"Thank you, Ron. It's an honor to be here today. I appreciate that introduction. Thank you also Uzi Arad for all you and Ron do together to make this conference possible. It's good to be with you today at the Herzliya Conference. It's been a busy day for me today. I began with breakfast with Mel Sembler here in Jerusalem, saw the sun rise, and then along with friends, we traveled together to the border with Gaza, and then helicoptered to Alfe Menashe and then we helicoptered further to the Lebanese border. And we just made it in a few moments ago.

"I am glad to be in Israel again - in a country I love, with people I love. It's been 10 years since I was last here - then, for about 10 days or so - and the country has changed a great deal in that time. One, it's a lot greener - even more trees - more highways. I was really struck, however, by how vibrant the economy is. I must admit that as someone who spent most of his life in the private sector working with businesses, I have great respect for the ingenuity and the resilience of Israel's workers and entrepreneurs.

"But the changes are not only economic and they are not only positive.

"And it is not just that Israel that has changed - the world has changed.

"Unfortunately, many in our world have not caught up with the new strategic paradigm which we as a world face.

"In that old view, the Arab-Israeli conflict was thought of as an intractable regional conflict. One that drags on...that should be resolved...but is not part of a global threat to the world order.

"9/11 changed that. Or it should have. Contrary to the Baker-Hamilton Commission, resolving the Arab-Israeli conflict will not magically mollify the jihadists.

"What we should have realized since 9/11 is that what the world regarded as an Israeli-Arab conflict over borders represented something much larger. It was the oldest, most active front of the radical Islamist jihad against the entire world. It was not really about borders. It was
about the refusal of many parts of the Muslim world to accept Israel's right to exist - within any borders.

"This distinction was brought into clear focus this summer. The war in Lebanon had little to do with the Palestinians. It had nothing to do with a two-state solution. It demonstrated that Israel is now facing a jihadist threat that runs from Tehran through Damascus to Southern Lebanon to Gaza.

"As Tony Blair quite accurately put it, Hezbollah was not fighting 'for the coming into being of a Palestinian state...but for the going out of being of an Israeli state.'

"Yet I don't think we have still not fully absorbed the magnitude of the change. I think it is critical that we understand that as far as our enemies are concerned, there is just one conflict. And in this single conflict, the goal of destroying Israel is simply a weigh station toward the real goal of subjugating the entire world.

"Jihadism - violent radical fundamentalism - has emerged as this century's nightmare. It follows the same dark path as last century's nightmares: fascism and Soviet-styled communism.

"In America, the attack by Al Qaeda has led some to believe that we are threatened by a band of fanatics that live in the mountains of Afghanistan and Pakistan. They imagine that if we could only get Osama Bin Laden and put him away, all this unpleasantness would simply end.

"But Jihadism is much, much greater. Jihadists are among Sunni and Shia, promoted by Hezbollah and Hamas and the Muslim Brotherhood, financed by knowing and unknowing Muslim governments, and preached to hundreds of millions in many nations. Their goal is the overthrow of moderate, modern Muslim nations and their replacement by caliphate. Their strategy is the collapse of our economy, our government, and the military of our nations.

"To their eyes, this destruction is not delusional, but possible.

"In my country, as you can imagine, the focus is overwhelmingly on Iraq these days, and that's very much understandable and appropriate. We have some 140,000 men and women there, and there are more on the way, as you know. And we are suffering casualties. Indeed, as you probably saw over the weekend, this has been a particularly painful time for the United States just over the last several days. Thousands of American families continue to make the greatest sacrifice for security in Iraq. And for whatever mistakes America has made and the challenges which we now have before us, we must remain absolutely committed to making every effort for success there.
"And on that point, I would just like to make another additional thought. And that is that there are some Congressional leaders in the United States right now that are arguing that the President is not authorized to allow our forces in harm's way to pursue Iranian elements inside Iraq - which are attacking our own troops. That is simply folly.

"But today, I wish to focus on the regime that has become the heart of the Jihadist threat - Iran. I believe that Iran's leaders and ambitions represent the greatest threat to the world since the fall of the Soviet Union, and before that, Nazi Germany.

"Ahmadinejad has gone well beyond the boundary of outrage, beginning with his calculated desecration of history. Indeed, when he denies the Holocaust, he could care less about history - his point is about the present and the future. His purpose is not to deny the Holocaust, but to deny Israel. He is testing the waters. He wants to know who will object. And how will they register their objection.

"The Iranian regime threatens not only Israel, but also every other nation in the region, and ultimately the world. And that threat would take on an entirely new dimension if Iran were allowed to become a nuclear power. And just think of the signal a nuclear Iran would send to other rogue regimes with nuclear ambitions - this could be the tipping point in the development and proliferation of nuclear regimes.

"How should the civilized world respond to this challenge?

"Our first task should be to dispense with three major schools of wishful thinking:

"The first school concedes that Iran must not be allowed to go nuclear. But that's where the certainty ends. Beyond that recognition, there is only hope - hope that Iran's weakening economy and political rivalries will yield a change in the government's leadership. We're all hopeful, but that's not a strategy.

"The second assumes that it's possible to live with a nuclear Iran. That thinking is based on the theory that Iran, once granted the privilege of joining the nuclear club, will be a responsible actor.

"Neither their words nor their records justify that conclusion.

"The third school believes in the logic of deterrence, which served us through the Cold War, and they think it will apply to Iran. But for all of the Soviets' deep flaws, they were never suicidal. A Soviet commitment to national survival was never in question. This assumption
simply cannot be made about an irrational regime that celebrates martyrdom.

"Each of these three schools of thought represents a rationale for inaction, rather than a strategy for success.

"Each would in all likelihood yield the same result - an Iran that is nuclear, threatening the world, or worse. They should be rejected. And they should be replaced with an understanding of two fundamental realities:

1) Iran must be stopped
2) Iran can be stopped

"It's inconceivable to me that some could think otherwise. Their view has to be based upon disbelief - disbelief that Iran's regime means what it says.

"Few believed that Hitler meant what he said when he called for the destruction of the Jewish people in Mein Kampf.

"Few believed what Osama bin Laden said, and then came 9/11.

"As you know, the 9/11 Commission found numerous failures on our part - failures of intelligence, failures of coordination and communication, failures of analysis. But they found that the most critical failure was this: a 'failure of imagination.' Americans simply could not believe that people would crash airplanes full of innocent people into buildings full of innocent people.

"Since these things happened, can we really dismiss horrific threats as mere rhetoric?

"A nuclear Iran is unacceptable because, as Defense Secretary Robert Gates pointed out in his confirmation hearings, we have no way of guaranteeing that Iran will not use a nuclear weapon.

"Many people do understand that Iran must be stopped, but they just don't think it's possible. They see the modest sanctions that the UN took three years to produce. They see Russia refusing to end its cooperation with Iran's nuclear program. They conclude that the UN Security Council will never produce sanctions tough enough - and soon enough - to stop Iran.

"What is less appreciated, however, is what the US and Europe can do. Yes, we should continue to encourage China and Russia to work with us at the UN Security Council. And
from my meetings in Israel over the past few days, and in China a couple of months ago, I have reason to be more optimistic about the role China can play.

"But we can't sit idle while we wait for more cooperation: The US and Europe can do much more to exploit the vulnerabilities of Iran's regime.

"In considering a strategy, I think we have to remember that the government and the clerics in Iran are not the sole center of power there. The people of Iran also represent a major source of power. By and large, they have not been as radicalized by their government and clerics. They fear economic stagnation and they fear political repression. Most are not seeking a military confrontation with the West. Indeed, most want greater engagement with the West - there's a reason, for example, why there are more than 75,000 bloggers active in Iran today. A successful strategy on our part has to consider and encompass the people of Iran, as well as their leaders.

"That being said, let me just talk for a moment about a strategy which I think should be pursued. It includes five major dimensions:

"First, we should continue to tighten the economic sanctions. Our model should be at least as severe as the sanctions we imposed on Apartheid South Africa. We should demand no less from the international community today than we gave then.

"The Bush Administration, I believe, deserves credit for the efforts it's made on the economic track so far. The Administration's campaign to deny Iran access to the international banking system is crucial. The US and Europe should ensure that Iran finds it very difficult to obtain credit - very difficult to make purchases in foreign currencies.

"We also have to be imaginative in the way we pressure Iran economically and send a message to its leaders and its people that the world is not happy. In my meetings in Israel this week, I have become aware of a potential US pension system to further isolate the Iranian economy. We should explore a selective disinvestment policy. After a series of briefings here, I actually contacted the Treasurer of my own state of Massachusetts and the Governors of some of the neighboring states to begin this process. They are going to begin meeting today with senior Israeli leaders that are in Boston today.

"Second, we need to impose diplomatic isolation of Iran's Government. Ahmadinejad should not be provided the trappings, and respect, and recognition of a responsible head of state as he travels. In fact, when former Iranian President Khatami traveled to Boston last year to lecture at Harvard University, I denied him state police security for his visit. Of course, the real question is: why did Harvard invite him in the first place? I was in another foreign capital traveling and I saw a 707 I believe it was and flags draped along the passageway from the doorway all the way to the terminal, flags a red carpet, and I asked, 'Who's that?' And they said, 'Oh President Ahmadinejad is here visiting.' And I thought 'Is that the kind of
welcome for a man who says what he said?' I don't believe that's what should happen in this country, in this world. Ahmadinejad, of course, is even more strident and violent spokesman than Khatami was. He should neither be invited to foreign capitals nor feted by foreign leaders. This would have an important symbolic significance, not just to Ahmadinejad, but to the people of Iran. The message must be heard loud and clear.

"Diplomatic isolation should also include an indictment of Ahmadinejad for incitement to genocide under the Geneva Convention, excuse me the Genocide Convention. The United States should lead this effort.


"Article III of the treaty establishes 'public incitement to commit genocide' is a punishable crime. Every signatory to this treaty shares an obligation to enforce it. So do human rights groups that care about international humanitarian law.

"Nobel Prize Winner Elie Wiesel, and human rights advocate and former Canadian Justice Minister Irwin Cotler have spoken out on this issue.

"In addition, former U.S. Ambassador John Bolton has been a forceful advocate for this effort, and he's joined by Alan Dershowitz. If these two can agree, there must be something to it.

"Third, Arab states must join this effort to prevent a nuclear Iran. These states can do much more than wring their hands and urge America to act. They should support Iraq's nascent government, they can help America's focus on Iran by quickly turning down the temperature of the Arab-Israeli conflict, stopping the financial and weapons flows to Hamas and Hezbollah, thawing relations with Israel, and telling the Palestinians they must drop terror and recognize Israel's right to exist.

"Fourth, we have to make it clear that while nuclearization may be a source of pride to the Iranian people, it also should be considered as a source of peril. The military option remains on the table. And further, any people should know that if nuclear material their own nation develops falls into the hands of terrorists and would be used that would surely provoke a devastating response from the civilized world to any who provided that fissile material.

"Fifth, our strategy should be integrated into a broad approach to the broader Muslim world. I agree with our friend, former Prime Minister Aznar of Spain, that a central purpose of NATO should be to defeat radical Islam. And I believe this has two critical dimensions. On the one hand, is an unquestionably capable military. That's key. That's at the heart of things. That will mean a greater investment by the United States as well as other nations. But there's a second dimension as well. It's what I'll call a partnership for progress - a global partnership which includes NATO and other allies. Its mission would be to support progressive Muslim communities and leaders in every nation where radical Islam is battling modernity and
moderation. This Partnership for Prosperity should help provide the tools and funding necessary for moderates to win the debate in their own societies. They need secular public schools, not Wahhabi schools, micro credit and banking, the rule of law, adequate healthcare, human rights, and competitive economic policies. In the final analysis, only Muslims will be able to permanently defeat radical Islam. But we can and should help.

"We should remember that in the two other global confrontations with totalitarianism in the past century, it was not always obvious that the West would prevail. Indeed, in those conflicts, the balance of power was not always in the West's favor. Those were wars we could have lost, but we did not.

"In the current conflict, the balance of forces is not nearly as dangerously close as it was during the moments of World War II and the Cold War. There is no comparison between the economic, diplomatic, and military resources of the civilized world and the weak terrorist states that threaten us.

"In those previous global wars, there were many ways to lose, and victory was far from guaranteed. In the current conflict, there is only one way to lose, and that is if we as a civilization decide not to lift a finger to defend ourselves, our values, and our way of life.

"It is time for the world to plainly speak three truths:

One, Iran must be stopped.
Two, Iran can be stopped.
And three, Iran will be stopped

"Thank you so much."