

Thank you very much, Ziad, for that introduction and for your leadership of this important organization, and for you and the steadfast support that ATFP has given to the cause of peace. I am pleased that there are so many friends and colleagues here tonight, and it is especially gratifying for me to have this opportunity to address you.

Before I begin, however, I want to take a moment to express our government's strong condemnation of today's disturbing reports of arson at a school warehouse near Nablus. There is never any justification for violence against civilians, and an attack against a school is particularly outrageous. These incidents cannot be tolerated. We hope for a swift investigation. And our thoughts and prayers are with those whose families have been affected.

We meet at a time when we rightly can join together to celebrate the achievements and the mission of the American Task Force on Palestine and the four extraordinary Palestinian Americans that are being honored tonight. A soldier, a poet, a playwright and a builder – each story is unique but together they represent the talent and dynamism of the Palestinian American community and the Palestinian Diaspora around the world. In big cities and small towns across America, Palestinian Americans are contributing to the richness of our culture, the strength of our economy, and the liveliness of our democracy.

The American Task Force on Palestine is also contributing to our country and our tradition of citizens gathering together to express their views and help shape the national debate.

Now, when it comes to the conflict in the Middle East, it is all too easy for positions to harden into dogma, for tempers to flare, for rhetoric to outpace reality. But you have provided a welcome voice of reason and a steady advocacy on behalf of a just, lasting, and comprehensive peace in the Middle East.

You have helped us see past the false choices of this conflict: Being pro-Palestinian does not mean you must reject Israel's right to exist. (Applause.) And being pro-Israel does not mean you must deny the legitimate aspirations of the Palestinian people. (Applause.) The path to security and dignity for both peoples lies in negotiations that result in two states living side by side in peace and prosperity, and a comprehensive peace in the entire region.

As this organization has emphasized, that outcome is also in the interests of the United States, as well as the people of the region, and even people around the world. But most of all, it is in the interests of both Palestinians and Israelis.

I have spoken frequently over the last year about why a two-state solution is critical to Israel's long-term future. America's commitment to Israel is rock-solid and unwavering, and we will continue making this case openly and often because we see that as the best way for Israel to safeguard her future.

But tonight I want to focus on why a two-state solution is essential to the future of the Palestinian people. Ziad referenced my time as First Lady. And as First Lady, I may have been the first person ever associated with an American administration to call for a Palestinian state and the two-state solution. (Applause.) This goal is now the official policy of the United States.

And for Palestinians, a two-state solution would mean an independent, viable, and sovereign state of their and your own; the freedom to travel, to do business, and govern themselves. Palestinians would have the right to chart their own destinies at last. The indignity of occupation would end and a new era of opportunity, promise, and justice would begin.

It is difficult to think of anyone who has worked harder or longer to realize the dreams of the Palestinian people than President Mahmoud Abbas. Decades ago, it was Abu Mazen who saw that only through negotiation and nonviolence would – could – these aspirations become real. He has persevered through many difficult times and remained firm in his faith that an independent Palestine living side by side with Israel in peace and security is both possible and necessary. (Applause.) He is a champion for the people and he is a champion for peace. Because President Abbas understands that the path that must be trod toward that state proceeds down two simultaneous tracks: negotiations between the parties and institution building that prepares Palestinians to govern themselves as we move toward, and after, an agreement is reached.

Negotiations are not easy, but they too are absolutely necessary. It is always easier to defer decisions than it is to make them. As much as the United States and other nations around the world want to see a resolution to this conflict, only the parties themselves can take the difficult steps that will lead to peace. That is why the Obama Administration is working so hard to support direct talks that offer a forum for both sides to grapple with the core issues in good faith. There is no substitute for face-to-face discussion and, ultimately, for an agreement that leads to a just and lasting peace. That is the only path that will lead to the fulfillment of the Palestinian national aspirations and the necessary outcome of two states for two peoples.

But before I go further, I'd like to say a few words about the state-building track. Now, it may receive fewer headlines, but I believe, and many of you do as well, it is critically important.

Today, although Palestinians still have many obstacles to overcome, it is easier than ever to envision an independent Palestine able to govern itself, uphold its responsibilities to provide for its own people, and

ensure security. This gives confidence to negotiators on both sides and hope to those who have long looked forward to that day.

Under President Abbas and Prime Minister Fayyad's leadership, and under Prime Minister Fayyad's two-year plan, the Palestinian Authority is going beyond rhetoric and actually building a new reality. It is reversing a history of corruption and working hard to produce results that matter in Palestinians' daily lives.

The pace of reform accelerated this year. The streets are safer, courts are handling more cases, taxes are being collected more efficiently. In the first half of this year, revenues were 50 percent higher than in the same period in 2009.

This has fueled continued economic growth. New businesses are opening. More than 100 new companies were registered in the West Bank in August alone – everything from venture capital funds to local hardware stores. As a result, more and more Palestinians are finding jobs. Tourists and business travelers are arriving every day to take advantage of the improved security and economic climate. In fact, a new five star hotel is due to open in Ramallah this month.

Of course, considerable work remains. On the security front, the improvements have been impressive, but Palestinians could do more to discourage and denounce incitement that inflames tensions and undermines cooperation. On the economic front, many smaller communities have yet to see the benefits of greater prosperity. Unemployment remains high – above 15 percent in the West Bank and nearly 40 percent in Gaza during the second quarter of this year. So we can all do more to work together to reduce the Palestinian economy's dependence on foreign assistance and promote sustainable growth – especially by increasing foreign investment, not just more aid, making it easier for people and goods to move in and out of the territories.

The work we've already done with the Palestinians and Israelis in these areas shows the impact we can have when we focus our efforts – and makes the case for why all of us must do more.

The Palestinian people have many partners who are working and investing every day to improve life in the West Bank and Gaza and to help lay the foundations of a future state. Private companies, philanthropies and foundations, universities – all of them are contributing expertise, energy, and effort.

And there are many more who are looking to make a difference. The United States has launched a new initiative called Partners for a New Beginning, a regional initiative that is one of several efforts to bring together key players to focus on solving specific challenges. And our government remains fully committed.

For example, last year we invested nearly \$2 million to upgrade and reopen the Jalameh crossing between Israel and the northern West Bank, adding new lanes and inspection sites. As a result, the number of vehicles able to cross has steadily increased from zero to slightly – to roughly around 7,500 cars and buses per week. Now, this has had an impact: Arab Israeli shoppers spent an estimated \$12 million in Jenin this quarter. The markets are full and the streets are crowded and there's even a new movie theater.

We have also worked with the Palestinian Authority, Israel, and our international partners to ease the situation in Gaza and increase the flow of needed commercial goods and construction supplies, while taking appropriate measures to ensure they don't fall into the wrong hands. Last week alone, consistent with the Palestinian Authority's focus on addressing water and electricity needs, more than 1,000 truckloads entered Gaza with food and goods like steel bars and cement to modernize the Gaza City waste water treatment plant, and

electricity poles to upgrade power distribution. This is helping the people of Gaza and cutting into the illicit tunnel trade that has enriched Hamas and undermined the rule of law.

Now, we still need many more steps from Israel to enable more economic activity in Gaza, including exports that bolster legitimate business enterprises. (Applause.) Our goal is to support sustainable economic growth in Gaza, and it's a little-known fact that the Palestinian Authority is the principal financial supporter of Gaza. The people in Gaza are dependent upon the Palestinian Authority, which is another reason why the increase in economic activity in the West Bank is not only good for those who live in the West Bank, but those who live in Gaza as well.

To help spur private investment through the Palestinian territories, this summer the United States helped sponsor the Palestine Investment Conference in Bethlehem, which generated \$655 million in pledges targeted at high-growth sectors.

So Palestinians should take pride in all that has been accomplished in a short period of time. And the World Bank recently reported that if the Palestinian Authority maintains its momentum in building institutions and delivering public services, it is, and I quote, "well-positioned for the establishment of a state at any point in the near future." (Applause.)

Last month I visited Ramallah and saw this progress firsthand. After we crossed the Beituniya checkpoint, well-equipped Palestinian security officers lined the road. They are more professional and capable than ever thanks to strong leadership and increased training that the United States has helped to assist. (Applause.) Thank you. (Applause.) We drove into the city and I could see new apartment buildings and office towers rising from the hills. The streets pulsed with commerce and activity.

But as I looked at the faces of the men and women who came out of their shops and homes to watch us go by, it was impossible to forget the painful history of a people who have never had a state of their own. (Applause.) For most Americans, it is hard, if not impossible, to imagine living behind checkpoints and roadblocks, without the comforts of peace or the confidence of self-determination.

Economic and institutional progress are definitely important, indeed necessary, but not sufficient. The legitimate aspirations of the Palestinian people will never be satisfied until there is a two-state solution, a two-state solution ensuring dignity, justice, and security for all. (Applause.)

Now, I know that there are those who think that if they wait, scheme, or fight long enough, they can avoid compromising or negotiating. But I am here to say that that is not the case. That will only guarantee more suffering, more sorrow, and more victims.

Violence in all forms is a dead end that perpetuates the conflict and empowers those on both sides who would exploit cynicism and discord. That is no path at all. (Applause.) Nor is it viable to build the institutions of a future state without the negotiations that will ultimately create it.

We have no illusions about the difficulty of resolving the final status issues of borders and security, settlements and refugees, of Jerusalem and water.

And it's no secret that we are in a difficult period. When President Abbas and Prime Minister Netanyahu came to Washington last month to re-launch direct negotiations, we knew there would be setbacks and struggles.

Our position on settlements is well-known and has not changed. (Applause.) And our determination to encourage the parties to continue talking has not wavered.

I cannot stand here tonight and tell you there is some magic formula that I have discovered that will break through the current impasse. But I can tell you we are working every day, sometimes every hour, to create the conditions for negotiations to continue and succeed. We are urging both sides to avoid any actions that would undermine trust or prejudice the outcomes of the talks. Senator Mitchell will soon return to the region for further consultations. We have not given up and neither have President Abbas or Prime Minister Netanyahu.

We remain convinced that if they persevere with negotiations, the parties can agree on an outcome that ends the conflict; reconciles the Palestinian goal of an independent and viable state based on the 1967 lines, with agreed swaps – (applause) – and Israel's goal of a Jewish state with secure and recognized borders that reflect subsequent developments and meet Israel's security requirements. (Applause.) This will resolve all the core issues and, as President Abbas said the other day, end all historical claims.

Now, in any tough negotiation, it is natural to focus on what we are being asked to give up. But it is important to keep in mind what you, the Palestinians and Israelis, stand to gain. In this case, the benefits are undeniable. You can't put a price or a value on dignity, but it's a very precious commodity. (Applause.) Justice and security. For both Israeli and Palestinian children alike, they deserve to grow up free from fear and to live up to their own full God-given potential. As long as this conflict continues, that will never be possible.

Bold leaders are called to rise above obstacles and seize opportunities to make history and put their people on a path to a better future. Since

the beginning of September, I have spent hours and hours talking with the president and the prime minister. I have listened to them and I have watched them engage with each other. They are serious about this effort, they are grappling with the core issues. I am convinced they want to the leaders who finally end this conflict.

But they cannot do that without support from their people, and not only their people living in the region, but their people living here and elsewhere around the world. All of us who are committed to peace and the right of both peoples to live in security and dignity have a responsibility to do what we can to help them succeed. You who are Palestinian Americans are here tonight because you understand that. And this organization has stood for that over so many years.

The Arab states and the people of the region have a strong interest in resolving this conflict and they too have an important role to play. I deeply appreciate the support that Arab leaders and nations have provided for direct talks and for the vision embodied in the Arab Peace Initiative. I hope they will all continue to support the Palestinians in their diplomatic efforts and the state-building work on the ground.

The Palestinian Authority needs a larger, steadier, and more predictable source of financial support. The United States is proud to be the Palestinian Authority's largest donor. (Applause.) The European Union has stepped up as well. But the broader international community, including many Arab states, can and should provide more financial support. (Applause.) It takes far more than commitments and plans to support making the State of Palestine a reality. And in fact, as the Palestinian economy has increased, the need for future assistance has decreased, but there is still a gap and that gap has to be filled.

So as we press ahead with diplomacy, I hope that Arab states will also consider how to begin implementing the Arab Peace Initiative in concrete terms to turn that proposal into a reality as well. (Applause.)

And finally, those states in the region that are supplying weapons to groups such as Hezbollah and Hamas must stop. (Applause.) They should publicly reject the divisive voices who seek to discourage peace. And I will repeat today what I have said many times before: Gilad Shalit must be released immediately and returned to his family. (Applause.)

People on all sides of this conflict must choose to move beyond a history they cannot change to embrace a future they can shape together. (Applause.)

The poet Naomi Shihab Nye, whom we are honoring tonight – (applause) – understands this. She writes powerfully about the unfulfilled aspirations of the Palestinian people. "What flag can we wave?" she asks. But she also says, "I'm not interested in who suffered the most. I'm interested in people getting over it." (Applause.) And that is the biggest obstacle of them all. I know people cannot forget. I know most people cannot forgive. But I do know also that the future holds the possibility of progress, if not in our lifetimes then certainly in our children's.

I spend much of my time now as Secretary of State traveling around the world, speaking with people who find it so hard to move beyond the past. It is not just in the Middle East that that remains a challenge.

And yet when I speak with young people, they are focused on tomorrow. And they deserve that tomorrow – a tomorrow filled with opportunities for them to make their own destinies and to help their own people realize that collective aspiration.

The American Task Force for Palestine has been a consistent advocate for this path, and I thank you for your efforts. But I know that some in this room, like many across the region and the world, have your doubts about the prospects for peace. So let me appeal to you tonight: Please don't give up in the face of difficulty.

Through your charitable work, you already make important contributions to the progress that is happening on the ground that is literally changing Palestinian lives. You have funded thousands of cataract operations that helped Palestinians see again. Students in the West Bank are learning on laptops because of your generous support. But there is so much more to be done. The Palestinian American community has so much talent and expertise. So please continue putting it to work helping build the future Palestinian state. Offer legal advice or medical training. Invest in the economy, help build the infrastructure. The Palestinian people, as you yourselves know so much better than I, are hardworking, resilient people. They're ready to work. They're ready to govern themselves. But they can't do it on their own.

There is another way you can contribute as well. Many of you are leaders in your own communities. Others, here and over there, take their cues from you. So when you leave tonight, I hope you will be champions for this cause. Keep writing and speaking, keep working for tolerance and understanding, keep building a broad constituency for peace that will support and even insist on the hard choices that are needed. In the end, peace is not made just at the negotiating table; it's made around the kitchen table. It grows from the quiet determination of people, men and women, who are willing to stand up and declare themselves advocates for peace. I've seen this happen in conflicts from Latin America to Europe to Africa to Asia. I've seen warriors who were once aiming guns at each other sitting down and planning a new way forward for governing together. I've seen women who feared every day

that their husband went to work or their son went out at night that he wouldn't return, working with women on the other side of that divide to find a way to understand. But not just stopping there – changing attitudes and building institutions together.

This is not easy. If it were, anybody could have done it already. We've had leaders who have given their lives to this work, and now we have a moment in time that we must seize. I urge you to help lead the way.

And I promise you this: The Obama administration will not turn our backs on either the people of Palestine or Israel. (Applause.) We will continue working for and, God willing, achieving the just, lasting, and comprehensive peace that has been a cornerstone of U.S. policy for years.

I thank you for what you have already done. I thank you for your commitment. I congratulate the honorees. And I challenge you to be part of the most important work there is, the work of peace. God bless you. (Applause.)