set up a schedule for meetings once every two weeks where the United States would be “actively participating in that process.” He added that Secretary of State Clinton would be flying to the Middle East in order to take an active part in the meetings. According to President Obama, the talks would be difficult and replete with obstacles, and many in the region had an interest in undermining the peace process. While the United States realized that promoting the talks involved risk, it was “a risk worth taking.” In the president’s view, both sides needed each other. The United States would offer assistance to promote an agreement, partly because an agreement was in its own interests as well. Nevertheless, in the end, he realized “it’s going to be up to them.”

It quickly became apparent to the president, however, that his hopes of making progress toward an agreement were not well founded and were breaking up on the shoals of the harsh reality. At this stage, the Palestinians operated on the assumption that they would not negotiate for a peace agreement with Israel as long as settlement activity continued. Therefore, their demand to cease settlement construction was presented as a condition for entering into negotiations. From Netanyahu’s point of view, it was clear that the moratorium to which he had agreed was temporary and

that Israel would not continue the freeze unless it received appropriate compensation for it.³⁵

In mid-September 2010, the parties met again at Sharm el-Sheikh as guests of President Mubarak, who naturally aspired to strengthen his standing both regionally and internationally by highlighting his role as peacemaker between Israel and the Palestinians. Here, too, Netanyahu had a meeting with Abbas. The next day, the meetings moved to the prime minister's residence in Jerusalem, where, perhaps for the first time, practical discussions on an agreement took place. According to Secretary of State Clinton, the focus was on how long IDF troops would remain in the Jordan Valley after a Palestinian state was established. Netanyahu insisted that the troops must remain for many years. He believed that no date should be set to withdraw them and that the decision should be made on the basis of changing circumstances. Abbas was prepared to agree only to a period of several years after a Palestinian state was established. After hours of exhausting discussions, it became clear that the two sides could not agree on this issue, even though it was relatively easy to resolve compared to other issues on the agenda. After the meeting was over, Clinton asked Netanyahu for a brief extension of the settlement freeze in order to keep the talks going. Netanyahu, however, made it clear that he would not agree to an extension beyond the time previously agreed upon.³⁶

On September 20, 2010, Prime Minister Netanyahu addressed the Conference of Presidents of Major American Jewish Organizations. In his remarks, he emphasized Israel's desire to continue direct negotiations with the Palestinians, but insisted that the negotiations had to be conducted without any preconditions. Israel, he said, had many reasons to be angry with the Palestinian Authority, particularly by the incitement in Palestinian schools and the media and by the political efforts of the Palestinian Authority to internationally isolate Israel. "Just yesterday," said the prime minister, "a Palestinian Authority court ruled that the sale of Palestinian land to Israelis is punishable by death." While these things could have justified an Israeli refusal to continue the talks, this had not happened. Israel expected the Palestinians to take the same approach and to work through disagreements. If this happened, and the Palestinian Authority was a true partner in dialogue, then it would be possible to reach a framework agreement within a year.³⁷

In order to reach this goal, the prime minister stressed, there would have to be meetings between the two sides on the highest level, in which the major issues would be discussed "with a degree of discretion." In the framework of the talks, Israel would demand that the Palestinians "recognize the right of the Jewish people to self-determination in our historic homeland," just as Israel had recognized the right of the Palestinian people to a state of its own. The refugees could live in the

Palestinian state, but they would “not have a right to come to the Jewish state.” Furthermore, in a peace agreement, there would have to be security arrangements that would prevent the Palestinian state from being turned into a base for terror, as had happened after the Israeli withdrawal from Lebanon and the Gaza Strip. The security arrangements did not have to be permanent. After a period of time agreed upon by the parties, the arrangements could be reexamined, and determined whether they were still needed. Israel, however, could not rely on an international force to protect its borders, and the security arrangements would need to include an IDF presence in some of the territories to be evacuated.³⁸

Two days later, on September 22, 2010, President Obama addressed the UN General Assembly. Most of his speech was devoted to the Israeli-Palestinian peace process. According to the president, the United States was committed to reaching an Israeli-Palestinian peace agreement as part of a comprehensive peace between Israel and its Arab neighbors. “We have travelled a winding road over the last twelve months,” the president noted, “with few peaks and many valleys. But this month,” he added, “I am pleased that we have pursued direct negotiations between Israelis and Palestinians in Washington, Sharm el-Sheikh, and Jerusalem.” There were many people, he noted, who were “pessimistic about this process. The cynics say that Israelis and Palestinians are too distrustful of each other, and too divided internally, to forge lasting peace. Rejectionists on both sides will try to disrupt the process, with bitter words and with bombs. Some say that the gaps between the parties are too big.”³⁹

The president continued, saying that those who despair of the possibility of a peace agreement must ask themselves what the alternative is:

If an agreement is not reached, Palestinians will never know the pride and dignity that comes with their own state. Israelis will never know the certainty and security that comes with sovereign and stable neighbors who are committed to co-existence. The hard realities of demography will take hold. More blood will be shed. This Holy Land will remain a symbol of our differences, instead of our common humanity.

Peace must be made by Israelis and Palestinians, but each of us has a responsibility to do our part as well. Those of us who are friends of Israel must understand that true security for the Jewish state requires an independent Palestine—one that allows the Palestinian people to live with dignity and opportunity. And those of us who are friends of the Palestinians must understand that the rights of the Palestinian people will be won only through peaceful means—including genuine reconciliation with a secure Israel.

In the president's opinion, supporters of the Arab peace initiative (formerly known as the Saudi peace initiative) should:

seize this opportunity to make it real by describing and demonstrating the normalization that it promises Israel. Those who speak out for Palestinian self-government should help the Palestinian Authority with political and financial support, and—in so doing—help the Palestinians build the institutions of their state. And those who long to see an independent Palestine rise must stop trying to tear Israel down.⁴⁰

Noting that Israel had been “in the community of nations” for sixty years, the president stated that:

Israel's existence must not be a subject for debate . . . It should be clear to all that efforts to chip away at Israel's legitimacy will only be met by the unshakeable opposition of the United States. And efforts to threaten or kill Israelis will do nothing to help the Palestinian people—the slaughter of innocent Israelis is not resistance, it is injustice. Make no mistake: the courage of a man like President Abbas—who stands up for his people in front of the world—is far greater than those who fire rockets [Hamas] at innocent women and children . . . We can waste more time by carrying forward an argument that will not help a single Israeli or Palestinian child achieve a better life. We can do that. Or, we can say that this time will be different—that this time we will not let terror, or turbulence, or posturing, or petty politics stand in the way. This time, we will think not of ourselves, but of the young girl in Gaza who wants to have no ceiling on her dreams, or the young boy in Sderot who wants to sleep without the nightmare of rocket fire. This time, we should draw upon the teachings of tolerance that lie at the heart of three great religions that see Jerusalem's soil as sacred . . . If we do, when we come back here next year, we can have an agreement that will lead to a new member of the United Nations — an independent state of Palestine, living in peace with Israel.⁴¹

The content and tone of the president's remarks were very far removed from his Cairo speech a year and a half earlier. By late 2010, the administration had become aware that its tough stance on a settlement freeze had achieved nothing other than to harden the position of the Palestinian Authority's President Abbas on entering direct negotiations with Israel. This was the background to the decision to shift gears. Washington made it clear to the Palestinian Authority that its hope that the US administration would force Israel into an agreement in keeping with the positions of the Palestinian Authority and that the Palestinians would not have to

make substantive concessions was baseless. In remarks in Washington with Prime Minister Netanyahu and President Abbas in attendance, the president declared that,

the United States will put our full weight behind this effort [promoting the peace process]. We will be an active and sustained participant. We will support those who make difficult choices in pursuit of peace. But let me be very clear. Ultimately the United States cannot impose a solution, and we cannot want it more than the parties themselves. There are enormous risks involved here for all the parties concerned, but we cannot do it for them. We can create the environment and the atmosphere for negotiations, but ultimately it's going to require the leadership on both the Palestinian and the Israeli sides, as well as those in the region who say they want a Palestinian state.⁴²

In light of efforts by the Palestinians to achieve their objectives through unilateral actions, on October 20, 2010, Clinton made it clear that the United States shared Israel's belief that the way to move forward on a political agreement was direct negotiations between the parties: "Only the parties themselves can take the difficult steps that will lead to peace," she said, adding that "there is no substitute for face-to-face discussion . . . That is the only path that will lead to the fulfillment of the Palestinian national aspirations and the necessary outcome of two states for two peoples."⁴³

In the circumstances that had been created, however, there was no real chance to resume meaningful negotiations between Israel and the Palestinians. At that point in time, the Obama administration also had internalized the fact that it lacked the ability to lead the two parties to the wedding canopy when neither party was interested. The administration's feverish efforts to extend the settlement freeze had come to naught. A proposal was made to grant Israel with defense aid, totaling \$3 billion, and to provide an American commitment to veto any UN resolution that would undermine direct negotiations. In return, Netanyahu was prepared to commit to a three-month extension of the settlement freeze on the condition that Jerusalem would be excluded. "When news of the deal became public," wrote Clinton, "it caused consternation on all sides"—in Israel, among the Palestinians, and in the United States—and before long, it was "effectively dead." The secretary of state devoted the rest of 2010 to persuading the two sides to refrain from making provocative unilateral actions that could lead to violence. And thus the peace process, which had begun one year earlier with great fanfare, ended in a deafening silence.⁴⁴

Conclusions

This study examined the policy and conduct of the Obama administration in advancing the Israeli-Palestinian peace process during its first two years. The study focused on President Obama's demand that Israel completely halt construction in the settlements in Judea and Samaria. In practice, the president's policy on this issue did not achieve its declared goals. The US administration could not convince Israel that this move would serve Israel's best interests, and it was therefore unable to enforce Israel to accept this demand. Eventually, it did not succeed with its initiative to move the peace process forward to obtain an Israeli-Palestinian agreement.

The main "blame" for the failure does not rest on the shoulders of the Obama administration. The success of the peace process was contingent, first and foremost, on the opposing sides and on their willingness to make the necessary compromises that would lead to an agreement between them. The Israeli-Palestinian peace process did not progress primarily because the parties, Israel, the Palestinians, and the Arab states, did not show great interest in advancing it. They did not give it high priority on their agendas. While the Obama administration frequently stressed that the status quo was unsustainable, the parties to the conflict believed that they "could live" with the status quo, even though they did not like some of its aspects. From their point of view, the status quo was better than an agreement, which would compel them to make concessions on issues that they regarded as vital to their own interests and would endanger the stability of their regime.

Specifically, each side wished to resume the negotiations on its own terms and was unwilling to pay the price for moving the process forward. The Obama administration failed in that it did not read the situation correctly. While its political plan was desirable, it was unattainable. Furthermore, the Obama administration was not sufficiently aware of the limits of its power, which were mainly reflected in its inability to persuade the parties to change their positions. The administration's failure in this regard was magnified because it was trapped by its own positions, and it failed to display a real willingness to change its vision even when reality slapped it in the face again and again.

To justify its position on the two-states solution, the US administration emphasized that this solution was in the best interests of Israel, the Palestinians, and the United States. Here again, the administration failed to correctly assess the positions of the parties. It is highly doubtful that this solution reflected the true position of the Israeli leadership. Prime Minister Netanyahu and many ministers in his government opposed the very idea of establishing a Palestinian state in Judea and Samaria, with differing levels of intensity. However, the prime minister was compelled to adopt the two-state vision in order to keep in line with historic precedent and avoid condemnation from both the international community as well as his constituency. Under duress, he decided to officially adopt the formula. He chose, however, to “wrap” his agreement in a variety of additional terms and conditions that would be unacceptable to either the Palestinians or the Arab states, but difficult for the Western powers to reject. This strategy would place the blame on the Palestinians for the impasse.

Palestinian seemingly wished to realize the two-state vision. Abbas’ long experience of negotiations with the Olmert government apparently led him to conclude that the chances of reaching an agreement acceptable to the Palestinians were slim, and perhaps even non-existent. Even the Olmert government, which was prepared to give the Palestinians the vast majority of the territories in Judea and Samaria, to divide Jerusalem, and to establish international control over the holy places in Jerusalem, was not prepared to meet Abbas’ demand to allow the “right of return” on a massive scale. For this reason, President Abbas may have estimated that even if he began negotiations with the Netanyahu government, he would not have been able to reach an agreement that satisfied his demands. If the negotiations continued while settlement activity also continued, he would be accused, primarily by Palestinian radicals, and especially by Hamas, of abandoning the Palestinian people and collaborating with the “occupation authorities” and the US government. Under the circumstances, and under heavy pressure from the Obama administration to enter negotiations with Israel, it seems that he decided that it was better to create the impression that he was seeking to resume negotiations—on his terms, of course. He too, however, preferred to continue the status quo rather than make concessions that would jeopardize the stability of his regime.

Given that Israel and the Palestinians both lacked a real interest in entering into genuine negotiations, progress in the peace process would have been possible only if the United States effectively had pressured the two sides and forced them into negotiations on the basis of a formula dictated by Washington. The Obama administration presumably acted on the assumption that Israel’s dependence on the United States would enable it to pressure the government of Israel and force it to

accept the administration's dictates. It appears that the administration believed that it had also partial leverage over the Palestinian Authority and the Arab world. It could thus force them to be flexible and comply with at least some of its demands.

It turned out, however, that this assessment was not valid. Prime Minister Netanyahu seems to have concluded, based on his bitter experience during his first term in office, that he must avoid becoming estranged from his supporters and the members of his party. That was his first priority. Since they were the main source of his power, he rightly assessed that without their support, he would not be able to survive as prime minister. When Netanyahu realized that Washington had presented him with demands which, if accepted in full, would have caused a rift between him and his political base, he had no real choice, but to stand firm and display only limited flexibility. This was not enough to fully satisfy the US administration's demands, and certainly not those of the Palestinians.

Many months went by before the president and officials in his administration began to internalize the limits of American power over Israel. Although Israel's dependence on the United States compelled Israel to seriously consider US demands, some demands were simply impossible for Netanyahu to accept. From Netanyahu's perspective, these demands were harmful to Israel's most vital interests and would undermine his political position. The US administration knew that undermining the prime minister would have led to his resignation and to new elections. In the interim period, a transitional government would clearly not have been able to make far-reaching decisions about a political settlement.

Moreover, the heavy political pressure exerted on the Israeli government could have led Israeli voters to react in opposition. Many in Israel dislike the idea of a foreign power, even a friendly one, trying to impose its dictate on a freely elected government in Israel. This could have caused Israelis to support right-wing parties in greater numbers. In such a case, the president's freedom to maneuver vis-à-vis Israel would have been further reduced. At the same time, the administration was not sufficiently aware of Israel's rather strong leverage in the United States, especially in Congress. A large part of foreign aid for Israel is anchored in congressional legislation. Many members of Congress, even those who disapproved of the settlement enterprise, did not view favorably the administration's focus on this issue. They also rejected the administration's tendency to reveal publicly and provocatively its disagreements with Israel. They repeatedly demanded that the US administration treat Israel as a key ally of the United States and that it resolve discreetly any disagreements, as befitted relations between allies. This too diminished the administration's ability to pressure Israel.

From President Obama's perspective, his decision to focus on demanding a freeze of construction in Judea and Samaria was ostensibly on solid ground. The president knew that the settlement enterprise was deeply controversial in Israel and within international circles was viewed as illegitimate. Many in Israel saw it as a messianic endeavor that consumed enormous sums of money. That money, they believed, ultimately would be wasted, since Israel would not have a choice but to return to the 1967 borders with minor modifications. Large segments of the Israeli population saw a withdrawal to the 1967 borders as an inevitable development. From their point of view, such a move was by no means a negative development. On the contrary, they were convinced that it was the only thing that would save Israel and prevent it from becoming a state that was not based on democratic foundations, with a growing Arab minority deprived of basic political rights. In this view, if Israel did not withdraw to the 1967 borders, within a few years it would become a binational state, and the Zionist vision would come to an end.

Under the circumstances, President Obama apparently estimated that Netanyahu would not be able to withstand the heavy pressure for a total freeze on settlement construction, including in Jerusalem. The US administration was ready to reject the argument that the prime minister was limited by his government, and did not have much room to maneuver. In this respect, he could have brought moderates into his government who would give him greater freedom to advance the peace process. In short, Obama apparently believed that Netanyahu's disadvantageous position would make it impossible for him to reject the president's demand for a total freeze on settlements.

In retrospect, the president realized that he had gone too far in his demands. Netanyahu had no real possibility of agreeing to an unlimited construction moratorium in the settlements and in Jerusalem without real compensation from the Arab-Palestinian side. The settlement enterprise had taken on a social and economic characteristic far beyond its ideological roots. Hundreds of thousands of Israelis now lived throughout Judea and Samaria. Not all of them supported right-wing parties that advocate annexing those territories to the State of Israel. The settler lobby was and still is one of the strongest in Israel, and it has powerful leverage over all branches of the government. Furthermore, Jerusalem is part of a broad consensus. Most Israelis view a united Jerusalem as the capital of Israel and find it difficult to accept restrictions on construction there, and certainly when there is no time limit. The president's demand to freeze construction in Jerusalem united broad segments of Israeli society in opposition to his positions. Even those who supported a freeze in Judea and Samaria would have found it difficult to accept a demand to halt construction in Jerusalem.

If the administration that follows the Obama administration wishes to continue to be actively involved in reaching an Israeli-Palestinian peace agreement, its first mission should be holding an in-depth dialogue with different governmental, public, and academic institutions in Israel. This dialogue, on the nature of the Israeli-Palestinian conflict and the appropriate course of action, must be free of preconceived notions and failed formulas for an agreement. The Israeli public and Israeli leaders must be convinced that the US government is making an effort to understand their distress, their anxieties, and their point of view, even if ultimately, it continues to differ with them. The administration must cease the practice, frequently used during the Obama administration, of publicly airing its disagreements with Israel and in an embarrassing manner. This practice did not increase the fondness of the Israeli public for the United States. Furthermore, this practice also ultimately weakened the chances for an Israeli-Palestinian agreement. Israel's special relationship with the United States is a very important component of its image of strength. Public disagreements with the administration weaken this image in the eyes of other countries in the region as well as among the Palestinians and, in any case, diminish their resolve in reaching an agreement with a country whose main ally is estranged from it.

Moreover, the Obama administration failed among large segments of the Israeli population to create an image of being evenhanded in its positions towards Israel and the Palestinians. Israel is rightly perceived as the strong party and it holds most of the cards for an agreement. It would have been much better, however, if the administration had not given the impression of being imbalanced in its demands of both Israel and the Palestinians. Such an impression weakened the Obama administration's standing among the Israeli public and, moreover, damaged its ability to promote a peace agreement.

At this stage in the political process, and in the circumstances existing today in Israel and the Arab world, the chances of realizing the two-state vision in the foreseeable future are rapidly diminishing. A demographic transformation created long ago in Judea and Samaria will be very difficult for any government in Israel to change. Even those who support the two-state vision find it difficult to reconcile the need to maintain Israel's security with the need to ensure the existence of an independent Palestinian state.

The implicit conclusion is that any future administration must formulate more limited and more realistic expectations and positions on the Israeli-Palestinian issue. It must avoid creating expectations of any dramatic changes in the relationship between Israel and the Palestinian Authority in the foreseeable future. The United States cannot completely disengage from further involvement in the peace process,

but it would be appropriate to lower its expectations of the process. In practice, this means focusing primarily on partial agreements or other creative solutions that do not require far-reaching decisions by both sides. All this is in the hope that the passage of time will create a situation more favorable to an agreement than the current situation.

And finally, the American administration must understand that Israel's willingness to reach an agreement with the Palestinians will in any case involve far-reaching security and strategic risks. Israel's leaders and its people will be much more willing to take such risks after the threat to Israel from a nuclear Iran is removed. Any government in Israel would find it difficult to take two such serious strategic risks at the same time—the risk of a withdrawal from most of Judea and Samaria and the risk from Iran. Willingness of the United States to eradicate the Iranian threat would demonstrate to Israel that Washington is a reliable ally and would make it easier for Israel to take the risks involved in an agreement with the Palestinians.

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Israel, the United States, and the Struggle over the Settlement Construction Freeze, 2009-2010 sketches the long and winding road President Barack Obama took during his first two years in office to bring about an Israel-Palestinian agreement. Based on a wide range of sources and the testimony of senior members of the US administration and the Israeli government, the book describes how US-Israel relations deteriorated to the verge of a severe crisis. The author analyzes the reasons and constraints that kept an agreement from being advanced, contrary to the hopes of the new president.

When he assumed office, President Obama lent his weight and prestige to jumpstart a process that would lead to an Israeli-Palestinian agreement, shunning the advice of many within and outside his administration who argued that the gaps between the sides were too wide to allow a comprehensive agreement. Obama mistakenly believed that his international stature and pressure from the administration would force the sides to accept his outline. On the brink of a substantive rift between Israel and the United States, the president ultimately accepted a compromise on the issue of construction in the West Bank settlements. This opened the door to a limited thaw in United States-Israel relations.

With detailed precision, the book presents the events surrounding President Obama's initiative for an Israeli-Palestinian agreement, including the Cairo speech, Prime Minister Netanyahu's speech at Bar Ilan University, the crisis during Vice President Biden's visit to Israel, and the eventual formulation of understandings on construction in the settlements. While President Obama's efforts did not advance an Israeli-Palestinian agreement, the parties grew more deeply cognizant of their constraints and the limits of their power.

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