

A Brookings Press Briefing

**G-8 PREVIEW: BUSH AND ALLIES DISCUSS
REPAIRING THEIR RIFT AND REBUILDING IRAQ**

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MR. RON NESSEN: Welcome to this Brookings Press Briefing on the President's forthcoming trip to the G-8 Economic Summit. I'm Ron Nessen. I'm sorry that we had so many events at Brookings today that we ran out of conference rooms, so thank you for walking over here in the rain to the Mayflower Hotel.

We are here, as I say, to give a preview of the Economic Summit. As you know the President leaves shortly for this annual meeting with the leaders of the other industrialized nations, this year to be held in Evian, France. We will have no French jokes at all here on the panel today. He also will be stopping in St. Petersburg, Russia, and in Krakow, Poland, and possibly in the Middle East.

As you see we have assembled a panel of Brookings experts on the issues which will likely be discussed at Evian and at the other stops. Each of our panelists will talk for about five minutes on various aspects of the trip. There will be some discussion among the panel, and then there will be a lot of time for your questions.

In your packet you'll find detailed bios spelling out the background and the accomplishments of the panel, and on the Brookings web site at Brookings.edu you'll find a lot more material on the Economic Summit meeting and on the issues that will be discussed there. There will be a full transcript of this briefing that will be on the web site by tomorrow.

This annual meeting of the leaders of the industrialized nations is called the Economic Summit but in more cases than not international political issues have overshadowed the economic issues at the annual meeting and that may be the case this year, too. But this is nominally an Economic Summit and so we are going to start with the economic issues.

Lael Brainard, a Senior Fellow in both the Economic Studies and Foreign Policy Studies programs at Brookings; holder of The New Century Chair; Deputy National Economics Advisor and Deputy Assistant to the President for International Economics in the Clinton White House is going to talk, among other things, about the discussions that the G-8 leaders will have about the sluggish economies pretty much around the world, certainly in the United States, Europe, Japan and Russia, as well as trade issues and development issues. Lael?

MS. LAEL BRAINARD: I have to say my sympathies go out to the White House staff who are briefing the President for this trip. I can just imagine the briefing. Mr. President, at a time when your full attention should be addressed to the faltering domestic economy we're going to take a big chunk out of your schedule for foreign travel. You will be pictured chumming it up with Jacques and Gerhardt over lavish meals featuring French fare. Oh, and did I mention that little of concrete value is expected to come out of this trip, and that probably no news is good news.

Going into the Evian Summit I think the question is whether the key protagonists here, President Bush, President Chirac and the others, see this as a key opportunity to repair a badly frayed trans-Atlantic alliance, or, likely, as a badly timed pain in the you know what.

Recall that this will be the first time that President Bush will be face to face with President Chirac and the first time that he will even have spoken to Chancellor Schroeder since the Summit in Prague last November.

It's hard to think back, certainly on all my experiences with the G-8, but probably to the beginning of the G-7 in Rambouillet in France in 1975 when personal relations going to the meeting were so fraught. Although I think the attention will all be on body language and the atmospherics, the real test of course, should be on substance. That is very important. There are big issues on the agenda for these leaders where cooperation among them could make the difference.

There are always two dimensions to the G-8. There's the pre-cooked agenda and then there is the crisis d'jour. The greatest potential for late-breaking news is on Iraq reconstruction, the Middle East road map, and some of the other big geo-strategic questions out there. I'm going to leave the questions of war and peace to my colleagues and focus on the second part of the agenda which is the pre-cooked agenda.

Global poverty will be a very large part of the agenda, as it has been for the last several years at least dating back to the 1998 summit. President Chirac has followed the precedent established in 2000 in Okinawa of inviting additional leaders from the developing world. This time there will be two additional meetings. First he'll host a meeting with Switzerland that will include leaders from the core nations and from key developing nations for the first time -- China, Brazil, Mexico, India, and Morocco and Malaysia in their capacities as the heads of the G-77 and the non-aligned movement respectively.

Also as in Kananaskis last year, leaders will meet with African heads to discuss the action agenda on the New Partnership for African Development (NEPAD). Last year G-8 leaders promised they would be forthcoming this year with a plan of action.

President Bush will be in a very strong position going into the summit on those issues. He comes with a lot of new money pledged by Congress on HIV/AIDS. He will be by far the largest donor to the Global Fund. Right now the U.S. accounts for 50 percent of official contributions to the Global Fund and no doubt the pressure will be on for other countries to come up to comparable pledges. In fact the U.S. Congress has just made additional funding for the Global Fund on the order of a billion a year contingent on the U.S. contribution not exceeding a one-third of the total pledges.

The AIDS Authorization Bill also has a tremendous amount of new U.S. bilateral money, far in excess of that being spent by the other G8 countries.

France has floated a variety of proposals for the summit that are likely to be substantially watered down. They included a trade proposal targeted at Africa that included, among other things, lower export subsidies to Africa. I think Washington has rightly pushed back on that saying that it really doesn't amount to a huge amount and holding out for across the board reforms. France has pushed forward a proposal to help stabilize commodity prices for African exporters. The Finance Ministers disposed of that by turning it into a study to be done by the international financial institutions.

The second big area of course is trade. This will be the last meeting of leaders in advance of the Cancun Ministerial, the mid-point for the Doha WTO Round deadline. There will be going into the Cancun meeting in September a lot of pressure to achieve what was laid out in Doha two years ago, and so far prospects look pretty awful. All of the four key deadlines in the intervening period have been missed due to fights, many of which are between the countries that are members of the G8.

The private discussions will also provide lots of opportunity for leaders to point the finger at each other on trade. There can be no doubt that when the U.S. raises the agricultural trade issue President Chirac will talk about how difficult the genetically modified foods case that the U.S. has just brought to the WTO will make his position going into the WTO ministerial. President Bush pushed back on this very hard in his Coast Guard Academy speech, saying that Europe's position is bad for African nations in particular, so we can expect a little bit of sniping back and forth.

On Middle East Trade the President goes in with a very strong proposal. What was notably absent from the President's proposal, however, was any notion that other members of this important group, the G-8, could strengthen it even more by instituting reinforcing trade policies.

Finally the world economy; just a word there. I think the faltering state of the world economy will be very much on everybody's minds but not on the to-do list. Certainly finance ministers would have done well to relieve their bosses of questions about this area, since none of the G8 economies has good news to report. But, the reality is very little came out of the Finance Ministers meeting on this last weekend, less even I think than normal.

In the leader's statement as in the Finance Ministers, I wouldn't expect to see any mention of the D-word. Nonetheless, the biggest unofficial news coming out of the Finance Ministers meeting was what was interpreted by the markets as a big shift on the part of the U.S. Treasury on the dollar.

The other D-word very much on people's minds will be deflation. Again, several of the key countries in the room are on the watchlist for this. Japan and Germany have been placed on the high-risk list by the IMF. So I can imagine a lot of discussion here, but again, no real news

on economic cooperation which was of course the original rationale for the G7.

MR. NESSEN: Just one follow-up, Lael, before we move on to Ivo. The two D-words -- deflation and the weak dollar. You don't think anything's going to be done on those? They are the sort of issue d'jours. You don't think anything will be done on that?

MS. BRAINARD: It's hard to imagine that leaders actually will say or do much on either. It would be unprecedented for leaders to come out with a statement on coordination around a set of currency values. No doubt all of the leaders in the room will want to express their firm intention to work towards stronger economic positions next year, and no doubt each of them, particularly President Bush, have very strong ideas about how to do that domestically. But there's nothing in the cards that we've heard of so far of a coordinated effort among these leaders.

MR. NESSEN: Next up on the theory that this G-8 Summit like so many earlier G-8 Summits will spend a lot of time on international political issues as well as the economic issues that Lael talked about.

We're going to call up Ivo Daalder. He's a Senior Fellow in the Foreign Policy Studies Program at Brookings, holder of the Sydney Stein Jr., Chair, Director of European Affairs in the National Security Council during the Clinton presidency. Ivo is going to address what if anything the leaders can do or will do at this meeting to reduce some of the trans-Atlantic tensions, the risk if you will, between the United States and some of its traditional European allies.

MR. DAALDER: Thanks, Ron. Thanks everybody for coming out in this wonderful Washington weather we're having. My seven-year-old son woke up this morning and said it's time to build an arc. [Laughter]

This meeting comes most likely like the last meeting when Bush met with his major European counterparts, shortly after a UN Security Council Resolution on Iraq. The last time was in Prague when there was a unanimous Security Council Resolution, 1441, with regard to Iraq, and diffused what was looking like a major row between the United States and many of its continental European allies. This time it looks like that there will be a new resolution on lifting sanctions and on establishing U.S.-U.K. authority in Iraq prior to the meeting and therefore Iraq I don't think is going to be the major issue. What you are going to be looking at, frankly, and what I'm going to be looking at, is the body language and the relationship that Mr. Bush will have with some of the European allies, the leaders of some of the European allies. And secondly, something that you probably should look at, though it's not particularly obvious that that is an issue, which is Bush's relationship not with the Europeans but with Europe because I think we are perhaps on the cusp of a major change with regard to U.S. relationships with Europe. More on that in a minute.

Let me talk first about Bush and the likely relationship he has with the major leaders who are coming together in Evian.

One thing one often forgets about George W. Bush is that his foreign policy is very personality driven. It is not just about American power and American interests, it is also and most importantly about the people that are part of the relationship.

George Bush's fight is with Osama bin Laden, remember? Dead or alive. It is with Saddam Hussein, that evil dictator. It is with Kim Jong Il, somebody who he said he loathed. And a whole assortment of other evil-doers. It is a highly personal fight and so are his friendships. Tony Blair is a friend. The Crown Prince of Saudi Arabia is a friend. President Musharraf of Pakistan is a friend. In fact Mr. Putin, the President of Russia, is a friend. There are a host of other "friends" that Mr. Bush, when they are true friends, invites to the ranch. And when you don't get invited to the ranch you obviously, Mr. Chirac, are not a friend.

In short, if you want to understand how Bush looks and relates to other leaders in the world and particularly European leaders, you have to look at what I call his loyalty meter. He has a sense of who is loyal to him in a personal perspective, as well as to the United States with regard to policies, and Iraq triggers this loyalty meter in a very very important way. There are some people who were very high on the loyalty meter -- Vicente Fox, the President of Mexico, who are now very low on the loyalty meter. Remember on September 5, 2001, George Bush said in the East Room of the White House that the most important bilateral relationship the United States had was with Mexico. Mexicans may be forgiven to think that something changed in that relationship, indeed so much so that on the Cinco de Mayo two weeks ago George Bush forgot, or whether he forgot, that's probably in quotation marks, to even mention Mexico in his remarks.

There are others who have clearly risen on the loyalty meter-- the Emir of Qatar has now come up given what Qatar has done in terms of support on Iraq in a way that it wasn't beforehand.

So what's the European loyalty meter? Well right on top it's not just "a" friend of the United States, but in George Bush's words, "my" friend, which is Tony Blair. Tony Blair who is an unlikely ally of Mr. Bush. After all, he is as close a chum of Bill Clinton as you have in the political world. He's politically very different from where George Bush is, but he showed loyalty. He stuck with the President through thick and thin and he is right up there on top. He even put his own political future at stake in order, in Bush's view, to stand with the United States.

Just below there is the Spanish Prime Minister, Mr. Aznar, who actually will not be at this meeting. But Aznar is somebody who Bush feels very close with politically, it was the first

European leader he came to visit as a President back in June of 2001, and he speaks to him about as frequently as he does with Tony Blair.

Below that is the Polish President, Aleksander Kwasniewski who not only demonstrated his loyalty by sending 200 Polish Special Forces into war with Iraq, but has also been awarded with one of three state visits that the President has had up to this point. In fact the only state visit by a European.

Below that you have an assortment of other Europeans, people like Sylvia Baresconi, Andreas Rasmussen, and Jan Balkand from Italy, Denmark and the Netherlands. These were loyal allies, they all proclaimed their fealty to the cause when it came to Iraq. Then there is this huge gap, and you get to Gerhard Schröder who has failed the loyalty test by in fact, in Mr. Bush's view, lying to the President when he said he was not going to make Iraq an issue in May 2002, and then in fact did so in September in the elections in 2002. And there is below the loyalty meter, somewhere below zero, the French President Jacques Chirac, who is regarded not just as somebody who is untrustworthy, but in fact is unworthy, because he not only was not loyal to the United States when it came to the question of Iraq, he actively campaigned and did everything he could to undermine the American position when it came to the UN and negotiations back earlier this spring.

The one person missing on that list -- Vladimir Putin. But when you see somebody's soul obviously it is difficult to put him on this loyalty meter.

So that's what we're likely to see. We're going to see cold shoulders with regard to the French President and the German Chancellor. We're going to see chummy relationships with regard to the British Prime Minister, and indeed with Vladimir Putin, and it's going to be interesting to watch. Reports in this town's newspaper this morning indicate that Mr. Bush may show up late for dinner, something, a no-no in France. There were reports that he was not going to sleep in France, that he was going to go across the way and stay in Switzerland. We'll see. But the fact that we're even contemplating this kind of behavior says a lot not only about American foreign policy but also about his this President's views on foreign policy and loyalty as a central component of foreign policy.

So much for Europeans. What about Europe? For 50 years it has been the policy of this country to support unquestionably the integration and unification of Europe. There have in fact been times when the Americans were more pro-European than the Europeans. Think back of George Ball and John Kennedy in the early 1960s when they were pushing a European unification over and above every other European country. They were more pro-European certainly than the French and perhaps even than the Italians and the Benelux at that time.

The question that arises is whether that policy is now about to change or in fact has

already changed. All of you will recall that Mr. Rumsfeld during the run-up to the Iraq war started to make a big deal of Old Europe and New Europe. The fact that there were some countries in Europe that we could trust, that were allies that we could hang our hat on, and there were other allies we could in fact ignore. They were unimportant, their positions were unimportant, they were not central to our argument. In fact Mr. Rumsfeld at one point even included Great Britain in that category, much to the chagrin of the British Prime Minister who was trying to convince his own party that in fact Britain was absolutely crucial to American strategy with regard to Iraq.

But is this just a blip on Mr. Rumsfeld's radar screen or is there something deeper here? That's a question I think we will start to find the answer to as we move into the next couple of weeks.

Is George Bush going to talk about European Union and European unity in the way that he did the last time he was in Europe back in Prague, and the way he did in his speech in Poland back in mid 2001? Or is he going to talk about the importance of certain allies, particularly the East Europeans, the so-called New Europe allies and ignore the question of the European Union, and suggest that in fact the European Union is more a problem than part of any solution. Is he going to stress the problems we have with the EU on trade rather than making an emphasis on the need for European Union to do more on security and foreign policy and defense policy?

These are the kinds of questions that I think have been raised by the Iraq war, are now becoming part and ought to become part of our observation of how this Administration is going to deal with Europe.

There is a perception in Europe that the deep wounds that have emerged as a result of the Iraq war, many of them by the way very much self-inflicted, that is the division that is now in Europe, that that is something the United States in fact at this point welcomes. The United States is willing to put the knife in that wound and start shifting back and forth a little bit in order to make it bleed a little more in order for Europe to start falling apart even more so that in fact you can pick and choose your allies when it is necessary, when the demand of the moment requires it, so that you can forge your coalition of the willing by cherry-picking. That's the term of phrase has it. Was that just something that happened on Iraq or are we on the cusp of something very new? This summit may well give you the first inkling of an answer to that question.

MR. NESSEN: Ivo, let me ask one follow-up before we go on to Fiona. You talked about George Bush placing European leaders either on his friends list or his enemies list and there's some moving back and forth between the lists. Is that a calculated tactic to influence the behavior? Or is that pretty visceral on George Bush's part?

MR. DAALDER: I think there's two parts to this. One part is that he wants to teach

certain leaders a particular lesson. He clearly wanted to show Gerhardt Schroeder after September and he now wants to show Jacques Chirac that there is a price to pay for defying the United States in the way that they did. It's not just defying. It's not just saying no. It is also actively opposing the United States on particular issues that the United States thinks is important. In that sense it's a strategic issue. It is a message that is being sent, don't cross my path. Don't do what Gerhardt Schroeder does or Jacques Chirac did because there will be a price to pay.

But there's also something visceral. This is a man who deeply values his personal relationship with leaders. Most leaders in fact value their personal relationship with leaders, but he has a sense of a country's loyalty, a country's place in American foreign policy is to some extent dependent upon how the relationship is between George Bush and the particular leader in question. And it isn't just that he's trying to make an example of Jacques Chirac. There is also a sense, a deep personal sense of betrayal with Jacques Chirac and Gerhardt Schroeder, then whatever they do in a policies term is not going to make much of a difference. Jacques Chirac is not going to be invited to the ranch no matter whether he votes for this or any other future UN resolution because he has betrayed George Bush on the very issue that he thought was most important.

MR. NESSEN: You've heard about George Bush's view of Putin's soul; and you've heard that Putin is a friend. So we're going to bring in Fiona Hill now to talk about this evolving convoluted unsettled relationship between the United States and Russia, between Bush and Putin.

Fiona is a Senior Fellow in the Foreign Policy Studies program at Brookings, and she is going to outline what may happen in that relationship during these meetings in Europe.

MS. FIONA HILL: Thanks Ron.

Well, Ivo left us with the sense that it's curtains for France, but maybe the curtain is still open for Mr. Putin as long as his soul is nice and clean and he can step through in the appropriate way.

What I'll try to do is recap first of all where we are right now with the Putin relationship and then talk a little bit about the St. Petersburg Summit, if we can call it that, then some of the issues that Russia might be most interested in, in the G-8 meeting. Then I want to dwell just a moment in closing on some domestic issues in Russia that I think have some relevance for where we may be going in the future with the U.S.-Russia relationship.

As Lael mentioned in her presentation we're in the mode now of helping or trying to mend fences. The meeting in St. Petersburg which is a stopover for Mr. Bush on the way to

Evian is one in a series of meetings we've had so far in this fence-mending or bridge-building process between the U.S. and Russia, to try to make that relationship more personal again, as Ivo suggested.

We've had a meeting between Mr. Blair and Mr. Putin in Moscow already a few weeks ago, April 29th, where Blair attempted to act as a bridge between Russia and the U.S., and I have to say that that didn't go very well. In fact most of the dialogue was conducted through gritted teeth. I'm sure many of you saw the joint news conference that Blair and Putin had where Mr. Putin was, quite frankly, rude to Mr. Blair, and that's not just from a British perspective but certainly I think from anyone's perspective. He was quite sarcastic about what has happened in Iraq, made disparaging comments about where Saddam Hussein's weapons of mass destruction were, and he made it very clear that he wasn't quite in synch with Mr. Blair on his vision of an international system dominated and led by the United States, whether that meant that Britain was the junior partner with the United States or Russia. That was not exactly the best start for mending the fences.

Then we had Secretary Powell sent out to Moscow. That was just a week ago, May 13th and 14th. That went a little better. Putin was more cordial to Secretary Powell than he had been with Prime Minister Blair, but there were still lots of differences left out in the open including on the issue of Iraq and lifting the sanctions, though Ivo has mentioned that that's likely to be resolved before Evian and St. Petersburg. There were also differences raised on Iran's nuclear program although the Russians said that finally they accepted that a nuclear armed Iran would not be a good idea for Russia as well as for the United States, but questions remain about the continuation of the infamous Bushehr nuclear reactors that the Russians are constructing.

There was one positive outcome from that meeting between Powell and Putin, though it wasn't that significant, which is the ratification of the Moscow Treaty on Strategic Arms Reduction, or the SORT Treaty, which the Russian Duma had put to one side in a fit of pique about Iraq, but then ratified in time for Powell's visit. But frankly that was actually something that the Russians wanted more than the U.S. so it can hardly be said that this was a major breakthrough in the relationship.

So when we get to St. Petersburg, this is going to be another in this stage for mending the fences and showing, in this instance, that the U.S. cares. There's a lot of significance, a lot of symbolism in President Bush going to visit Putin at this particular point. This is the 300th Anniversary of St. Petersburg. It's of course President Putin's home town. It's an opportunity for Putin to showcase the refurbished St. Petersburg and also to a large extent to showcase his presidency. So Bush's visit is very much the icing on the cake for the St. Petersburg celebrations.

As far as the substantive agenda is concerned, to be honest I find it hard to generate any enthusiasm for the agenda because it's the same old agenda as we always have. I feel that every

time I come to these briefings I say the same thing, but unfortunately the same issues are still on the agenda. We still have Jackson-Vanik, will it ever go away? There is the issue of increasing cooperation in the war on terrorism, and we now have a new backdrop of the devastating terrorist attacks in Saudi Arabia, in Morocco, increasing threats here in the United States and again in Saudi Arabia, ongoing suicide bombings in Israel, and now a spate of devastating suicide attacks in Chechnya, which Putin is pointing to as part of the same problem that everyone's dealing with.

We'll have all the regional issues on the agenda in St. Petersburg -- Iraq, Iran, Afghanistan, and North Korea, and still differences on many of those issues. But frankly, I'm not sure given the one day that President Bush is going to be in St. Petersburg, looking at all the sights and all the newly refurbished buildings and attending state dinners, that there's going to be a lot of time for discussion of all these issues.

I think on some constructive notes we might see some positive statements on U.S.-Russian space cooperation because, clearly, in the wake of the space shuttle disaster, the Russian space program and Russian technology has come to the forefront and it's serving right now the progress on the International Space Station. And, today, Russian Defense Minister Ivanov suggested that Russia was now ready to start beginning talks with the United States on cooperation on the construction of a missile defense system, so space is where it all may be at this juncture.

But overall, I think we should keep expectations low for the summit, just as low for the G-8. I don't think we should expect any major breakthroughs. In fact many people in the Administration are suggesting that this visit to St. Petersburg is not the icing on the cake but it's an appetizer for a main course summit later on in the year, maybe in September or October. That's when there will be a major thrust to try to put U.S.-Russian relations back on track. We'll just have to keep an eye on that. The meeting in St. Petersburg is more a case of going through the motions.

On the G-8 agenda, Russia is not in the same position as many of the other countries for a lot of reasons, in relationship to the economy or the role it's playing internationally right now. But I think there are some issues that are likely to be on the G-8 agenda where Russia will have more of an interest than others.

One of those, paradoxically, is HIV/AIDS where the G-8 agenda is supposed to be talking about how the developed countries can really help developing countries, and Africans with this problem, but frankly Russia has the same problems as many of the developing countries do now with HIV/AIDS. In fact, Russia has one of the fastest current rates of new HIV infections in the world, along with Ukraine, its immediate neighbor. And some of the gloomy predictions suggest, in fact this is slightly more of an optimistic projection, that about five million people in

Russia will be infected by HIV by 2010 which is proportionately a bigger percentage of their population than we're expecting for China and India. So for Russia this is actually a big problem. Russia is part of the problem, not just part of the solution.

We also have the issue of climate change. A lot of scrutiny is on Russia right now as to whether Russia will ratify the Kyoto Treaty as promised by the end of the year, and there are fears among supporters of the treaty that Russia will not do that and that, in many respects, this will be a great blow to the climate change process.

Then comes national terrorism, another thing that Russia is going to be stressing on the agenda. So I want to use that latter point as a segue into just a few points on the domestic situation in Russia, just to conclude.

We had, on Friday, President Putin's annual "State of the Nation" address. This is the third that he's given since he became President and I wanted to just stress a few points here that I think were quite notable.

The first one, and this may seem paradoxical, it was such a vacuous speech. It was very high on rhetoric and very low on content. This is a complete departure from all of the speeches that Putin has given before. His two previous State of the Nation speeches were very hard-hitting, full of content, and in fact offered something of a road map about where he thought Russia was going with the reform agenda. This one was more reminiscent of Communist Party Secretary speeches harking back to Brezhnev and very much out of step with things that Putin has said before. In fact many people in Moscow said, rather nastily, that Putin's advisors hadn't been able to come up with anything to say so they stuck the presentation onto a Friday night when everyone was going home for the weekend and wouldn't be thinking about this in the hope that it wouldn't face the usual scrutiny.

But there were some themes in the speech that we should pay attention to. The main one was the overarching theme, but rather a tired and old theme, of reestablishing Russia as a strong state and a great power, and of consolidating society, mobilizing the population behind this.

This was a favorite topic of Russian politicians all the way through the '90s, from Yeltsin to Zyuganov, the head of the communist party, to Vladimir Zhirinovksy. So it looks again like Putin is reverting back in many respects to the ideology of the 1990s and is trying to consolidate Russia's position once more again in the international arena.

At the same time that Putin was stressing that Russia has to take its place again among the truly strong, economically advanced, influential states of the world, he also highlighted the huge gaps between Russia and many of the countries that he's going to be meeting with shortly at the G-8 meeting by then, giving a long list and critique of all of Russia's economic and social

failures that make it unlikely that it will be able to revive in as a strong state any time soon.

There were lots of other schizophrenic elements in the speech. One of the most obvious of these was Chechnya. President Putin declared that a line had finally been drawn under the anarchy that has marked Chechnya over the last several years and this, of course is against the backdrop of these devastating suicide attacks which were in fact Chechens against Chechens—against the pro-Moscow government in Chechnya. And Putin also pointed forward to a time when the Chechen people will lead normal lives, which frankly seems extremely remote. Putin's claim in his speech that things are back onto the track of normalcy are really defied by what is going on, on the ground, in Chechnya now.

Chechnya is at a very critical phase because by December of this year the Russian government is supposed to be holding elections for a new Chechen President. So unfortunately, I think we're going to see more violence rather than less in Chechnya.

Finally, Putin's speech was curiously isolationist. If you look at it closely, apart from an oblique stab at U.S. unilateralism, he offered no real vision for foreign policy. He mentioned the importance of the United Nations process, but he gave no idea about how he felt international affairs should be organized. He provided no compass for where Russia was heading in any of its important relationships including with the U.S., which was barely mentioned.

So the overwhelming impression from the speech was that Putin has lost his anchor. In a way he didn't really know where to go in terms of his domestic agenda or his foreign policy agenda. I think in some respects the United States is to blame for this, which is why it doesn't really augur well in the future for the U.S.-Russia relationship in terms of finding a way to go forward if we have a big summit in September. Because the U.S. has seized so much of the initiative in terms of foreign policy, it's left Russia, along with many other countries, adopting a rather defensive posture and really kind of waiting to react to what the U.S. throws out next, rather than trying to get ahead in shaping things.

In terms of the domestic economic agenda, based on what Lael said about the G-8 and the two D words, especially the first one with the Dollar, again, the U.S. dominates the international scene economically. So if the U.S. sneezes, Russia will catch cold or SARS. Who knows? That's probably more a problem for China...But in any case, the Russians are really worried. They don't quite know what to do and I think that was the main takeout from President Putin's speech.

So can we be friends? I don't know. Big question.

MR. NESSEN: Thank you.

Last but certainly not least we're going to come to Martin Indyk to talk about this whole

set of Middle East issues which really overhand the G-8 meeting as well as the trips to Russia and Poland.

Martin, as I'm sure you know, is Director of the Saban Center for Middle East Policy at Brookings. He's a Senior Fellow in the Foreign Policy Studies Program, former U.S. Ambassador to Israel, former Assistant Secretary of State for Near East Affairs. He's going to talk among other things about where do we stand now on the road map for peace between Israel and the Palestinians after the recent spate of suicide bombings, the war against terrorism, certainly the impact of the war in Iraq on the rest of the region, and what the leaders may do at this meeting, if anything, about rebuilding Iraq politically and economically, and lifting the sanctions, and bringing some order to the current chaotic situation in Iraq.

Martin?

MR. MARTIN S. INDYK: Thank you, Ron. In the decades in which I've watched events in the Middle East unfold, like many of you here, I've already marveled at the multiple ironies of the Middle East and here we have another one. The Middle East after producing surely the biggest rift in trans-Atlantic relations since the 2nd World War, is in fact at this G-8 Summit unlikely to be an issue of any contention between the summit participants.

Lael has already suggested this when it comes to Iraq. It's hard to believe but true but France, Russia and Germany will be cooperating with the United States in passing a UN Security Council Resolution rather than defeating one or preventing one from passing this coming Thursday and that will provide a backdrop for the summit very different from the one that might have been expected a couple of months ago.

I think this is partly a product of the fact that Saddam Hussein is gone and therefore what is there to fight over other than the personal hurt that Ivo has referred to. I think it's also partly because of U.S. policy which has been to woo Putin, forgive Germany, and ignore France, and the combination of these approaches seems to be working. Would that we had followed such a policy before the war, we would have achieved, I strongly believe, a resolution that would have supported our going to war against Saddam Hussein. But I guess it's better late than never and we'll see the result on Thursday in this UN Security Council Resolution which France, Germany and Russia are expected to vote in favor of and which will provide the very important UN cover for British and American rule over Iraq until such time as a viable, stable, pluralistic Iraqi government can take over the affairs of state there.

The compromise is also I think a function of the fact that we recognize now in Iraq that the going has gotten quite tough, unexpectedly tough I think from the viewpoint of those who thought not only that the war would be a cakewalk but the post-war reconstruction effort would be simply a matter of collecting the flowers and rice showered upon our troops. And as the going

has gotten tough there, and it is very tough at the moment, I think there is a dawning recognition in Washington that we're going to need the help of friends and the G-8 participants are a good place to look for that kind of help.

Of course the French, Germans and Russians have a desire to be part of that post-war reconstruction effort not I think to take on the job of policing Baghdad, but certainly happy to participate in the reconstruction if it means contracts for their corporations. So there is a virtuous relationship that is emerging as a result of common interests in the post-Saddam environment in Iraq that did not exist before and provides a very different backdrop for the G-8 Summit than one might have expected.

The second area that is usually contentious at summits where the United States meets with its European allies is of course the issue of what to do about the Palestinians and the Israeli-Palestinian conflict. Europeans have had a long tradition of being dissatisfied with American policy particularly over the last two years of the Bush Administration when President Bush was determined not to get engaged in any serious or sustained effort to try to stop the fighting, the terrorism, the violence that was going on, an expression of the Intafada between the Israelis and the Palestinians, but that's not going to be the case this time around because, again ironically, the consequence of a determined disengagement by the Bush Administration from the effort to try to stop the conflict between the Israelis and Palestinians, has been a willingness on the part of the Bush Administration to allow Europe and Russia and the United Nations to devise a strategy for intervention for us.

The road map is not an American-designed product, it is a European-Russian-UN designed scheme which we went along with. The most that can be said about the U.S. role here is that the State Department turned up for the meetings. And that is because we didn't really care much about the process and so as opposed to previous Administrations, Republican or Democratic who had been heavily involved in trying to move the peace process forward, we were quite happy to allow the Europeans and the Russians to play if they wanted to, and they did.

So when it finally came around to actually having to do something with this road map once it had been worked and agreed on and [inaudible] the Administration, eventually we embraced it but with no great enthusiasm until Tony Blair came along and as Ivo has described, earned the President's respect and appreciation for taking a bit political risk by standing with us in the run-up to the war in Iraq, and Tony Blair came to the President and said I need this. For my political survival I need you to go out on the lawn of the Rose Garden and say that you support the road map, so the President did. In fact he went a little bit further in a subsequent summit with Tony Blair and the Spanish and said that he was personally committed to the road map and that he was going to work as hard at it as Tony Blair had worked on Northern Ireland, which is pretty hard indeed.

As a consequence now, as we head into the G-8 Summit, we have a situation where the Europeans and the Russians are satisfied not only with the fact that they have crafted an approach embraced by the President but that the President seems to be serious about actually doing something with it.

Of course it's none too soon because inevitably whenever the United States launches an initiative for trying to move the parties towards reconciliation in the Israeli-Arab arena, the terrorists take aim at the initiative, and that's exactly what we've witnessed yet again with these five suicide bombing incidents in 48 hours in the beginning of this week.

So I think the Europeans and the Russians are going to be particular keen, now that the rubber has hit the road map, to see that President Bush fulfills his personal commitment to make it happen.

But here too I don't see any grounds for much contention because the President actually seems to be ready to do something serious for the first time.

The phone call that he made to Abu Mazen yesterday it's true only lasted for 15 minutes, but it is the first contact between President Bush and any Palestinian leader since he came into office. In contrast to his determined boycott of Yasser Arafat, he is known to be very keen to meet with Abu Mazen. And in contrast to his determined disengagement from the process for the last two and a half years, he is known to have told his --

[...BLANK SPOT ON TAPE...]

-- when it comes to trying to settle the Israeli-Palestinian conflict according to his vaunted vision of a two-state solution. A Democratic Palestine living alongside a secure Israel.

And now there's talk in the papers this morning of perhaps him making a Middle East trip to meet with Abu Mazen and Arik Sharon. I don't know how real this is. I suspect that if there will be a meeting, meetings, they will take place in Europe rather than in the Middle East. Indeed, maybe Arik Sharon will be invited to St. Petersburg. I say that because here too, you have an interesting development.

The Russians actually are much closer to the United States than the Europeans when it comes to working this process of trying to move the parties out of the conflict and back onto the road towards reconciliation.

I'll just finish with this point because I think it's important to bear in mind. The Russians have over the last few years embraced a relationship with Israel that stands in stark contrast to

the policies pursued by the Soviet Union which of course backed Israel's enemies in the conflict with Israel. This is partly a product of a large number of Russian émigrés to Israel who have maintained close contact with Russia; partly a function of Arik Sharon's own Russophile nature. He actually speaks Russian, or claims to. And the political importance Israeli politics of the Russian vote these days.

But I think it's also partly a recognition on the part of the Russians that if they are going to have influence in trying to settle this conflict they need to have a relationship of trust and friendship with Israel, just like the United States has.

Europeans have taken much longer to come around to understanding that their influence can be enhanced by having a good relationship with Israel, rather than their traditional policy of thinking they can play a role by beating Israel over the head and thereby currying favor with the Arabs.

The Germans understand this very well, and there's an interesting coincidence of approaches here. The Russians, the Germans and the United States have a common approach now and it's again, the French in their determination to continue a process of cornering Israel and making demands on Israel, they find themselves isolated yet again.

Whether in fact this coincidence of common interest in seeing the road map move forward will prove sufficient to overcome the determination of the terrorists to thwart this effort, obviously remains to be seen. But in the context of the G-8 I think that the parties have a lot more in common and a lot more to talk about in terms of salvaging this process than one might have expected.

Thank you.

MR. NESSEN: Before we go to questions from the audience, Martin let me just ask you one quick follow-up. Could you summarize what you think this resolution on post-war Iraq at the UN on Thursday will, what are the major provisions?

MR. INDYK: The most important is that it gives this cover for Britain and the United States to continue to run the affairs of Iraq. International legitimacy is very important to that process. It's something that the United States has only lately come to understand. I'm not sure whether it's fully understood.

But it is the best answer that we can give to the argument that the United States is an occupying military power, to have UN sanction for what we're doing there in trying to rebuild the country and put a more democratic government in place, is very important to that process.

Secondly, it clears up the legal and technical matters involved in the export of Iraqi oil and that will be important of course in terms of generating the revenues necessary to this post-war reconstruction effort. Because the oil revenues were under UN control under the Oil for Food resolutions, this resolution will be important in changing that process so as to give the United States and Britain an ability to use those revenues for the good of the Iraqi people.

Finally, although it's not yet resolved because the Russians have a real problem with it, there will be some I think understanding reached between the permanent members of the Security Council about how to proceed on the issue of weapons of mass destruction and where the role of UN inspectors will be in confirming that Iraq does not have weapons of mass destruction.

MR. NESSEN: And on the Iraqi debt to Russia and to France?

MR. INDYK: I'm not sure where that is. I don't know.

MS. BRAINARD: I think on the Iraqi debt question the Finance Ministers tried to put that to bed in their meeting last weekend by essentially pushing forward the issue. As you know the members of the G-7 have very different interests on Iraqi debt. Several of them, notably Germany, France and Russia are big creditors to Iraq and for America it's rather cheap to push for full relief since we have very little outstanding claims on Iraq.

But essentially the Finance Ministers pushed it in two directions. One, to ask for a study of what the exact nature of those claims are since it's a bit unknown and unclear at this juncture, and the second was to ask for a reconsideration of the way the Paris Club, the group of official creditors go about granting debt relief and do it more on a case by case basis.

MR. NESSEN: Time for your questions.

QUESTION: George Condon with Copley News Service.

Two questions. First, is Bush likely to be put on the defensive over weapons of mass destruction by the other leaders? And secondly, when it comes to the healing the rift in the alliance, is the burden on Bush as the leader of the alliance to bring it back together? Is the burden on the French and the German leaders to make up to the President? And if neither of them feels the burden, can this summit make the rift worse?

MR. DAALDER: The burden's on everybody. This is not a pretty story of how to manage alliance relationships. It's in fact a pretty awful story on everybody's part.

On the German's part who played politics with Iraq in a quite dirty way and then were not

willing to come out until about six months later and say that probably wasn't a good way to do it.

On the French part by not just opposing the United States which is perfectly fine, but doing everything they could to undermine the ability of the United States to go to war with the UN Security Council Resolution. Remember, they sent their French Foreign Minister to Africa to lobby actively against a UN Security Council Resolution, and the trilateral summits and all of that, and the opposition in NATO.

And Bush too. Bush didn't engage in the diplomatic process. He just asserted his point of view and said I'm right, you're wrong, and I'm going. He has the power to do it but it creates a lot of resentment.

What would grown-up men do? They would go out and say let bygones be bygones. There are too many common interests that we have moving forward. Let's work together and forget about what happened in the past. But that's not what's going to happen because none of these three leaders, and that includes even Schroeder who is about as forward-leaning now as you can have, is willing to say they made a mistake. That there was a better way to have dealt with this issue.

Bush feels vindicated. He did go to war, he won, now everybody had to come to his side. The UN Resolution, although there are modifications since the first draft was introduced, is pretty much going to give a UN stamp of approval not just on the occupation but also how we got there, almost by definition. So Bush got a lot of what he wants. So it would be the grown-up thing to do by saying let bygones be bygones. Magnanimity of victory as I think Winston Churchill said.

On the WMD issue, we're always going to be -- assuming nothing happens between now and then, and I take the New York Times report of this morning regarding the trailers to be still - - If they can't find any physical evidence of biological weapons material we've got a problem, no matter what the drawings show. But the reality is those people who were against the war will be against the war and will take this as yet another reason for having been against the war. And those who are in favor of war will dismiss the absence of WMD and point to the fact that Saddam is gone. That debate is just going to continue. I don't think it's going to make a big difference internationally. Putin will make his case, Chirac will make his case, Blair and Bush will make their cases, and the WMD issue is just going to further prove to each side that they were right and the other side was wrong, no matter which side you're on.

MS. BRAINARD: On the burden question, which I think was an interesting way of posing the question. Even though the burden issue is really about the court of public opinion, that most of the fates of these men really rests on domestic opinion.

I cannot believe that George W. Bush loses a huge amount of sleep worrying about repairing the rift with President Chirac when he looks at his domestic political ratings. I've got to believe he's a little bit more focused on the economy. And my guess is that he feels pretty vindicated about his action in Iraq by the results.

If there is somebody who will come to this meeting extremely burdened by this rift, I would imagine it's Tony Blair because it actually matters tremendously for his domestic politics whether he can rebuild that important trans-Atlantic bridge.

QUESTION: My name is Mary [Mine].

I heard [Ikowski], an American attorney, speak about this road map and he was explaining that it is like the Indian reservations in the United States. There's no connection between the different Palestinian areas. Could you tell us a bit more about this road map and how will the Palestinians travel between these reservations? It seems to me that maybe there is, I heard that the Palestinians had accepted it, maybe I'm wrong about that. But maybe the terrorists haven't accepted it. So I would like you to speak about that, please.

MR. NESSEN: Is that an accurate description, Martin?

MR. INDYK: The road map is a set of directions, it's not a map of territory. I think it's a misunderstanding, although I didn't hear what he had to say. There are two different issues here.

One is the issue of what territory will be agreed on between the parties for the creation of a Palestinian state with provisional borders which is phase two of the road map. But the road map itself is a three-phased process of reciprocal steps that the two sides will take. First of all on the Palestinian side to act to disarm and dismantle the terrorist organizations and their infrastructure. On the Israeli side, to dismantle the illegal settlement outposts and pull the Army back out of Palestinian territories, and then move on to these negotiations which will establish the Palestinian state with provisional borders while phase three will deal with its final borders.

What the exact nature of the territory will be for that provision of borders has to be determined in negotiations. IT certainly will comprise the 42 percent of A and B area that are supposed to be under Palestinian Authority control as a result of the Oslo process. Those areas were not contiguous areas as drawn up by agreement. They resulted in large areas that were separated from each other. But I think it would be understood as the objective of the negotiations from the stated provision of borders that there will have to be in the West Bank contiguous Palestinian territory and that's precisely why Arik Sharon in a recent interview said that he was ready to evacuate some settlements, not just the illegal ones but other settlements, because that is what would be necessary to provide for contiguous territory.

I hope that explains the difference.

QUESTION: [inaudible], Turkish Business Federation.

I am personally very much concerned between the divide between the U.S. and Europe and I have two interrelated questions, to Ivo, perhaps.

The first one, how far can this divide go? And the second one, what would be the implications of this divide on third countries? I mean by that countries in Central Europe, countries in the Balkans, and countries like Turkey who are liable to join NATO or EU in the coming years.

MR. DAALDER: Those are both important questions. How far can the divide go? Very far. It's already very deep. But it can go much further and I think actually it will go much further.

We have reached a point at which the relationship that we've had for the past 50-plus years, we're not going to go back to that. We're not going to go back to the notion that American foreign policy is mediated through a trans-Atlantic lens. The first thing that Washington thinks about is what does Brussels think, or London or Paris or Berlin? We're past that. And the same is true for all European countries.

Nobody in Europe these days wakes up necessarily, even I would argue London doesn't wake up any more and say the first things, what does Washington think? Because 95 percent of the European agenda is Europe. There's still a lot of Europe to be built and a lot that needs to be done in that part of the world including dealing with the new countries from Turkey westward. So that's number one.

We are going to have a relationship between the United States and Europe that's more normal, the way countries relate to each other in this world. We're not going to go to war. We're going to have differences and non-differences. We're going to agree on some things and disagree on other things, and that's going to be okay.

We just came out of a really weird period in which our differences were not allowed to be brought to the full conclusion because we needed to be united in face of a common threat. It took us ten years to realize that the common threat is gone and I think every attempt to make new threats or new unifying elements from terrorism to AIDS to other forces of globalization aren't going to work because it isn't obvious that the U.S.-European alliance is the only thing that matters for the United States or Europe.

So the divide will be worse. But the result will not be necessarily bad, it just is going to

be different. Different from what it was in the last 50 years. It's within the more normal way in which Europe and the United States relate to each other which is strange and different only in comparison to the abnormalities of the past 50 years that the other countries will deal and be part of it. Sometimes they will agree with the United States, sometimes they will agree with other European countries. Most times they will be part of the European Union as they integrate. They will therefore, move on.

But what we've seen in the last year or two years in many ways is something that we are likely to see in the future. That is going to become the norm, not this notion that you can't have disagreement but God forbid we will be divided in the face of a common enemy. That was the norm 30-40 years ago. It's no longer the norm now. And we ought to start living with the notion that American foreign policy is not about NATO. It's not even about Europe. It's about America.

MR. NESSEN: Ivo, just to be a little bit more specific. Did Turkey's position on the Iraq war help or hurt its entrance into the EU?

MR. DAALDER: I actually don't think it matters one way or the other, in the sense that the issue with Turkey is not about whether it supports the United States on Iraq for the EU. It has to do with the economic development, with its political and humanitarian developments. And is France more likely to vote for Turkish entry because they said no to basing? I don't really think so. Is Germany more likely to be one way or the other? I don't think that's going to be the dividing line.

MS. HILL: The one issue I think we should be mindful of, and maybe this is something that the Administration will move to address, is really the tone in which these differences are expressed. Because I agree with Ivo, it's not really a big deal, these differences, but it is important if these differences are basically ironed out in a tone of hysteria, which frankly we were seeing over the Iraq crisis. And I think what Lael said about the person who's most concerned about mending the rift is correct, it's Tony Blair. In fact the level of anti-Americanism in Britain right now is something that we should also be paying attention to.

It's not the case, as we know in the run-up to the war in Iraq, that the entire population of Britain was behind Tony Blair in his decision to stand by President Bush. In fact there was a lot of resentment over the way that the U.S. handled the whole situation, and the feeling that the U.S. really left Britain out to dry in many respects and has, since, not fully acknowledged Britain's participation in the war. There's a lot of differences over how the war itself was conducted and now how the reconstruction will go forward.

So, I think people in Britain are watching very carefully to see how the tone of American foreign policy will be expressed. It's those kind of more grandstanding and more strident statements from the Administration that the U.S. is first, which of course is the thrust of U.S.

foreign policy, that cause the problem. But it's more a question of how that is expressed that's the real issue and whether the nationalistic approach to foreign policy is toned down.

I think the rifts could get an awful lot worse if there isn't a change in style on the part of the Bush Administration in approaching countries with their differences.

QUESTION: Marty Crutsinger, Associated Press.

Can you discuss what the presence of China, Brazil, and India will do to this meeting? Are we about to see the G-8 become the G-11?

MS. BRAINARD: I think it's a question that's really asked every year. What happened in the year 2000 was after lots and lots of back and forth among the G-8 countries about whether to include leaders of developing nations -- at the time the focus was more on the poorest nations -- it was agreed that a meeting would be added onto rather than somehow pushing the G-8 to evolve into this more inclusive structure. So what we've been seeing are sort of variations on a theme, and it's quite possible that what will evolve as kind of an interim step is that every year we will see the G-8 meet with some expanded group of leaders that includes the most sort of important developing nations as well as some of the representative groups, leaders of some of the representative groups, and some of the poorest nations.

So I would not be surprised to see this kind of hybrid evolve for some period of time. Their agenda, for what it's worth, tends to focus very squarely and exclusively on the economic agenda. It would be I think quite surprising and some time for it to move into some of the regional geopolitical issues that the G-8 had now started to address. But it also does provide opportunities for an expanded set of bilaterals. So we have heard that President Bush is considering a bilateral with [Hujin Tao] of China, for instance, and that does give a lot more interest to the variety of bilateral issues that could be dealt with on the outskirts or surround sound of the G-8.

QUESTION: Martin Weiss, Congressional Research Service.

Regarding Iraq, at the meeting what action do you expect to see regarding first direction to the IFIs, the IMF and the World Bank; and second, regarding setting up a donors conference?

MS. BRAINARD: I think the Finance Ministers have already talked about the intention to hold a donors conference and the question that was left unresolved is the date. I really don't have any information as to whether the date might be something that's a deliverable at the leaders meeting.

Similarly, beyond the resolution, I wouldn't expect a lot more specificity coming out at

the leaders level about what the precise nature of the IMF/World Bank role would be.

QUESTION: [inaudible]

I'd like to know how the G-8 leaders will deal with the issue of North Korea's nuclear weapons program. Japan and the United States will want a strong G-8 message on this issue to include pressure to North Korea. Can the leaders [inaudible]? Will that be a major focus?

MR. DAALDER: My sense is it's not going to be a major focus but you will get a statement that presumably is going to endorse the current mind you have, which is the demand in North Korea to come back into compliance with its agreements and a willingness to conduct negotiations in a multilateral fashion. Those are pretty vague in terms of the specifics because this is the wrong forum to deal with that kind of issue.

Remember, President Bush said this is a "regional" in his press conference a month or two ago, I guess, in early March. And this is the wrong forum in order to deal with it.

But there's no doubt that in the leaders statement they will very clear their unhappiness with what's happening on North Korea, if only because the Japanese and the Americans will insist on it. There's nobody really who disagrees with that.

IF there's one thing we and France agree on it's North Korea. The French are probably even more willing to be tough than we are and have been all along for the past six or seven years.

QUESTION: My name is [inaudible] from Erkutz Newspaper. My question is to Martin Indyk.

How are the Europeans likely to view the mixed messages that are coming out of Washington --

MR. NESSEN: Can you speak into the mike please? I can't hear you.

QUESTION: How are the European leaders like to receive the mixed messages coming out of Washington? They're worried about the ability, the National Security Advisor and Everett Abrams taking a tour of the [inaudible] the settlements and getting satisfied that the settlements are really a vital security need for Israel; and on the other hand a commitment and [inaudible] as a matter of fact from the White House about the [inaudible]. And if we were to borrow Ivo's graph and take it to include the [inaudible] for instance, and the fact that there is a great deal of mobilization happening around town by Tom DeLay and others against the road map, how would that affect it?

MR. INDYK: First of all I think you've misconstrued the visit of Hadley and Everett Abrams. The one thing that people in the Bush Administration seem to care about -- It's not so much the road map, it's more the settlements. And there's I think a surprising degree of interest in seeing a settlements freeze which expresses itself in the very strong wording that the President has repeatedly used in this regard. So I think you misinterpret what happened there.

As I understand it, the visit of Hadley and Abrams relates to your second question, that is how Bush is going to deal with Sharon. Sharon hasn't been to the ranch, but he's referred to as the President's good friend Ariel. His nickname is actually Arik, but the President calls him Ariel. [Laughter]

But the point here is that the President appears to want to move forward, to actually do something. And as somebody who has been very skeptical of his intentions, I'm actually prepared to give him the benefit of the doubt, that he actually does want to do something.

But if he is concerned about domestic constituencies, as he has to be, as Lael suggested this in another context, he has to be concerned as he goes into election season not about the Tom DeLays and the Christian Right because they have nowhere else to go. They're not exactly going to vote for Democratic candidates. There's no Republican primary. So I don't think he can be too much concerned about that. But he is going to be concerned about the Jewish community. Recent polls have suggested that he could get as much as double the Jewish vote that he got in the last elections, from say 18 percent to 36 percent or higher, which would be of considerable importance in a state like Florida. He wouldn't have to worry about chads any more. And given the importance of Florida to his election victory, that is significant indeed.

But here again, I think that the conventional wisdom is wrong. The Jewish community would like to see the President move forward, move the parties forward in a way that would end the terrorism and remove this dark cloud that hangs over Israel's future. Notwithstanding some extreme statements by some Jewish leaders. I think that is where the bulk of the community is. They regard him as a true friend of Israel as his actions have demonstrated over the last two years. So he's got a lot of credit in the bank in that regard.

And here comes the point about Elliott Abrams and Hadley and Sharon, is that the President's approach I believe is designed to reach an understanding with Sharon to go forward in this process with Sharon rather than against Sharon. Again, here we have the simplistic notion that the only way in which a viable process can move forward is if the United States pressures Sharon. But in fact there's a way forward that would be based on a strategic understanding reached with Sharon about that second phase I was talking about, the state with provisional borders. Believe it or not, that was an idea that Arik Sharon first thought of and he brought it up back in 1993, I believe. It was his proposal. There's no reason why the President and he cannot

reach an understanding about how to move forward on that, provided of course that there is a serious move by Abu Mazen and Mahamoud [inaudible] against the Palestinian terrorists.

I think that's what the President intends to do when he eventually meets with Sharon. If he does the, if he reaches an understanding with Sharon about how to proceed in a meaningful way on this road map then I think he has very little to fear about his Jewish constituency, his potential Jewish vote. So I think that's what it's all about. The Hadley-Abrams visit was designed to lay the foundations for that conversation which hopefully will produce a strategic understanding.

MR. NESSEN: Thank you all very much for coming. As I say, more information on all these issues is available on the Brookings web site at Brookings.edu and you can arrange one-on-one interviews with our panelists and other scholars at Brookings if you call Carmen Johnson at 797-6310.

Thank you.

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