

THE BROOKINGS INSTITUTION

SABAN FORUM 2014

STORMY SEAS: THE UNITED STATES AND ISRAEL
IN A TUMULTUOUS MIDDLE EAST

A CONVERSATION WITH ISAAC HERZOG, ISRAELI CHAIR OF THE
LABOR PARTY AND LEADER OF THE OPPOSITION

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Leader of the Opposition

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National Correspondent
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P R O C E E D I N G S

MS. WITTES: Ladies and gentlemen. Ladies and gentlemen, please take your seats and we can continue with our program for the evening. Ladies and gentlemen, please take your seats. Thank you. Thank you. Thank you so much. Good evening once again. I'm Tamara Wittes, Director of the Center for Middle East Policy at Brookings, and I'd like to personally welcome all of you and thank those of you who traveled so far to be part of our dialog. As Strobe noted earlier, the Middle East is often a trouble spot, and since 2002, our center has worked to help charge the path to a peace, a Middle East at peace with itself and with the world. We boast a dozen resident scholars and an incredible group of non-resident fellows who hail from all across the Middle East as well as working here in our headquarters in Washington. And along with special events like this Saban Forum, our scholars field research in places like Iraq and Yemen, their powerful writing, their testimony before Congress, their briefings to senior

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officials -- those are at the heart of our work. I'd like to ask all of our Brookings scholars around the room tonight to just stand for a moment so that we can recognize you. (Applause) Thank you. Thank you so much. And now, ladies and gentlemen, we are in for a treat, for the second part of our program. As Mr. Saban noted, sadly, Foreign Minister Lieberman was not able to join us because of the loss of his mother but I think the program we have this evening is more than a replacement. It is spotlight newsworthy in its own right, a conversation between our good friend Isaac "Buji" Herzog and Jeffrey Goldberg. Now Buji, as you all know him, is the Chairman of Israel's Labor Party, the leader of the Parliamentary opposition. He's been a member of Knesset for more than a decade, and last year won a resounding victory in the Labor Party primaries, to become the party leader, and he's been a regular participant in our Saban forum for many years. But as Israelis begin a new political season with elections scheduled now for March 17th, I could not imagine a more timely opportunity to hear from

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Israel's opposition leader about his goals and his vision for his party and his country. And as before, to engage Javer Knesset Herzog in dialog, I am very pleased to welcome another regular forum participant, another friend of Brookings, Jeffrey Goldberg.

Jeffrey's a columnist for the Atlantic and Bloomberg View, writing primarily about the Middle East. He used to be an advice columnist too, but Jeffrey, I know that didn't last very long. He is the author of a wonderful book entitled "Prisoners: A Muslim and a Jew Across the Middle East Divide". Ladies and gentlemen, please welcome to the Saban Forum, Isaac Herzog and Jeffrey Goldberg.

MR. GOLDBERG: I just asked him what side he wants to be on and he said the right. (laughter) Note that. Thank you very much Tami. Thank you Haim, Martin, everyone who's here. And thank you. We've agreed before I end, to call ourselves Jeff and Buji. So, we're going to --

MR. HERZOG: Okay, no problem. No problem.

MR. GOLDBERG: There's a lot to cover

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tonight. I want to start though, with something that I call word association. (laughter)

MR. HERZOG: The point is don't ask, can I say three short sentences? One is that I of course join with all my colleagues from Israel in expressing heartfelt condolences to Minister Lieberman. Secondly, on a different note, to be grateful and thankful to Haim, Chairman Saban and Brookings and the Saban Forum, and lastly, I beg your pardon on behalf of all the Israelis who have flown here. So I'll deny it in the morning if their head falls apart, please understand.

MR. GOLDBERG: Are you suffering from jet lag right now?

MR. HERZOG: Who doesn't?

MR. GOLDBERG: Well that's good. That's good from my end.

MR. HERZOG: Don't worry. I know you're a shrewd journalist, and I'm ready.

MR. GOLDBERG: Shrewd is a code word. Shrewd is a code word for something.

MR. HERZOG: I read you constantly, so I know.

MR. GOLDBERG: (laughter) Let's actually start with the news of the moment. You took a long and possibly eventful flight here with, among others, Tzipi Livni, and there's a lot of interest right now in understanding whether you and Tzipi Livni and possibly others are going to try to merge your parties, merge your lists in order to form a potent center left block. Can you talk about this?

MR. HERZOG: First of all, I said, in the media, that I told my wife I'm going to invest in some couple owed with Tzipi over the weekend. (laughter) But seriously speaking, let's understand Israeli political scene for a moment. There is, and I'm here to present, also to each and every one of you, and break this notion that Netanyahu, or the (inaudible) is unbeatable. I am here to tell you that I will form the next government and I will lead Israel to a different direction. And it's feasible if we build the proper coalitions in Israeli politics.

MR. GOLDBERG: Okay, so Mr. Prime Minister, how are you going to build that coalition?

MR. HERZOG: I think you have to understand that it requires a lot of things. Number one, that our egos are set aside. I lead Labor -- Labor is the party that founded the State of Israel; it's deeply rooted in Israeli society. We believe, and I believe that from day one, since I took office, that we should have a front running together, of forces clearly. Tzipi Livni is a very distinguished Israeli leader and I would like very much to be able to join forces with her and her party, with other parties in the center. There has to be a centrist Israeli block that presents a clear alternative, unequivocal alternative to Benjamin Netanyahu.

MR. GOLDBERG: Now could you answer the question? Have you formed the list?

MR. HERZOG: Not yet. Not yet. Look, as you know all too well, these are processes. The elections were decided just in the last few days. The Knesset hasn't even finalized its dissolution yet.

We've seen in Israeli politics that you believe it only when you see it. Therefore, we are all in a process. I hope it will succeed. I believe clearly that Labor is the strongest element in this format. It should lead it. And I hope we'll be able to do it.

MR. GOLDBERG: Let me ask you a couple of questions about who you might serve in government with. Can you envision going into a government with Avigdor Lieberman's party?

MR. HERZOG: Let me explain, the game is a coalitions game. It's not a Presidential race. Whilst my recent polls are, or the national recent polls over the weekend gave me quite a nice leap ahead in terms of closing the gap with BB. At the end it's a coalitions game. A coalitions game means that you have to see what will be the day after. And this is what people don't get. There could be an interesting coalition of parties and leaders who will decide to form a coalition, a new coalition, and I hope that my capability of tying knots, of being able to bring people together, things which I've done also in

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winning Labor party primaries, as well as understanding the political vista, and I say it outright, for me, all partners are possible. From merits to Lieberman's party. The Arabs themselves always say they don't want to go into any coalition, but like in Robbin's coalition, they may be supported from the outside. Let me add and explain to the crowd who don't understand Israeli politics, something about what it means to be leader of the opposition. It ain't nothing like being a minority leader here, because we have in my opposition right now, eight parties, okay? It's a multi-party system. It's not Republicans and Democrats. In a multi-party system, today, I have in my opposition three Arab parties. I have a Muslim Brotherhood party in my opposition. We have the only legal Muslim Brotherhood party in the world or in the region. So, and we have ultra-orthodox parties. So we have to understand that all communities in Israel are represented, and I believe since I'm talking to all of them, and since I respect the unique structure of Israeli society, that we can

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work together, and build a coalition which will be different from the current right wing coalition.

MR. GOLDBERG: Let's talk about you and your candidacy, since you've announced that so forthrightly. You're obviously a man of accomplishment. You come from a very very famous family in Israel. But you are known in Israel as, let's say, a non-charismatic figure.

MR. HERZOG: Thank you. (laughter)

MR. GOLDBERG: You're welcome. No, no, no, no -- there's a certain assumption made about --

MR. HERZOG: Do you know how many charismatic leaders we had and what happened to them? (laughter)

MR. GOLDBERG: There's a certain --

MR. HERZOG: Just think about that.

MR. GOLDBERG: There's a certain understanding in Israeli politics, and maybe this is just conventional wisdom, received wisdom, that the voters want somebody, especially from the center or center left, who is either a general or is burly or

gruff and you know, no one would mistake you for Gabi Ashkenazy walking down the street.

MR. HERZOG: Gabi's here.

MR. GOLDBERG: I know he's here.

MR. HERZOG: He's a great guy.

MR. GOLDBERG: That's why I invoked his name. So talk about the barriers to your success among the voters. I mean, and then we'll talk about the Labor Party's barriers.

MR. HERZOG: No. It's combined. It's intertwined, where the staging of Labor is an issue of itself. Labor is staged right now in the center left. It should resume its role as a mother party of a major block, together with all the other parties which I mentioned, because Labor has the capability of being so. Labor is looking and talking to all the other members of the political scene in the same eye level and of course me. Now as for myself, since I don't intend to have kind of a psychological treatment with you, (laughter) the real story is the following. This is an innate fear that runs within Israeli society.

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Of all, where ever we see and hear around us, and you know what? It's a natural reaction of human beings. And my duty and role is to acquire enough trust in all of the data and the polls, people trust me. This is one of my virtues. They have to be able to trust in me. And this is what I'm focusing on. That's my main challenge.

MR. GOLDBERG: Answer this question, because security is the threshold for obviously a center or center left candidate -- who are your security gurus? Who do you look to? Because you're not yourself a general. Who do you look to on the Israeli spectrum for advice on matters of national security?

MR. HERZOG: There are wonderful people within the security and defense community who are willing to lend a hand, who are willing to give from their experience. We have some people within our party. We have people from the outside. There are very distinguished people, some of them even here. The issue is though, that we have, again to shatter this premonition. You know that we had a party, one of our

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lists that ran in the elections, either 2009 or before, that had half of its lists, only generals, and it didn't make a difference. If you ask me, the real issue is social economic. Once we believe of course, undoubtedly, and we'll talk about it, in breaking the umbilical cord and moving forward with the Palestinians and creating very strong security interests with Israel being fully fostered and nurtured, we give an answer on economic issues, and social issues. We must remember, the social protests of 2011. Summer of 2011 was a major watershed in Israeli history. It is something that I'm always inquisitive about in American politics and history. All of a sudden, the nation woke up and demanded that not security or peace, they demanded social justice. And they kept on saying social justice. And five percent of the nation's population gathered in a city square one night, demanding social justice, with no violence. A hundred years after the revolution in Russian, all of a sudden social justice, but in a Democratic sense. And they didn't get that delivered

to them. And the only party that can deliver it to them in a fair and square manner that will be fair for all, is Labor. And this is part of the real agenda battle between me and Netanyahu, because Netanyahu speaks constantly about two, three issues. All of them are important. But these are not the only issues.

MR. GOLDBERG: I want to come to this in a minute, but I do want an answer on this question of who you listen to in Israel, in security circles.

MR. HERZOG: Well I won't tell you.

MR. GOLDBERG: Why won't you tell us?

MR. HERZOG: Because some of the people don't want to be exposed. It's legitimate. We are all in a process. Believe me, I have a very strong security cadre and I hinted, and I said, we are talking to many people, and definitely I hope to be able to present a nice group of people who devoted their life to the defense of the state of Israel, who are going to be with me and with my party, or with our block.

MR. GOLDBERG: Let's -- I'll probably try one more time later, when you're really tired.

MR. HERZOG: Well I know you're listening.

MR. GOLDBERG: But I want to just -- let's --

MR. HERZOG: I'm not going to chicken out.

MR. GOLDBERG: (laughter) That's not the exact expression, but you're close. (laughter) You could really really thrill the people watching on C-Span if you try. The --

MR. HERZOG: Let's put that aside. The real expression is something which I don't like at all of course.

MR. GOLDBERG: We're going to come to that nevertheless. But come to this large question of the Labor Party. Why is the Labor Party in such a diminished state? Where did it go wrong?

MR. HERZOG: It's not necessarily in a diminished state.

MR. GOLDBERG: Well certainly compared to the founding of the state.

MR. HERZOG: I'll explain, because right now the Israeli political map is comprised of medium sized parties. The last one who had more than 40 mandates was Ariel Sharon. And the structure has been actually broke to medium small size parties, and remember, that there's going to be a new threshold introduced in this election, which is quite big. It's four mandates, mainly parties will have to get to the Knesset only if they get four mandates. That's quite a lot. That's about 3.25 percent. Therefore there will have to be mergers, MNA's. There will have to be mergers. Now, as for your question about Labor. A few processes, undercurrents -- the first one was that we lost touch with some of what the public really feels is important to them. For a long time, we were members in coalitions of other leaders. We kind of were erased of our identity -- took us time to recover, and we also lost touch with new groups in society while taking the role and demanding to be part of it. For example, the Russian immigration of a million people. We kind of lost them somewhere. They supported both

Rabin and Barak. And they were turned off. Add to it other groups. The Arab population -- they gave 96 or 98 percent support to Ehud Barak. Couple it with the fact that there's a young generation who took over, who's coming in, who's voting, and they don't remember the legacy of Labor. And add to that the fact that even within that young generation, or the general public at large, we were viewed as giving up too quickly to the Palestinians or the Arabs.

MR. GOLDBERG: On that subject, it's April of next year and you're the Prime Minister. You're a big advocate obviously of the two state solution. I want to know specifically from you why you think that you will achieve what Ehud Barak failed to achieve and what Ehud Olmert failed to achieve. They tried to make peace, the first with Yasser Arafat, the second with Abu Mazen. It didn't work. What are you going to do different that's going to get to a two state solution?

MR. HERZOG: I'm not going into any illusions. But I'm not willing to give up to try

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again. And moreover, I believe that part of it has to do with psychology. We are not dealing with psychology at all. The fact that there is no connection, no discussion, no discourse or no trust between the leaders, is adverse to the ability to reach an agreement. Yesterday morning I had breakfast with Jerry Adams, the leader of the IRA, Sinn Fein. May I remind you he was an outcast? He came to Israel and Palestine. I know him. And we had breakfast. And I said to him, Jerry, could you tell me, what was the moment of truth, that all of a sudden you guys moved. And he said, when we all came to realize that we won't achieve it in any other way -- both sides. And also, there was a unique configuration of leaders. Amongst them, or predominantly one of them is Bill Clinton, who knew how to work on the psychology of the leaders and the peoples. This is part of it and nobody is dealing with it. I speak a lot to Abu Mazen, and I said to Abu Mazen, you know, I said to him, people say that even if I negotiate with you, you'll never make peace with us. And he laughed, and

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he said, I'm sure we can reach an agreement. It depends on building trust. It depends on confidence building measures. It depends on being innovative, bold and it depends on radiating to the people that there is hope. The situation that we see right now is so devastating because there's a feeling of lack of hope. There's a despair feeling and most worrisome of all is the unleashing of feelings of religious hatred that is so dangerous to all of us, turning it into religious war.

MR. GOLDBERG: You are Prime Minister -- what is your settlement policy?

MR. HERZOG: My settlement policy first and foremost is based on the famous parameters. I believe in the blocs. I definitely believe in Gush Etzion being part of Israel. It's essential for its security.

MR. GOLDBERG: When the U.S. administration tells you to stop building in Gush Etzion --

MR. HERZOG: Wait, wait, I haven't finished.

MR. GOLDBERG: No, no, no, I want to get

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this in. When the U.S. administration tells you, no building in Gush Etzion, and you're Prime Minister, what do you say?

MR. HERZOG: It will be a mistake that you go in with me into all these -- I learned from Hillary Clinton. She said, I won't answer the theoretical questions. Because I believe that Israel, as always -- I always said it -- Israel should put a plan on the table. Israel should move forward and (inaudible). And within that umbrella of movement, there are things that both sides can do. I believe in freezing settlement construction outside the blocs as part of confidence building measures. But it should be part of a plan that Israel presents. And this plan should of course taken into account, most importantly, the basic inherent security needs of the state of Israel.

MR. GOLDBERG: What if it doesn't work? Do you have a plan B? I mean, you've spoken very feelingly about the unsustainability of the status quo.

MR. HERZOG: That's true.

MR. GOLDBERG: But what is the plan B?

MR. HERZOG: The problem is that when we speak of plan B's, we already negate the possibility of moving on with plan A. I know there are many experts in this room who are top experts who don't believe in the negotiating process and rather believe in unilateral steps. I think Israel, the nation, suffered a certain trauma from a unilateral step of pulling out of Gaza. We have to attend to that fear. We were there -- I was there. We were blamed for pulling out by our brothers and sisters from the settlements in Gaza and we said to them, there will be the new Hong Kong of the Middle East, and it didn't work out. So we have to take it into account. I do believe however, unequivocally and from the bottom of my heart, that since it's a must, it's a must under all circumstances, to separate from the Palestinians, that if it fails, we will have to take steps that define our borders in a clearer way.

MR. GOLDBERG: That's unilateral withdrawal.

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MR. HERZOG: Depends on which way you do the unilateralism side. There are ways, even if you don't negotiate, you can coordinate. Even if you can, even free settlement construction as I mentioned. You can do steps that say, I gave priority to that area and not the other. But I think it's a mistake that we already assume that it's over. It's part of the tragedy that unfolds in front of our eyes. It is not true, I'm telling you absolutely. It is possible, absolutely possible still, to make peace with the Palestinians.

MR. GOLDBERG: I'm just trying to put myself in the shoes of an Israeli voter who hears you say that, if all else fails, we are going to have to unilaterally withdraw from parts -- large parts --

MR. HERZOG: I did not say that.

MR. GOLDBERG: Well what are you saying?

MR. HERZOG: I said we'll have to work smartly in making efforts, whether legislative or others, in arranging the fact that most Israelis will be in certain areas. But I'm not willing to go into

any detail.

MR. GOLDBERG: Let's talk, let's turn then, and again, I'll try in a minute, but let's turn then to foreign affairs, and specifically, an issue that came up on this stage an hour ago -- relations between the United States and Israel. Secretary Clinton made it seem as if there are occasional ripples in the calm surface of these waters, downplayed personal tension between the President and your Prime Minister. You have spoken about this however as a crisis. Can you define why you think this is more of a crisis that Hillary Clinton says it is?

MR. HERZOG: First let me say that I'm not here to start personally criticizing the Prime Minister outside Israel. My aim is to convince the people of Israel. That's one thing. There are rules of the game that we attend to. However, I think that the policies of the Israeli government has led us to a situation of total lack of trust -- total lack of trust between the administrations or their leaders. Now it's essential -- it's essential to have trust

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between the leaders, not only the professionals, not only the government level, but the leaders. It's a fact. It's a fact that there is no trust at all between the President and the Prime Minister. And we will have to attend to it. And one of my first aims will be to mend those relationships. In Israel's history throughout, the ability to have direct contact, trust and conversations between the top leaders was essential in critical moments, to Israel's wellbeing as well as to regional peace and safety.

MR. GOLDBERG: Do you blame the American side or the Israeli side more for this?

MR. HERZOG: I'm not in a blame game. Listen, I'm telling the Israeli people that there are so many faulty policies that we will have to correct, and there are so many mistakes that Netanyahu has done that we will correct. Part of it, a major part of it, is the relationship with the United States. We are here in a forum that always deals with the relationship between Israel and the United States. Even if we argue, we should do it in closed rooms. We

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knew how to argue, even if we debate, but there's the issue of trust, of sharing common interests, of telling each side what's the problem and where -- what's my interest, what's your interest, let's try to get together and agree. Because United States is really still the major super power of the world because the United States is not pulling out of the Middle East as people were perceiving it to be. It's wrong, it's not true. And because the United States is our closest ally and it's so clear.

MR. GOLDBERG: Well, I've heard people on the right in Israel talk about replacing Europe for instance, with a China India policy. You don't think that Israel can pivot east?

MR. HERZOG: There's nothing to compare, with all due respect to these important countries, economically they are very important countries. But we look at the record, look at the record in the United Nations. Look at the record in the U.N. Security Council. We have only real one trustworthy ally, which we really share affection and trust with

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on so many levels, and there's nothing to replace that.

MR. GOLDBERG: Let me ask you a very --

MR. HERZOG: It also has a huge economic bearing also on the Israeli economy.

MR. GOLDBERG: I just have to step back and ask a very basic question at this moment. It's something I actually don't understand. Why is Israel moving towards elections right now? Can anyone actually explain what happened?

MR. HERZOG: This -- the situation is like a some sort of a theater act, whereby each side locked the other side to a situation where they couldn't move on together. And I think that part of it has to do with the ill decisions of Benjamin Netanyahu, decided that he can pull this one again. And if you ask me, the Israeli public will be faced with the question, is it willing to have another term of Benjamin Netanyahu. It will be the key question in this election. In addition to all the important issues which you've discussed, but it will also be a question that will

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reflect the following. Will Israel skid dangerously into becoming a more extreme state in its behavioral mode, definitely as a government or will Israel correct itself into the direction of a well-positioned policies that go together with the original envisionment of Zionism, understanding our regional situation, trying to move towards peace and social justice, alignment with the United States, economic recovery and most importantly, strengthening and fostering Democratic values.

MR. GOLDBERG: I want to come to that in a second, but one more foreign policy national security question -- where do you rank the Iran threat in the scheme of threats -- in the range of threats. Obviously the current Prime Minister believes that Iran poses a unique existential threat, the Iranian nuclear program in particular, to Israel. Do you believe that that is the paramount threat facing Israel today?

MR. HERZOG: I believe it's a very very important threat.

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MR. GOLDBERG: What is the most --

MR. HERZOG: It is definitely an important threat, and it is an important threat that has to be dealt with. And may I say the following. I think that the negotiation process is important. I think the United States and its allies should get the best deal possible. I think we should enable it to get the best deal possible, but we should not rule any alternative off the table until we see that deal.

MR. GOLDBERG: Do you trust the Obama administration to get a good deal?

MR. HERZOG: I trust the Obama administration to get a good deal. We hope they'll get the best deal possible. That means a lot of elements, most importantly, the fact that we have to agree on a set break out time that will give ample warning to everybody. If the Iranians want to break the agreement and move towards the bomb, I think the professionals have to work on it and we have to give it a chance. Nonetheless, we shouldn't be naïve. We still live in a very dangerous and complicated world

and region. The policies of the Iranian regime are clear to us. We've been discussing them here for years. And we shouldn't be naïve to believe that if there's a deal, all is well. There should be very strict supervision, very strict monitoring, and deciphering of whatever's going in in relation to that program.

MR. GOLDBERG: If you had been Prime Minister this past summer, how would you have handled the Hamas threat?

MR. HERZOG: First and foremost, I think we should have a combination, both of force and diplomacy. Part of the problem is that we entered that crisis with less international credit in our hands, and that led to a situation whereby within the second week the international community started already showing nerves and short sightedness in terms of what's going on in Gaza, because the pictures that came out of Gaza of course had a bearing and an influence. One has to see how we deteriorated into that conflict, and how to make sure that we don't

deteriorate again. Part of it has to do with building a very strong regional coalition that brings in the Palestinian authority into Gaza that gives hope to the people of Gaza, that opens up Gaza under strict supervisions and moves on as a basis for process with the Palestinians. This so far has been missed.

MR. GOLDBERG: The Palestinian authority is a fairly weak and corrupt body. Obviously Palestine itself is divided between two competing and sometimes warring parties. Why do you -- you seem to have more faith in the Palestinian authority than the average Israeli.

MR. HERZOG: Because they lead a moderate Palestinian political body. Let's be frank about it. We always love to judge everybody else's political systems. I'm not judgmental. If I have to take a decision between Hamas and the Palestinian authority, I believe in working with the Palestinian authority, and I believe it's feasible. And they are working. Look at the summer. Let's put it in perspective. Following the abduction of the three boys, which was a

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huge tragedy for Israeli's and for everybody. The Palestinian authority functioned properly. They coordinated with us efforts to find their whereabouts. They handled the situation in calming it down, despite the fact that there were many Israeli operations on the ground. Then came protective edge in the summer in Gaza, so before kind of always, everybody loves to term them as weak. So far, (inaudible) four or five Israeli prime ministers to the best of my recollection.

MR. GOLDBERG: Are you worried about the future of Israeli democracy?

MR. HERZOG: I am worried about the direction which Israeli democracy in society is moving into if we don't correct. Tomorrow you're going to have Naftali Bennett here. That will be a real question. Naftali Bennett, who is a distinguished representative from the right, he believes in annexing area C. He believes in a deal that the world will accept unilateral steps of Israel in this direction. He doesn't answer the question, what will you do with

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a hundred thousand Palestinians who will become Israeli citizens? Take the issue of Jerusalem. The recent terror attacks came from Palestinians from East Jerusalem who grew up under Israeli sovereignty with an Israeli ID card. So does it mean we will include another hundred thousand who have no loyalty to the state of Israel in the sense that they won't feel part of Israel, but rather under occupation? There is no other choice, despite all the fears; we will have to get over those fears. We will have to try again. Otherwise, the direction that Israeli society's moving into could be bleak and that's what we are doing, in order to correct it. And I'm worried about undercurrents that are trying to limit and contain and curtail the beautiful vista of Israeli democracy. The fact that in our Parliament there is such a wide range of views, of free speech laid down by our Supreme Court. To me it's holy, and I'll do whatever I can with my colleagues to protect it. And there are endless efforts, and Tzipi Livni was there, as Minister of Justice, trying to block every week,

another piece of legislation which, from the outside, for those with liberal understanding of what democracy is all about, seems incomprehensible and dangerous.

MR. GOLDBERG: Israel is quite obviously a Jewish state. What's so bad about passing a law that says, Israel is a Jewish state?

MR. HERZOG: I will explain the following and I said it in the floor in the Parliament when I debated with Netanyahu last week. I said that when it comes to the deal with the Palestinians, in the final status moments, I think it's correct to say that both states are nation states, that Palestine will be the nation state of the Palestinian people and Israel the nation state of the Jewish people, as it is derived from the November 47 U.N. Partition Plan of Resolution. But this has nothing to do with what's within Israel. Within Israel, all citizens must feel they are equal, not only to say it, but they must feel it. And coming forward with this discourse, on Jewish state, treads on racist undertones, makes a feeling that somebody will be preferred on the other. The way

a majority treats a minority is essential to the well-being of our society. The Arab community in Israel is 20 percent. It's comprised of all denominations of Christianity and Islam. Fascinating community -- like all other communities in Israel, non-homogeneous at all. Many of them want to be part of an inclusiveness in the Israeli public life all throughout, and there are many who want to be secessionists. Our duty is to be inclusive, if you want to protect the well-being of the state. And to make anybody feel, in any form or manner, that he is not that, is not only a huge mistake; it's against the basic inherent declaration of independence of the state of Israel, which is our Magna Carta.

MR. GOLDBERG: What I'm hearing from you is that it would be impossible for you to enter a coalition with say, Avigdor Lieberman, who has just proposed that parts of Israel proper -- the triangle area of Aviara, that area, be sliced off in a final peace deal, and the Arabs and their land transferred to Palestinian sovereignty. Those are Israeli

citizens.

MR. HERZOG: The problem is you just --

MR. GOLDBERG: I mean it sounds like that's
a very very basic --

MR. HERZOG: And the reason is --

MR. GOLDBERG: Especially on Shabbos.

MR. HERZOG: Good. It doesn't work this
way. At the end, a coalition in Israel is formed
under guidelines of what's agreed and what's the
agreed upon policy. And if there will be a
possibility of having agreed upon guidelines that --

MR. GOLDBERG: Do you condemn his --

MR. HERZOG: What will be. But it has
nothing to do with the nationality bill per se. The
nationality bill per se came out of many ideas that
were floating around to define the real nature of the
state of Israel. Now, that nature has been defined in
our Declaration of Independence. The greatness of our
founding fathers was that they didn't like to talk too
much. They did. Simply they came forward with the
Declaration of Independence and then they built the

nation. They didn't argue about words endlessly that can hurt. In an atmosphere whereby there is a religious, interreligious flaring up and all other issues at stake, it's a horrendous mistake to deal with it and open and unleash all these genies out of the bottle.

MR. GOLDBERG: But you're saying now that the idea of transferring Arab villages that are in Israel that are made up of Israeli citizens to Palestinian drill is not on the table in your negotiations?

MR. HERZOG: It's not on the table and it's --

MR. GOLDBERG: In your mind?

MR. HERZOG: Unconstitutional, not feasible at all, and let's forget it. It's another election spin, okay? Let's put it on record. It won't work, and in general, I invite each and every one of you to tour Israel in depth and understand that what you see from the outside is not exactly what you get. You have all groups -- have different views of life, and

there are many many Arabs who are included in the big parties, including in my party, and they share a dream with us of living together in peace. And when I go to an emergency room in Odessa Hospital, who saved a soldier's life, and I ask the mother and father who are from Akko, Jewish family from Akko, who saved your son's life? They show me Professor Mohammed Eid, who treated their son and saved his life, and one of the best surgeons in the country. We have to put everything in perspective.

MR. GOLDBERG: We're going to go to questions in a minute, but I want to ask one other thing. In your opinion, does Israel have PR problems, or does Israel have problems?

MR. HERZOG: Israel has both. I don't rule out the fact that we feel besieged and that the world doesn't understand us at times. However, I don't believe in the biblical proverb saying, a people that dwells alone. We can't in this era, dwell alone. We have to have allegiances. We have to have connections with our friends and allies. We have to cooperate

together in the international arena. That's what boosts our economy and our internal strengths. And therefore we can't just go on saying to everybody, you know, crying out loud, we are the ones who are besieged. We have our problems. We need to explain them. Yes, there is a lot of Israel hate around the world and there is a lot of anti-Semitic undertones, but that has nothing to do with the fact that we have problems we need to deal with. We have to present our policies correctly; we have to change our policies correctly. I always compare Israel to a mid-size ship in storm waters, in high seas, that has to maneuver within those seas correctly. Our leaders in the past knew how to do it. And to get today, we are in a situation where we find ourselves cornered without any ability to maneuver. That's our main problem.

MR. GOLDBERG: Let me go back to one question, because I want to get you on record as much as possible here. No, no, no, this is an important question. I asked Martin this question this summer, which is about the peace process. Because we tend to

think of the peace process as starting 21 years ago with Oslo. But the Palestinians or their representatives, before there was a nationality and organization --

MR. HERZOG: Right.

MR. GOLDBERG: Have had four or five opportunities over the last 80 or so years, starting with the Peale Commission, moving through 47 and then onward.

MR. HERZOG: That is true.

MR. GOLDBERG: To have a state. Each time, the offer has gotten worse obviously, from a pure territorial standpoint. My question is, and I think this is the question that plagues the left in Israel, is, after 80 years of being rejected, of having the division of the land and being rejected by the Palestinians or their Arab representatives, I want to come back to this -- what makes you think that now, which most people see as a very inauspicious time for a revised peace process -- what makes you think that now is the time to try to move towards this two state

solution?

MR. HERZOG: It's not now is the time, it has been a long drawn out process. Don't forget Oslo. You're ignoring a lot of things. You're ignoring the Khartoum Process of 68 and compare it to today. There, it's a totally different ball game, totally different arena. Today there is an intense interfacing and discourse between us and the Palestinians, not necessarily through the leaders. But the fear -- my fear is, that within the Palestinian and Israeli camp, the peoples are losing faith in the possibility of separating and coming to the two state solution. It was there, believe me, it was there. In 1994, during the Rabin era, there was a huge majority for it in both peoples. Unfortunately, terror on both sides led to the fact that we got into a stumbling block with no possibility of moving forward, and then we repeated it time and again. It's the easiest thing, is to tread on the psychology of fear. Okay, my adversaries in the political system, especially from the right, tread on fear. And I'm

trying to challenge that and say, we cannot live only on fear. We have to be lucid. We have to be careful. We have to protect our interests, but we must talk. It cannot be that mothers and fathers on the other side don't want peace. It mind boggles me why would anyone, at the age of 35, with five children, go in the morning and commit suicide, and Butya, the people he's working with all his life, in a (inaudible). We have to understand where it comes from. And we have to make an effort and not say, therefore, all the Arab world and the Muslims cannot make peace with us. We have to go on and try, and it's --

MR. GOLDBERG: Where does that come from? Where does that impulse to suddenly slaughter a group of Rabbi's with a meat cleaver?

MR. HERZOG: There's no justification of it, none whatsoever. It's against any moral, legal or human values, period. And it's shocking. Nonetheless, when you look at the whole picture, we have to analyze it, and in order to neutralize these elements, we have to bring hope. And we cannot give

up on that.

MR. GOLDBERG: Thank you very much for this conversation.

MR. HERZOG: Pleasure.

MR. GOLDBERG: We're going to open it up.
(applause) The gentleman next to Tzipi Livni -- Haim.

MR. SABAN: Thank you both. Thank you both for a great interview. There are a lot of people here that would like to see a change in government. I'm not going to express my opinion because I'm your host so I'm going to shut up about that part of it. However, when I look at the members of Knesset and I count the numbers, and I put the right on one side of the aisle and the left on -- center, center of left on the other side, I take out the Arabs, you just can't have it. Would you be willing to give us some numbers about how you think you can become the next Prime Minister?

MR. HERZOG: Because I say that people don't understand, and you all think that the ultra-orthodox are part of the right and they object to any peace

agreement. For example, just like, let's take that as a microcosm of the analysis. So first, the ultra-orthodox community has shifted dramatically towards other directions. The four widows of the butchered Rabbis who were praying and were unfortunately butchered -- the four widows got up and stood in front of a thousand people and the first widow said, "We have to think about the way we treated others", just as an example, okay? Now nobody -- it was the (speaking in Hebrew). Nobody picked up on it. It was, why get interested in those groups out there who we are striking them out as if they are out of it? Absolutely wrong. Absolutely wrong -- remember, Abin's coalition had Shuss in it. And therefore, that's just one example of why people in all communities are simmering with inner debate about where to go. It's not a question of right and left. It's a question of where we go from here. Can we live together? Can we live in peace? And that's why I believe that in a normal configuration; take for example, the party of Moshe Kahlon, unknown here, less

known here to the American public. He's a major player in the elections. One can assume at least, that he won't rule out any coalition, definitely a centrist coalition. And we mentioned others. And I think that there will be a moment of truth whereby the Israeli political system will have to decide, do we move to that direction or do we skid into the abyss of a total deadlock and the rest of it is clear to us.

MR. SABAN: So no numbers?

MR. HERZOG: There's no reason to make numbers right now. Let me -- let's -- you know, we are in the beginning of the elections. And those politicians here at least, here, or analysts, know that you know how you start elections. You don't know how you end them.

MR. MCCLOSKEY:

MR. GOLDBERG: David McCloskey.

MR. MCCLOSKEY: Two questions. One is, there's an idea that the founder of the Labor Party, right, David Ben-Gurion talked about a term which I don't know how you translate it well into English

called (speaking in Hebrew).

MR. HERZOG: That's true.

MR. MCCLOSKEY: State-ism.

MR. HERZOG: Certain state civility, yeah.

MR. MCCLOSKEY: All right. Your view, and I'm not here to dump on your predecessor, but as someone who is more (speaking in Hebrew) than she was.

MR. HERZOG: No, no. That's unfair.

MR. MCCLOSKEY: No, no, no, no -- I know, I'm saying that was the perception.

MR. HERZOG: Unfair, unfair, incorrect.

MR. MCCLOSKEY: No, no, no, I'm not -- okay. I'm not asking you to say --

MR. GOLDBERG: He said he wasn't here to dump on her.

MR. HERZOG: So don't.

MR. MCCLOSKEY: I'm not here asking her to say that it's true.

MR. HERZOG: It's unfair.

MR. MCCLOSKEY: No, I'm not asking you to say that. I'm just asking to say, how do you hit that

as railing middle, that is wanting that kind of Labor Party, that has that kind of approach.

MR. HERZOG: Part of it is by uniting forces with centrist forces who understand the same thing.

MR. MCCLOSKEY: Okay.

MR. HERZOG: We share the same values.

MR. MCCLOSKEY: Okay.

MR. HERZOG: Clearly we share the same values of understanding the risks and danger that are positioned in front of our eyes.

MR. MCCLOSKEY: Yeah.

MR. HERZOG: I have respect, really for my colleagues.

MR. MCCLOSKEY: No, I know.

MR. HERZOG: (speaking in Hebrew), definitely for Tzipi Livni, you can hear her tomorrow, (inaudible), other parties, we all understand the real inherent dangers that face Israel.

MR. MCCLOSKEY: Okay.

MR. HERZOG: And we therefore must share together the ability to bring change.

MR. MCCLOSKEY: The other part of it is the issue of -- you mentioned that the social justice piece of this and how five percent of Israel came together.

MR. HERZOG: It's quite unique, from (inaudible) to America.

MR. MCCLOSKEY: And that this was a unique -- and this was a unique moment. And but yet, Netanyahu won the election after that. He's still ahead of the polls. Maybe you will come up because you will unite --

MR. HERZOG: No, if you want to --

MR. MCCLOSKEY: No, no, I'm just asking --

MR. HERZOG: If you want to depress me --

MR. MCCLOSKEY: No, I don't --

MR. HERZOG: Don't talk to me; let's talk in three months' time.

MR. MCCLOSKEY: No, no, all I'm asking you is why hasn't Labor been able to really capitalize on what is its natural constituency, which is the social justice movement.

MR. HERZOG: Because in --

MR. MCCLOSKEY: And how is it that the right has been more successful?

MR. HERZOG: It's a very good question. And there's a guy, a very distinguished person here, Professor Trachtenberg who led a commission, a national commission following that protest. He can delve into what happened to his recommendations. I think only one out of dozens of recommendations were implemented. But the truth of the matter is that in my mind it was the (inaudible) who enjoyed the fruit of that process, of that protest. And he didn't deliver.

MR. MCCLOSKEY: The last thing if it's okay, which is just -- you didn't join the Netanyahu government during the peace process because of your skepticism. I guess I'm asking you, would you rule out joining, if Netanyahu would win the elections, joining him, or would you rule out bringing him in under your leadership?

MR. HERZOG: The problem is that all of you

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guys are asking the questions of the last battleground. And I'm telling you that we are focused on winning the elections. And with all due respect, I don't mind inviting Netanyahu to my government if he'll accept the guidelines.

MR. GOLDBERG: What ministry would he get?

MR. HERZOG: No, all I'm trying to explain to you that you have to understand, I'm not hallucinating. It's not easy. It's complicated. But all of us here understand that politics is a game of clear undercurrents that all of a sudden erupt. There is enormous frustration within the Israeli public in general, and body politic in particular, as to what is happening in Israel and as to the failed policies of Netanyahu. And this will be reflected in the election results.

MR. GOLDBERG: Dan Reviv, over there, and then we'll come down here.

MR. REVIV: Mr. Herzog, thank you Jeff. It's a bit of an uncomfortable subject in this room, but would you agree as sort of an old hand in Israeli

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politics, that sometimes at election time, the United States government tries to exert some influence one way or another. And by the way, you might be the beneficiary this time, if they did. Do you have any --

MR. HERZOG: Perhaps not true, perhaps the other way around. I again, whatever you see from here is not what you see from there. Beware.

MR. REVIV: All right. Well what's your view of that at all? Does the U.S. do that? Should they?

MR. HERZOG: First of all, I don't -- you know, it's clear to us that nobody should fiddle in the other's political system. At least I intend not to do it in America. (laughter) And secondly, I think that the United States administration is wise enough to understand what not to do within an election process.

MR. GOLDBERG: Over here, is there a mike?

MR. HERZOG: Mick, I think, yeah.

MR. GOLDBERG: And then Michael Orrin, right

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in the middle, where he always is. (laughter)

QUESTIONER: You've spoken about the elections in terms of being crucial for the future of Israel. I'm just wondering, where does the Jewish diaspora fit into your calculus? I mean I sort of think that the direction of the result of the next election and what happens after that is crucial for the Jewish world and in a world where I see the younger generation finding it more and more difficult to connect with the set of Israel, and I would just be interested in your views as to what responsibility do you think that Israeli politicians are going to --

MR. HERZOG: It's a very very valid point Mick. The view of the diaspora on Israel and what the young people think of Israel is not reflected adequately in the Israeli media at all or in the Israeli public discourse. We fail in what we say. What we see, the main Jewish leaders expressing the support of Israel. We don't see the grass roots. We don't see certain streaks of disenchantment, which bother me and my colleagues tremendously. And the

belief in Israel as the true homeland of our people. And we have to work towards that and we have to foster and strengthen and take it into account in what we do as well, absolutely. For example, I think the whole game of dealing in touching Temple Mount was extremely dangerous and adverse to the basic interests of Israel and the diaspora, because it unleashed a very very dangerous religious conflict, which is unnecessary at all. Of course the Palestinians flared it up beautifully. They rode on this without real justification on this wild horse and I think that responsible Israeli legislators and ministers cannot do these steps without understanding their implication on synagogues and diaspora Jews all over the world. And it's interesting to note that it was the real sages of the time, the ultra-orthodox leaders of the time who ruled against going into Temple Mount, including my late grandfather, the first Chief Rabbi Visra. And only in recent years, rabbi's from religious Zionism decided to undermine those decisions. And I think one needs

to debate, argue and ask deep questions about that, to the leaders of religious Zionism.

MR. GOLDBERG: Can I just add one quick thing to that? Do you think that, I mean, there's a big debate in this country -- do you believe that young American Jews are becoming disenchanted with Israel because of Israeli policies or they're just growing distant from Israel because they're growing distant from being Jewish?

MR. HERZOG: I'm against generalizing. I think that there are conflicting currents. First of all, birth right has done wonders. Birth right is a huge success. And all the other projects that go, follow suit, like Masal (inaudible) and others, they're incredibly important to forming a new feeling towards Israel in the young generation. Now the young generation lives like the young generation, totally detached at times from knowing the full picture, and sees things on the social networks and others that bother them or not. And the issues of religious pluralism or the issues of war and tax and so forth

and so on all are sometimes just totally in the discourse. I think that America -- young American Jews are a challenge both for Israel as well as for the organized Jewish community which is trying its best actually in many ways, including the hillels, and the other organizations and the movements of connecting them better to Israel or bringing them a sense of Jewish continuity.

MR. GOLDBERG: Michael Orrin and then, Nancy Pelosi.

MR. ORRIN: Buji you have my empathy.

MR. HERZOG: Thank you.

MR. ORRIN: I've been interviewed several times by Jeff Goldberg and you can see the color of my hair. It's not easy. And I'm going to apologize to you --

MR. HERZOG: It's a pleasure.

MR. ORRIN: Apologize because I'm going to ask you the exact same question I asked you last year. Okay? There's a tendency when I listen to you, to hear, look at the Palestinians as some type of two

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dimensional prop for an Israeli morality play. They don't have agency. They have no control over their own destiny. We are in control. But of course it's not true. The Palestinians have ultimate agency. They have walked away from negotiations after Israel released prisoners, and a great number of prisoners. They have gone to the U.N. and are declaring a Palestinian state unilaterally without giving us peace, with the expressed intention of going to the ICC and sanctioning us. You say Abu Mazen has survived five Israeli Prime Ministers because unlike you, he doesn't stand for election. And in the face of Jordan, (inaudible), Iraq and Syria unraveling, what chances do you think that a Palestinian state with a corrupt unelected leadership is going to cohere for a long time -- why would you put your trust in it. So I understand Buji, I understand the idea of holding a two state solution as a vision, but it's a very pretty vision. But a vision is not a policy. And I want to know, in view of Palestinian agency and looking Palestinian agency in the eye, what is your

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policy? What is your initiative? Where do you go if he's going to go to the U.N. and put sanctions on us on the ICC? He won't come back to the negotiation table if you don't freeze perhaps settlements everywhere --

MR. HERZOG: Okay.

MR. ORRIN: Including building in Gilo, and you don't release many murderers from Israeli prisons. What's your policy?

MR. HERZOG: I would say the following. The undermining assumption in what you said, which is based on facts -- I don't argue with the facts except that I don't accept that idea that therefore it's over. I don't think it's true. I definitely don't think it's true. I don't think that the fact that there is a Palestinian leadership calls for me to ignore it. All these comments about all these arrangements without the Palestinian leadership, all the people, to me seems futile. However, there is a golden opportunity now, which is acceptable by all here. There is a unique convergence of interests that

has been there for a long time but emerged throughout the summer with our adjacent neighbors, Egypt and Jordan, both extremely distinguished neighbors, allies in a way if you want to say, so, I know the Egyptian ambassador here. May I say that I think that one needs to understand that President el-Sisi is a very important player in the region and I say it here in Washington, because it took time that Washington understood the importance and the need to work with el-Sisi as well, not only with King Abdallah, who's extremely important. So these two neighbors of ours are there. Now you need to add to the equation the Palestinian authority and then you have four -- a table with a leg of four, okay? Egypt, Jordan, Palestinians and Israel. They can't work together in building a process, getting backing from the Gulf and the international community and the United States? Yes, it needs innovativeness. It needs initiation. And it needs for Israel to put a plan on the table.

MR. GOLDBERG: The last question for the minority leader will come from the minority leader.

MS. PELOSI: Thank you very much. It will not be a question. It will be a comment. Again, thanking Haim and Cheryl and The Brookings Institute and all of you and joining in welcoming all of our guests -- all of the guests from Israel and to you Mr. Chairman. I just couldn't let one comment that I heard stand. While it is true that Israel and different parties in Israel have many friends in the United States who may want to help them, with the presence of other members of Congress in the room, I cannot withstand any notion that the United States government would be involved in an election in another country. We have fought that over and over again in the past, and we would fight it if they tried to be involved. Well, it just won't happen. But I know that -- I don't know if that was a casual reference of if you're referring to private individuals assisting, but the United States government does not get involved in elections in other countries. That is our policy.

MR. GOLDBERG: And to Haim. Thank you.

MR. SABAN: I'm sorry. I'm kind of jumping

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the line for one more question, but it's something that's really on my mind, and I appreciate your giving me the opportunity. The vast majority of American Jewry is either reformed or conservative, the vast majority. That majority is -- feels at least, pretty much rejected in Israel, from a conversion standpoint and others. Are we -- are you, taking the risk in Israel of losing American Jewry rather than including them, acknowledging the fact that reformed Jews can be very good Jews? They're not people that need to be rejected, and they are. How would you deal with this, if you were -- it's a theoretical question, and you would answer a theoretical question.

MR. HERZOG: No, it's a great --

MR. SABAN: Don't give me the Hillary response.

MR. HERZOG: Haim, please. I'm telling you that I have huge respect for the reformed and conservative movements and they can tell you what it is, what a vast relationship of cooperation we have, my colleagues have. I have with me here, a member of

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Knesset, Mira Mikhailli from my party, a huge gender and women's issues leader and yes, she deserves a clap as well, anyway. (applause) The issue is the following. There is a growing strength of those movements in Israel. Those movements have been advocating for years, telling their leaders, if you want to succeed in Israel, compete in the market. Go into the market. Stop kind of complaining and attacking all day long. Go away. Found communities. Build communities and you know what? They've done it. I was the first Minister in Israel's history, as a Minister of Housing, to grant construction of synagogues to the reform and conservative movements. None of you are aware of it. But this has gone on already for many years since then. And I can tell you more than that. They have taken a distinguished base in Israel. We've come to many arrangements -- the new conversion bill is there to change. Tzipi was heavily involved in it and other L party member advocated it. Actually, a modern orthodox guy, and there are many changes way beyond what you understand. It's not that

the conservatives and the reformers shunned out. The issue of marriage and divorce in Israel is under the rabbinic laws. That's an issue to debate. That's a big issue to debate. But that doesn't mean that there cannot be -- that there won't be change because the ultra-orthodox are there. They've also changed. I won't go into many details, but I'll explain the following. Take the issue of the gay community -- gay and lesbian community in Israel. In many respects, despite the fact that from the outside we are seen as a more conservative country, in this respect, Israel is one of the more advanced countries. It started with a lot of animosity from the ultra-orthodox community, and today you won't hear a word. And therefore, all I'm trying to say is that without giving kind of awards to anybody or saying, I'm telling you, that there are many processes which you are unaware of. And for me, the relationship with the conservative and reform movement are essential, and I believe in pluralism. But there's a way between believing and implementing, and part of it is the

dialog that we all hold with these movements in Israel and abroad.

MR. GOLDBERG: Thank you very much. Thank you everyone. Appreciate it. (applause)

MS. WITTES: Ladies and gentlemen, thank you very much and forum delegates, we will see you tomorrow morning. Our program begins at 9:00. Thank you.

* * * * *

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