

THE ISRAEL PROJECT

**CONFERENCE CALL:
ISRAELI-PALESTINIAN PEACE TALKS**

**MODERATOR:
JENNIFER LASZLO-MIZRAHI,
FOUNDER AND PRESIDENT,
THE ISRAEL PROJECT**

**SPEAKER:
JONATHAN PELED,
MINISTER, COUNSELOR, SPOKESMAN,
EMBASSY OF ISRAEL, WASHINGTON, D.C.**

**TUESDAY, AUGUST 31, 2010
1:00 P.M.**

*Transcript by
Federal News Service
Washington, D.C.*

JENNIFER LASZLO-MIZRAHI: We are all joined here with the Israel Project for an important conference call with the official spokesperson of the government of Israel here in Washington at the embassy.

We're with Jonathan Peled, who joined the Ministry of Foreign Affairs in 1992 and is currently minister, counselor and spokesman for the Israeli Embassy in Washington, D.C. Before assuming this position, he was foreign policy diplomatic advisor to the speaker of the Knesset.

Between 2004 and 2006, Jonathan Peled served as an Israeli ambassador to El Salvador and to Belize. Prior to that, he was foreign ministry spokesperson in Jerusalem. Jonathan Peled has held diplomatic postings in Turkey and in Argentina, where he dealt with political affairs, press and information.

Before his first posting in Istanbul, he served as assistant policy advisor to Foreign Minister Shimon Peres, participating in the peace negotiations following the Oslo Peace Accords. Peled is a graduate of Tel Aviv University in political science and economics, and he holds the rank of major in the Israeli Air Force, where he served for seven years as an officer.

He is here today to talk about the upcoming peace negotiations, a very historic meeting that is going to happen this week in Washington. Jonathan, Peled, thank you for joining the Israel project and the more than 200 people that are listening on this call.

JONATHAN PELED: Thank you. Shalom and good day to everyone from Washington, D.C. I'm glad to be on the line and I thank you all for joining.

We are looking forward to the arrival later on this afternoon of Prime Minister Netanyahu for the resumption of direct talks on Thursday with Palestinian president Mahmoud Abbas. We're expecting the arrival of other leaders who have made peace with Israel, President Mubarak of Egypt and King Abdullah of Jordan.

And the idea of this week, of this meeting – important historic meeting in Washington is to re-launch finally direct talks between Israel and the Palestinians. I will start off with a short introduction and then obviously open it up to your questions.

Let me start out by saying that Israel is sincere and serious in its intentions to achieve a peace agreement with the Palestinians. There is nothing we would like more, both the Israeli government and the Israeli people, to achieve peace with the Palestinians, a better future for all our peoples.

This government has been calling now, since its formation a year-and-a-half ago, for direct negotiations. We believe that achieving an agreement between Israel and the Palestinians is a difficult but possible goal. And we believe that to achieve that, we need to move swiftly and in good faith, face to face around the same table.

We are aware that time is not necessarily on our side, and as unfortunately in the recent moments we're hearing of a terror attack in the West Bank and not far from Hebron. This is exactly what we are fearing most, that in the absence of direct talks and negotiations for peace, all the extremist elements led by Iran, Hamas, Hezbollah and others are going to spare no effort to try and undermine any kind of effort for a conciliation and peace between us and our Palestinian neighbors.

We believe that Israel needs a courageous partner on its side by the same token that the Israeli Prime Minister Netanyahu was willing to make some very painful concessions for peace, and we expect the Palestinian leader, Mahmoud Abbas, to follow in the footsteps of President Sadat of Egypt and King Hussein of Jordan, who crossed that rift and made a peace agreement with Israel.

And we understand that to make peace, each side has to make painful compromises. We believe that all core issues should be placed on the table and without any kind of preconditions. We are aware that the Palestinians have their narrative, have their demands, have their wishes, and they're welcome to bring them to the negotiating table, and we will come with our demands, our wishes and our desires.

And we believe that this can really be hammered out face to face, not in one day, not in a week, but perhaps within the framework of a year, the two leaders sitting down seriously, hammering out these issues to find a compromise, a final peace agreement for the benefit of both sides.

Once at the negotiating table, we believe that a peace agreement should be based on three elements. First of all, by the same token that the state of Israel has declared and is willing to recognize the Palestinian people and a Palestinian state, we believe that it is imperative for there to be a recognition of Israel as the national state of the Jewish people.

We believe that this will express and convince the Israeli people that the Palestinians accept Israel as a fact on the ground, not something provisional, not something that in a later time should be addressed again.

And it expressed, really, the second element of what we would like to achieve, and that is a final end to the conflict and an end of claims on Israel. And by that recognition, we believe that that is the best way of expressing the fact that this will be an end of claims and an end of conflict.

The third element obviously concerns our security and necessities. We need to ensure – Israeli public opinion, the Israeli government needs to ensure that the West Bank does not become a repetition of what happened in Lebanon and in Gaza in the past after Israel withdrew from these areas.

And the greater sense that we have of security, the greater sense we feel that our security needs are being addressed, the greater flexibility Israel will have on dealing and negotiating with the issue of borders and settlements.

Prime Minister Netanyahu said only this week that this agreement that we are hoping to achieve within a year shouldn't be just a tactical hold between two wars or two outbreaks of terrorism but a peace based on recognition, security, stability and economic prosperity for both our peoples.

And, therefore, this is a moment where the Arab world should support the efforts to reach a genuine peace between the two parties, and we believe that despite the difficulties – and there are going to be many obstacles along the way – this is a moment of opportunity and there is reason for some kind of optimism, because for the first time, Arab leaders view another Middle Eastern state other than Israel as its major enemy and major threat, and we all know that we are referring to Iran.

Currently, Palestinian Authority, under the leadership of Mahmoud Abbas and Prime Minister Salam Fayyad, have managed to have a much better control over the security situation on the West Bank, showing a very impressive economic growth and prosperity in the West Bank. The Palestinian Authority is enjoying now the support of the Arab League and by the Arab moderate countries such as Egypt and Jordan.

And despite this tragic event of a few minutes ago, this has been one of the quietest years, void of terror, that Israel has known in its 62 years of existence. Couple this situation on the ground with an administration here, led by President Obama, that is committed to the process and an Israeli government that is stable and strong and expresses the wish of the Israeli people to achieve peace and security.

We believe that this is conducive to reaching an agreement between the two sides. And if all core issues are brought to the table, as I mentioned, and are determined at the table rather than beforehand, we believe definitely that this is feasible and there is no reason why the two leaders, our two nations, cannot achieve a so-long desired and needed agreement of peace between the two sides.

One last point, obviously, before I move on to the questions – the issue of settlements. I know that this has been a great focal point in the last weeks and months. I think it's very, very important to emphasize, first of all, that settlements have never been an obstacle to peace. Settlements today, by the way, constitute less than 2 percent of the West Bank and their existence has not prevented Egypt and Jordan from making peace with Israel or, come to that, has prevented Palestinians from negotiating with us for nearly two decades.

The latest moratorium that this government, under Prime Minister Netanyahu took about 10 months ago was specially done as a one-time and time-limited gesture with the aim of jump-starting the process. It has taken nine-and-a-half months to convince the Palestinians that we mean business and that we need to sit down for direct face-to-face talks around the table.

We cannot, though, unfortunately, have, after nine-and-a-half months, where this gesture and – this important and unprecedented gesture made by our government suddenly become a condition to extend it to sit down at the negotiating table, and therefore we are very encouraged

by the fact that the American administration has managed to convince and bring the Palestinians here into Washington and to meet finally face to face with Prime Minister Netanyahu this coming Thursday.

So we are very much in the hope that despite all difficulties and obstacles that lie ahead, conditions on the ground, the encouragement that the Israeli people, the Israeli government, and we believe also the Palestinians care so dearly about can enable us to finally begin working on a peace between our two peoples.

I will conclude here and open the floor for you questions.

MS. LASZLO-MIZRAHI: Thank you very much, Mr. Peled. Very important comments, but I have to ask about this terror attack which just took place near Kiryat Arba about 30 minutes ago. Terrorists in a car fired at a family of four, killed all of them including a pregnant woman. Does this terrorist attack that just took place, killing four Israelis, impact in any way the plans for the peace conference ahead?

MR. PELED: It impacts but it shouldn't derail the talks that are coming to fruition this week. This terrible terrorist attack – and the Israeli media, by the way, has not yet reported on the fact that there are four casualties, only that there are four injured, because the foreign media always knows about this or is allowed to publish it before – Israeli media, out of respect for the families, hasn't done so.

But this terror act is a clear sign of the imperative need for us to make sure that until our security – Israel's security needs are not addressed, it is going to be very, very difficult to begin making concessions in the West Bank toward establishing a Palestinian state.

And this is a vested interest, a joint interest of both Palestinians and Israelis to continue fighting terrorism, to curb these elements and to prevent them from their attempts to derail exactly this process, which is now beginning in Washington.

And the timing of this – let us not be illusioned – the timing of this is deliberate, to try and derail the Palestinians and all those who seek peace in the region from coming and sitting down to the table with Israel. And we have to, at the same time, sitting down at the negotiating table and talking peace, have to have a strong hand and fight against terrorism and all its elements parallel at the same time.

MS. LASZLO-MIZRAHI: A question from Josh Rogin from Foreign Policy magazine is, "It's been reported that Israel is prepared to agree to a limited extension of the settlement moratorium that expires at the end of September. Is that true? And what are the specifics of that extension?"

MR. PELED: Our position has been very clear. We are coming to the table with no preconditions. We believe every issue. As I mentioned earlier, each side should come with its narrative, with its demands, with its wishes and bring them to the table. We are certain that the issue of the settlements of this moratorium will be brought to the table.

And it should be discussed in good faith, swiftly, between the two leaders. And we believe that if there is a will, then there is a way, and this issue can and should be discussed between the two leaders with the hope that a solution, and exit, a formula can be found that will satisfy both sides, but only after that is brought to the table between them. And therefore I cannot prejudge what if such a formula and agreement will look like.

MS. LASZLO-MIZRAHI: Farah Stockman of the Boston Globe asks, “Do you have any sense of what U.S. bridging plans might look like?”

MR. PELED: To the best of our knowledge, at this moment the United States is not proposing any bridging proposals or coming with its own ideas. The administration is currently working on getting the two sides to begin talks directly.

The first session – maybe there will be more than one session – this coming Thursday at the State Department, will determine when and how frequently the two leaders will continue meeting in the region in coming weeks, and only at a later stage, once the two sides reach some kind of wall or cannot move anymore forward, does the administration plan on trying to be more active and maybe bring go the table some kind of bridging proposals.

But the idea at the moment is for both sides to start working together and hammering out these issues because at the end of the day it’s up to us and our Palestinian partners and neighbors to broker a peace agreement and not for the United States to decide how we should go about it.

MS. LASZLO-MIZRAHI: Jennifer Harper of the Washington Times asks, “How does the Obama administration compare to previous White House administrations in helping facilitate Middle East peace talks?”

MR. PELED: The United States has been committed to achieving peace in the region ever since it’s been involved in the Middle East. This administration is as committed, if not more, to all previous administrations. And we believe the United States has a very important role to play in playing an honest broker, being the one superpower that has deeply invested in bringing security and stability to the Middle East.

But at the end of the day, as I said, it’s up to both sides, Palestinians and Israelis, to sit down face to face and hammer out the differences. And we believe that that can be achieved. The American participation, this administration will continue to support both sides, try and bring the Arab world, the moderates in the Arab world, to support the Palestinians and support this peace process, and we expect them to continue doing so the same way they have been for decades.

MS. LASZLO-MIZRAHI: Wolfgang Greer (sp) of ORF Austrian Broadcasting asks, “What is the timetable of the negotiation and what is on the table during the days in D.C.?”

MR. PELED: The agenda for the first round of talks this week is to establish some kind of a working agenda to be able to bring to the table each side, what they would like to discuss at

a first stage, and try and agree upon a series of meetings in coming weeks in the region to continue in discussing these issues.

Nobody believes that one or two meetings in Washington can achieve a lot in terms of really working seriously on the issues. So these meetings are preliminary ones – setting an agenda, setting a timetable for future very close and frequent meetings between both leaders and between both negotiating teams.

Prime Minister Netanyahu has already established a negotiating team which is supposed to be working every day with its Palestinian counterparts, the principals meeting once every fortnight depending – that will also be decided probably this week – with the objective of trying to achieve an agreement within approximately one year. That is the timeframe which has been given. It is not a deadline. It should not be seen as a deadline.

But we believe, both Israelis and Palestinians, that a year should give us more or less a time to reach some kind of preliminary agreement, and that is a realistic timeframe but by no means a deadline. If we need a month or more, or if we can do it in a month or more or less, that is fine as well.

MS. LASZLO-MIZRAHI: It's interesting that you mentioned the timeline of the one year, given that in your earlier comment you talked about there was a settlement freeze for 10 months and it took nine-and-a-half of those months before the Palestinians said that they would agree to sit down at the table. Do you think that they will immediately start work or are they going to run the clock towards the end of the one year?

MR. PELED: Well, we very much hope that the Palestinians are not going to stall again and are not going to try and come with new pretexts and new preconditions. We believe that Prime Minister Abbas so far was hoping to achieve more staying away from the table than at the table.

At this point of time, we believe that he has realized that he has a chance of achieving more at the table, and we have to make him stay at the table and hopefully not resort to preconditions and excuses to back out or back away from these negotiations.

I think it is time to really set the record straight, to sit down with Prime Minister Netanyahu, who is really representing a very, very stable and encompassing government which expresses the will of the Israeli public, saying we are here, we are willing to support Prime Minister Netanyahu, making concessions for peace as long as it is coupled with meeting our security needs.

And if the Palestinians are serious and can live up to the moment, then they will find in Israel the right partner to achieve a just and good peace, which they deserve as much for their people, for their children as we do.

MS. LASZLO-MIZRAHI: David Bedein of Philadelphia Bulletin asks, “Will Israel demand an overhaul of the PA curriculum to excise all mention of, one, arms struggle to achieve the right of return; two, praise of those who murder Jews; and, three, the value of jihad?”

MR. PELED: Definitely. We believe that one of the issues which has to be brought to the table – and, again, I’m saying brought to the table, not set as a precondition or any kind of condition, but one of the issues which has to be addressed at the table is how do we work together to educate a generation for peace and for understanding? And that cannot be achieved as long as parts of the Palestinian curriculum still call for the destruction of the state of Israel or still incite against the Jews and the Israelis.

And that is definitely an issue which we will want to address. We will bring that to the table. We believe, by the way, it serves Palestinian interest as much as it’s our interest. To achieve peace and reconciliation needs not only reaching an agreement with your former adversary, but also educating your own people.

And, therefore, that is something which has to be brought to the table, not as a precondition but definitely as something which will have to be addressed in the overall outline of a future agreement.

MS. LASZLO-MIZRAHI: Michael Waterman (sp) asks, “Do Palestinians have the popular support in order to make a true peace, including ability to give up the right of return and allow Israel to make sure that no missiles are being smuggled into the new state of Palestine?”

MR. PELED: That is a very, very good question. We believe that the Palestinians want peace, want to live in peace side by side with Israel, and they’re looking at their leadership to lead them.

And their leadership, therefore, has a double responsibility not only to sit down with the Israeli prime minister, the Israeli-elected government and work out, negotiate a peace deal, but also to educate its own people and address its own people and say, here we have a genuine opportunity to achieve our national aspiration to achieve a Palestinian state.

But to do that, it’s not only sitting down with the Israelis; it’s also coming to terms with the idea of making concessions for peace and accepting Israel as a neighbor, as a nation state for the Jewish people who are here to stay. And that is part and parcel of educating for peace and, among other things, also fighting against incitement.

So to answer the question, we believe that the Palestinians want peace but have not yet been led to work for peace and to make the necessary concessions and understand that each side will have to make compromises to achieve that peace.

MS. LASZLO-MIZRAHI: Linda Quaro (sp) and freelance journalists asks, “One school of thought suggests it’s advantageous to bring terror groups into the political process in order to, quote, ‘domesticate’ them. Another says this merely empowers one’s enemies. It seems that empowering Hamas will not lead to good things and could enable them to further infiltrate the

West Bank and perhaps institute a bloody coup there as they did in Gaza. Will Hamas be addressed at the talks?"

MR. PELED: Hamas, unfortunately, today is a major threat not only to Israel but a major threat to the Palestinian Authority, to Palestinian society and to neighboring countries. Not only is it oppressing its own people in Gaza, being supplied endlessly by weapons from Iran and from other jihadist groups, but it is threatening any kind of effort for peace.

And, therefore, we believe that Hamas, at the moment, cannot be and should not be in any way a partner or an issue of discussion at the table because it is not an entity that is even willing to accept such negotiations, is not willing to accept a peace agreement with Israel, is not even willing to recognize Israel's right to exist.

And no one can expect anyone to sit down with a body or an entity that is not willing to recognize it or that is even actually calling for its own destruction. I know people like to make all kinds of comparisons with the IRA in Northern Ireland and in other places in the world. Let me remind them all that in none of these cases was that group calling openly for the destruction of the other.

And if you read the Hamas's charter, there is no doubt about its real intentions, and Hamas is brutally killing its adversaries within its own Palestinian camp against Fatah, and therefore neither Palestinian Authority nor Israel can consider Hamas at the moment as a partner for peace.

MS. LASZLO-MIZRAHI: So when you look at the Hamas, how much of a role does Iran play in the Hamas at this point in time?

MR. PELED: Iran plays, unfortunately, a very, very big role in the way Hamas is addressing itself because Iran today is the greatest supporter of terrorism not only in the Middle East but worldwide. It is a declared policy of the Islamic revolution to terrorize its neighbors and all those infidels that do not believe in its revolution and its way of thinking.

And, therefore, by the same token that it supports Hamas, it is supporting Hezbollah, and it is supporting elements in Iraq, and it is supporting elements in Lebanon. It's supporting elements beyond the region – South America and other regions. Everyone that is basically not aligned with Iran's way of thinking is considered an enemy and a legitimate target for its terrorist activity.

And, therefore, we have to also consider addressing today the threat from Iran. And if, god forbid, Iran is allowed to continue developing nuclear military capabilities, we cannot begin to think how emboldened all its terrorist proxies in the region and around the world will feel with such a backing of such a regime.

And, therefore, when we talk about making peace and we talk about the necessity to move forward because time is working against us, our major threat, our major challenge here is

keeping Iran at bay and making sure that it does not undermine these efforts, and therefore time is of essence.

MS. LASZLO-MIZRAHI: When you talk about Iran and the threats that Iran places on both the nuclear possibility of destruction and also the peace process, the new sanctions that have gone into effect from the U.N. Security Council – the United States now has new sanctions on Iran as does the EU, Canada and others – those sanctions are based on Iran's nuclear program.

Is there pressure on Iran from Western countries, from thoughtful countries, on this issue of supporting Hamas or their support of Hezbollah, which is on Israel's northern border or is that completely separate from this focus on the nuclear threat?

MR. PELED: It is part and parcel but it should be addressed far more diligently by the international community. I think most Western nations understand that a nuclear Iran means a terrible situation, an unacceptable situation for world stability and world security because of its support for terrorism.

But more should be done to counter Iran's activities independently from its nuclear program in supporting regional and world terrorism. And, therefore, it is important, imperative for us to not only fight against those elements, against those terrorist organizations and their leaders and their proxies, but also address the Iranian government and put more pressure on it to prevent it from – or to curb its capability of supporting these terrorist organizations worldwide.

MS. LASZLO-MIZRAHI: And, of course, today's terrorist attack is really a reminder of the serious stakes that there are. The press is now reporting that it was not a family that was killed; it was a couple including a pregnant woman and two people that they were giving a ride to – a terrible tragedy happening today where four Israelis were just killed in a terror attack.

When you look at these negotiations that are going forward, there's a lot of pressure on Israel to divide Jerusalem. How will you handle the issue of Jerusalem and what are the goals that you have in terms of Israel's capital city?

MR. PELED: First of all, we believe that Jerusalem is an issue – the core issue, an issue which has to be brought to the negotiating table. And as we've been saying repeatedly for a year and a half, we believe that we have to sit down at the table without any preconditions.

We understand what the Palestinians will ask in terms of Jerusalem, and they are invited and welcome to bring that to the table. By the same token, we will bring our position to the table, and our position at the moment is that Jerusalem should remain the undivided capital of the state of Israel.

Jerusalem, we remind everyone, only under Israeli control has been safe and free to all worshippers of all religions, something which in the past was not the case. But, again, we are willing to come and discuss even the issue of Jerusalem at the negotiating table. We will bring our position, our views, what we expect. The Palestinians will bring theirs. And there, around

that table, we will be willing to discuss the issue of Jerusalem without making any preconditions before actually having sat down and discussed it.

MS. LASZLO-MIZRAHI: The issue of the right of return, what Palestinians call the right of return, involves wanting Palestinian refugees to be able to move back to places like Tel Aviv and Haifa. What is the Israeli view on that particular issue and how will it play in these negotiations?

MR. PELED: The issue of refugees is really an issue – a tragic issue which we all need to resolve as soon as possible. In no other conflict in recent history has there been a situation where refugees have a second, third and fourth generation whereby cynically the plight of refugees has been perpetuated to gain political objectives by Arab countries and by the Palestinians.

The whole notion and idea of establishing a Palestinian state and having two states, two homelands for two peoples living side by side is to provide a homeland for those refugees. Israel will remain the homeland for the Jewish people, as was stipulated by the Bible by our ancestors, and Palestine, the future Palestinian state, will be the homeland for the Palestinian people.

And that will be a homeland and an address for where these refugees will have the right and possibility to return to. Many of them live today in very sad and tragic conditions in Lebanon, in Syria, in Jordan and elsewhere in the Arab world, and it is inconceivable that 60 years later they still have not been integrated and accepted within their own countries by their own brothers.

We should also not forget that the Jewish state of Israel, the homeland for the Jewish people, absorbed hundreds of thousands of Jewish refugees that were expelled and thrown out of northern Africa and other Arab countries after the creation after the creation of the State of Israel in 1948. If Israel has managed to absorb hundreds of thousands of Jewish refugees into its state, by that same token, a future Palestinian state should be able to absorb and receive its Palestinian refugees in its homeland.

MS. LASZLO-MIZRAHI: When you talk about a homeland, an Israeli homeland, why is it that you think that the Israeli government should be able to have an army but a Palestinian state should be demilitarized?

MR. PELED: We believe that a future Palestinian state has to be, at least in the short term, demilitarized. That does not mean that a future Palestinian state does not have its own security forces or that it doesn't have all those symbols of sovereignty, of independence. But there are other cases in history, present and past, where countries – Germany after the Second World War, Japan as well, Costa Rica today – countries, sovereign states, that do not have an army.

And the reason that we insist on a Palestinian state to be demilitarized is so as to prevent such tragic terrorist events as occurred just a half an hour ago. And for that to happen, because of the proximity between Israel and a Palestinian state, because of the dimensions, the territorial

dimensions which are very difficult for somebody in the United States or anywhere to really appreciate the distance between Israeli – Ben Gurion Airport is a stone’s throw, literally, away from the West Bank.

And, therefore, we need to ensure that the Palestinian state does not constitute a security threat to the State of Israel, and for that to be achieved, one of the measures we need to insist on and negotiate on – again, not as a precondition but with a negotiation – is to make sure that a Palestinian state does not have a military or an air force by the same token that other countries have, but by all means it should have its own security forces.

And there are other security measures which we need to ensure to be able to make Israel make the painful concessions for peace. We have to be assured that what happened after we withdrew from Gaza and after we withdrew from Lebanon will not repeat itself again in the West Bank.

And in the case of Gaza, the case of Lebanon, the adjacent territory, the adjacent areas were not as densely populated as the area adjacent to the West Bank, and therefore we cannot afford even one missile, one rocket, one mortar or even one gunshot to be shot from the West Bank on our population inside Israel.

MS. LASZLO-MIZRAHI: We have read about the better cooperation between the IDF and the Palestinian Authority’s police and military units – just on the topic of security that you’ve been focused on today, given the terror attacks and other issues. Can you go into detail in terms of the cooperation between the Palestinian police and the IDF?

MR. PELED: There has been an ongoing cooperation in the last year-and-a-half, two years whereby Israel has withdrawn its forces from Palestinian cities, has removed roadblocks, has enabled more access of movement for Palestinians, because we are seeing a greater determination and a greater capability by the Palestinian security forces in enforcing law and order and security in the areas under their control.

This is a process which takes time. It’s not something which can be achieved overnight but we are very pleased to see that over the year-and-a-half, two years of this cooperation, the fruits are very clear and very evident.

We shouldn’t also forget that the international community is also playing a very important role here in training the Palestinian security forces, in equipping them, and then helping them really maintain control and security over the areas under their control.

Having said that, Hamas and other terrorist organizations are still attempting – and we’ve just seen the latest evidence of it – are continuing to work and to try and undermine the activity and the law enforcement of the Palestinian security forces.

And, therefore, it will still be necessary for there to be a cooperation between Israel and the Palestinian security forces in the near future because they, on their own, will not be able to

stand up and face Hamas and the other terrorist organizations that are continuously trying to commit and undertake and carry out terrorist attacks against them and against Israel.

MS. LASZLO-MIZRAHI: The economy of the West Bank has been growing strongly. What are the reasons behind this, and does it improve the chances that the talks will succeed?

MR. PELED: Definitely. We believe that the Palestinians, as a neighbor, are entitled to having a prosperous, healthy, good and conducive environment because we believe that a happy, healthy, employed neighbor is inevitably going to be a better neighbor to Israel.

So there is a joint interest on the part of Israel and the international community to continue assisting the Palestinians to build their own economy, to build their own institutions, to build the future foundations for a Palestinian state, which we all recognize is their inalienable right to have.

So an economic prosperity, an economic progress that we're seeing in recent months – over the last year a growth per capita of over 8 percent, which is really a record in terms of economic growth and prosperity, is very, very important to show the Palestinian people and to show the adversaries that there are fruits for peace. There are fruits for negotiating and for announcing terror and for fighting terror.

And one of the many measures that have made this possible is also the improvement in the security situation, and the security situation has enabled Israel to remove more roadblocks, to increase the access and movement for the Palestinians in the West Bank, to pass more control over to the Palestinian security forces, and that obviously induces economic activity.

So there is a clear link here between improved security, a commitment to negotiations and reconciliation, and the fruits – the economic fruits that such a path and such a direction bring with them.

MS. LASZLO-MIZRAHI: Mr. Peled, there are some – a new advertising campaign in Israel where the U.S. government has paid for ads by Palestinian leaders, pop-up ads that are appearing on the websites of Israel newspapers where Palestinian government officials are saying, hello, I'm your friend; let's have peace.

What is your reaction to this U.S. government-sponsored campaign with the Israel – excuse me, with the Palestinian officials speaking in Hebrew via pop-up ads on websites directly to the Israeli people?

MR. PELED: I can't comment directly on the United States' involvement and cooperation with the Palestinian Authority, but they definitely are addressing a concern here and the importance – and stressing the importance of convincing public opinion, the Israeli public opinion, in the fact that Israelis are rightly and legitimately seeking assurances that a peace agreement will finally bring security and tranquility to their lives.

And I think one of the important lessons that we need to draw from this is that public opinion in all democracies plays a very, very crucial role here. The Israeli public opinion – 70 percent of Israeli public opinion favors making peace and making concessions and even withdrawing from the greater parts of the West Bank in return for a peace agreement.

But those same 70 percent, or slightly less, 60 percent, have voted a right-wing government into power out of fear that a different government may be too eager to make that concession without ensuring and securing Israel's security needs and demands.

What we should remember is, at the end of the day, the Israeli public opinion needs to be convinced that we really have, in the Palestinian leadership, in Mahmoud Abbas, the Palestinian president, real, true partner for peace. And the Israeli public opinion will support any government – and I will go even as far as saying we even vote out any government if it believes that there is a chance of peace and that the government that is currently in power is not doing enough to achieve that.

And, therefore, the importance of Israeli public opinion in achieving peace is crucial and therefore has to be convinced that any future concessions and sacrifices for peace are not going to be made in vain because, unfortunately, the recent events, recent history – the withdrawal from Gaza in 2005, the withdrawal from Lebanon in 2000 – brought us exactly the opposite.

And the Israeli public opinion does not want a third occurrence of what happened in the past. Therefore, an investment by the Palestinians, by others to convince Israelis that here we really have a true partner for peace on the Palestinian side, and the best way to prove that is by sitting down and negotiating with Prime Minister Netanyahu a real durable, lasting peace for both sides.

MS. LASZLO-MIZRAHI: My last question – Mr. Peled, thank you for this terrific presentation and overview of these views – there are many reporters who e-mailed us that they came in late on the call because of a conflicting event, so they missed your opening comments.

So given the terror attack that just happened, which killed four Israeli civilians, who were killed – a pregnant woman, a couple, two other people – killed with bullets, a family that was killed execution style at close range, how does that impact the talks? What are the key goals? What do you expect to be the outcome of the meetings in the next days ahead?

MR. PELED: Well, we're very, very looking forward to the re-launch of direct talks on Thursday between Israel and the Palestinians. We believe that it is high time to sit down and hammer out a peace agreement without preconditions.

Israel is sincere and serious in its intentions to achieve a peace agreement, is willing to make compromises and painful concessions in order to reach an agreement. We believe we need to move forward swiftly in good faith, because time is not on our side because there are elements led by Iran, executed by Hamas, Hezbollah, as the terrorist organizations which have just now shown us what they believe should be the future of our region, a region of bloodshed, hatred and violence.

We need to fight all the moderate elements, the peace-loving camps both on the Israeli side and the Palestinian side, to hammer out an agreement. We believe it's achievable. It's difficult to achieve. We have no illusions that this may be difficult but there is a window of opportunity here.

The Palestinians are enjoying economic prosperity. The security situation has improved. Iran is threatening all of us, not only Israel, and therefore, together with the commitment of a U.S. administration, the commitment of Israeli Prime Minister Netanyahu and his government to move forward, we believe that sitting down to the table, hammering out the necessary parameters for a peace agreement which address Israel's security needs and Palestinian aspirations and wishes can work out a good peace deal for the benefit of both our peoples and both our children.

Once we can be assured that our security concerns are understood and can be addressed, we will be able to be far more flexible on the issues which concern and are important to the Palestinians. And we just need, at the end of the day, to reach an agreement which is a final agreement, and end to the conflict, an end to all claims, a recognition of Palestinians in Israel as the nation state for the Jewish people, and by the same token, our recognition of a Palestinian – independent Palestinian state side by side, living in peace with Israel.

MS. LASZLO-MIZRAHI: Jonathan Peled, thank you on behalf of the Israel Project. Our condolences to your government and to the families for the loss of those four civilians who were just killed in a terror attack. We wish your prime minister every success in the peace talks ahead. Thank you for sharing your time and you talent with all of us.

MR. PELED: Thank you.

(END)