

THE BROOKINGS INSTITUTION

SABAN FORUM 2015

ISRAEL AND THE UNITED STATES: YESTERDAY, TODAY, AND
TOMORROW

HOW TO PRESERVE ISRAEL AS A
JEWISH AND DEMOCRATIC STATE

Washington, D.C.

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P R O C E E D I N G S

MS. WITTES: Ladies and gentlemen. Ladies and gentlemen. Shhh. Magical.

I hope you enjoyed your meal, and I hope you enjoyed your desert. If you did or if you did not, we've got a little extra treat. And I want to ask for your help in welcoming to the stage this evening what I think will be a fascinating conversation between Buji Herzog, Ivette Lieberman, and Jeffrey Goldberg.

Gentlemen?

(Applause)

MR. GOLDBERG: Good evening. (Speaking in foreign language) also. Thank you, Tammy. Mr. Ambassador, nice to see you. Other Mr. Ambassador, wherever he is.

So I want to -- these two men need no introduction so I'm not going to introduce them. We're just going to go jump right into this conversation, which is an on-the-record conversation. That's correct, gentlemen?

MR. HERZOG: Yep.

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MR. GOLDBERG: Okay. Ravid, you're on.

MR. HERZOG: Barak, you can tweet, Barak, more than you tweeted John Kerry.

MR. GOLDBERG: But Barak Ravid has already filed his story on the panel. It doesn't even matter. It's already reverberating around Israel.

Let me start with an observation for the two of you. Something I've noticed over the last 24 hours at this forum that I haven't noticed in past Saban forums is there's a kind of pervasive unease on the part of many of the American participants. What I've felt, and I'll go through each one, is the following: that many American participants in these discussions are trying to warn their Israeli friends that a train is coming barreling down the tracks and the Israelis are standing on the tracks semi-oblivious to the fact that this train is coming. We saw that last night with the defense minister, David Ignatius. Martin and I all tried to ask him to describe why he was comfortable with a future for Israel that he, himself, described as a state of de facto, semi-permanent,

disenfranchisement of the Palestinians under Israeli sovereignty.

This morning at the BDS panel, which was off the record, so what I'm about to say is off the record, and then I'll go back on the record, but just for the purposes of this discussion, I think there was a feeling if the BDS panel took place, there would have been a feeling that the Israeli participant in the panel was the object of a lot of yearning and anxiety from some Americans who felt as if Israel was not paying sufficient attention to what's going on on campuses and beyond. And then, of course, the secretary of state came in a rather dugree (?) way, or rather sort of very straightforward way, warned Israeli this afternoon that it was facing the possibility of a one-state, nonsolution if it didn't figure out a way to disentangle itself from the lives of Palestinians on the West Bank.

Let me start with Ivette. And we're back on the record, I guess. If you don't mind, you are not in the government now but you are ideologically

compatible in many ways with this government and you've served with many of the people in this government for the past several years. Tell me, when the secretary of state of the United States says that the status quo for Israel is not sustainable, tell me where he's wrong, and tell me if you think that he got anything right.

MR. LIEBERMAN: First of all, I completely agree that status quo is very, very bad for Israel. I think it's our obligation to take initiative and to lead some process. I completely disagree with the American view what we need to do in the Middle East. But first of all, the initiative, you must keep initiative in your hands because the vacuum doesn't exist, and it's very bad if the other side takes the initiative. That is very, very problematic for you.

If I may put my vision, I don't believe that it's possible to resolve, to bring any solution between us and the Palestinians. I think after more than 20 years since we signed the Oslo Accord, it's clear, mission impossible to achieve any solution only

between two sides. What we need, we need the solution, we need an agreement with the Arab world, not with the Palestinians. The minimum of expectations from the Palestinian side, it's much more than our maximum that we're ready to do. And when I speak about the Arab world, the Arab world, it's three different dimensions. It's moderate Arab states, it's Palestinians, and of course, Israeli Arabs. And we need a package deal with a regional comprehensive solution with the whole Arab world.

MR. GOLDBERG: That sounds like a fantasy given that the Arab world barely exists as a coherent entity.

MR. LIEBERMAN: I think that the moderate Arab world understands that the biggest threat for them, it's not Zionism, not Israel, not Jews, but the radical Islamic wing. And I think today we really have maybe the first time an opportunity to create a dialogue and, you know, to agree about principles of this kind of agreement between us and the Arab world. Separately, only with the Palestinians it's mission

impossible again because Palestinian authority doesn't exist. It's an illusion. You know, you have (inaudible) in Jordan and Samaria. You have Hamastan in the Gaza Strip. The elections for the PA were supposed to be held January 2010. Now we're in December 2015.

The problem with Abu Mazen is a lot of problems. First of all, his biggest problem is that he is always insulted, and he remembers every slight since he was born. And I think that today it's clear, every slight that was inflicted upon him since he was born. Abu Mazen, for him it's the biggest issue.

And the second point, today it's clear he will not survive politically the next year. You must understand that we before (inaudible), and I don't believe, and I think that everybody who knows what the current situation in Jordan and Samaria, Abu Mazen will not survive. It doesn't matter what our stance and what our assistance or American support or European support. He lost his position among Palestinians.

MR. GOLDBERG: Let me just focus you a minute and I'll come to Buji in one second, but you're describing a situation in which Israeli can't do anything because the Palestinian Authority can't do anything. But isn't the notion of Zionism that the Jews take their fate into their own hands and make decisions about their future regardless of what other people are capable of doing or not capable of doing? I mean, you're describing an Israeli paralysis born out of a Palestinian paralysis.

MR. LIEBERMAN: No, I think first of all, their own decision was to sign an agreement with Arafat. It think it was the first mistake. The second mistake, we think that the biggest problem is a Palestinian issue. I think that the biggest problem, it's a disaster, it's a mess within the Arab world. We are not isolated. We are not an island. Only at least today it's like connected vessels, and you see what happens in Iraq and Libya now. Before many, yes, it was very simple and very easy to say that the biggest problem, biggest challenge of the Middle East

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is the dispute between us and the Palestinians. Today it's clear that there are on ties between our dispute with the Palestinians and uprising --

MR. GOLDBERG: Are you suggesting that you can't fix your problem?

MR. LIEBERMAN: I think that our interests, you know, I tried to understand what our opportunity, what our future, our opportunity to establish, you know, good relations to move forward with the Gulf, with Kuwait, Saudi Arabia. You know, I think that we have, you know, a lot to offer to the Arab world, to develop businesses, to develop maybe vision on the future of the Middle East. We have good intelligence. We can cooperate on many issues. In every crisis you have an opportunity. I think during this crisis we really have an opportunity to create something different. The previous view that it is a problem only between us and the Palestinians I think is a wrong approach.

MR. GOLDBERG: Buji, status quo.

Sustainable?

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MR. HERZOG: First of all, good evening.
It's great to be here again, and thank you Haim and Cheryl and the whole team of Saban.

Let me just put the stage correctly. Me and Mr. Lieberman are in the Opposition. I lead the Opposition; he leads one of the parties in the Opposition. We are neighbors on the same floor, and how do I know he's in the Knesset? I smell his cigar in my room.

MR. LIEBERMAN: It's a secret. It's a secret.

MR. HERZOG: We won't discuss. But that's mostly where we share some information. The rest of it we beg to differ on some major issues, except we agree that we want to change the government. Right, Ivette?

MR. LIEBERMAN: No, we have some other things also.

MR. HERZOG: Okay, good. But it's a main aim of ours.

MR. LIEBERMAN: Maybe not government but

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prime minister, of course.

MR. HERZOG: Okay. Done. So here's already a consensus in the Saban.

MR. GOLDBERG: Since you brought up a subject.

MR. HERZOG: Barak, you can tweet.

MR. GOLDBERG: Buji, since you brought up a subject, can I just get this out of the way? What conditions do you need before you would go into this government? What policy adjustments do you need from the prime minister?

MR. HERZOG: I think that chapter is over. I think that the prime minister has not shown the resilience or courage to leap forward into a major change. You could have heard it in the vines and the speech of the secretary of state, and therefore, let's go and talk about the real facts that need to be changed and they will be changed by the alternative that I offer.

MR. GOLDBERG: Anything that would get you into the government besides the opening at the defense

ministry?

MR. LIEBERMAN: No, you know, I had conversations with the prime minister and I explained. My problem, it's not only the security policy but maybe even more the religious instate. You know, all the issues between our religion establishment and the state. And I think that we really failed to, you know, be moderate and friendly to many, many Jews, and half of Jews and the other Jews that came to Israel, and they feel that they really feel, you know, some kind of operation from our religious establishment.

MR. GOLDBERG: I want to come back to some pragmatics.

MR. HERZOG: I'd like to answer --

MR. GOLDBERG: John Kerry's speech.

MR. HERZOG: Right.

MR. GOLDBERG: John Kerry's speech. Status quo, sustainable or not sustainable?

MR. HERZOG: I respected John Kerry's speech immensely, and I think it was bold and it's about time that things are said correctly. And here's what I

would like to present. First of all, I think it doesn't matter whether you're an Israeli with the right or the left or the center. The general consensus in Israel is that our security situation in the past six months has deteriorated. And secondly, I think the national balance sheet is weakened. I mean, things that were said here, you expressed this frustration as seen from outside, on campuses or in other forums, and we realize it. However, I must say the Israeli public is still in kind of denial about certain facts that loom over us in the international arena.

Now, in terms of what to do next, I'm adamant that we must separate from the Palestinians. I would be very cautious to bury any local or regional leader so quickly. I beg to differ with Ivette. For a long time he's been vilifying Habbas. I'm not a friend of Habbas but I think that Habbas has outlined four Israeli prime ministers already. I think that the PA is functioning and nobody else can take it over. And finally, in this respect, I think that we

should not wish for the collapse of the PA, nor for the collapse of its leader.

Now, what else needs to be done? I think a combination. I agree on the regional elements. There is a golden regional opportunity despite the wave of (inaudible) that shares common denomination, common interest. It's been discussed here all day long, and this can serve as a benchmark to bring Habbas or bring the Palestinians to yet another round, and I'm not willing, under any circumstances, to sell the Israeli public the notion that we should live on our sword forever. And that's my main argument with Netanyahu. I think that we have to create hope and change.

MR. GOLDBERG: Can I ask you a question? Why has the left failed to convince the majority of Israelis that the status quo is not sustainable and that they won't have to live on the sword forever if they do the things that you want them to do?

MR. HERZOG: Because, first of all, there's the natural reactions of human beings, and we cannot just give remarks and tell other humans beings how to

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behave under duress or fear. Look at the reaction in California or the United States, the San Bernardino massacre and you'll understand that the same process goes for Israelis. They are worried. They are bothered. They don't want to be sold out to the Arabs so quickly. They feel that sometimes our camp has been too quick to give up, too quick to sell them out, or even to be part of the blame game.

MR. GOLDBERG: Do you agree that your camp has been too quick to sell them out?

MR. HERZOG: Well, historically we were deemed like that, or the right wing has managed to sell this blasphemy or lie to the Israeli public. We are more Zionist. We are more protecting of Israeli than all other bodies in Israeli body politics since its creation, but yes, following Oslo and other discourse in the public, many facts of the Israeli public thought that our camp is too quick to give up to the Arabs. Yes, I agree. And therefore, I'm trying to convince the Israelis and to show them that when it comes to our national security, we will never

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oppose our national security or their own personal security.

MR. GOLDBERG: Ivette, let me ask you, why has the left failed? What is your analysis?

MR. LIEBERMAN: First of all, I would like to underline that the left wing was in power many times since Oslo Accord. It was Shimon Peres, Ehud Barak, and Ariel Sharon.

MR. HERZOG: He's on the left.

MR. LIEBERMAN: Of course. He's right.

MR. HERZOG: And you were in these governments, too.

MR. GOLDBERG: Ariel Sharon, well known for being soft on the (inaudible).

MR. LIEBERMAN: I think --

MR. GOLDBERG: I feel like I'm down a rabbit hole with you sometimes. I have to tell you.

MR. LIEBERMAN: But again, you know, all of them failed to achieve some solution or some agreement with the Palestinians. You'll remember, of course, a meeting between Barak and Arafat in Camp David, and of

course, between Condi Rice, (inaudible) in Annapolis. I think (inaudible) really was ready to give up everything, even (inaudible). And despite -- in spite of this, of course, in the last moment, Abu Mazen refused to sign an agreement. And I think that the left wing failed to convince the Palestinians first of all, and after, of course, the Israelis, that it's possible to achieve something between Israelis and Palestinians. And I think that also again it's really a mistake, this approach, that it's a problem between us and the Palestinians. Problem not between us and the Palestinians. The PLO was established before '67, you know, and the views of the settlements, the obstacle to peace, it's also nonsense because we evacuated the Gaza Strip, 21 settlements, when we moved all the Jews into Israeli, and the result, missiles from the south and Israel.

MR. GOLDBERG: By the way, during the Q&A session I will give the right of response to the politician now known as Even Tzipi.

MR. HERZOG: Wait a minute. First, Tzipi is
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my partner, and this match was made here exactly --

MR. GOLDBERG: She can speak for herself.

MR. HERZOG: I'm here to defend my beloved partner, Tzipi --

MR. GOLDBERG: Be very quick about it because I want to come back to something. Do you want to go defend her? Defend her.

MR. HERZOG: All I'm saying is that there are endless efforts, and there are people here who spent most of their adult life trying to get to peace. So, of course, Tzipi as well. And it's true that it failed, but that doesn't mean it's over. I don't accept it. I think it's a huge mistake by human beings to think it's over. Had any Israeli been told exactly 42 years ago that Sadat would come four years later to Jerusalem, people would think he's a total lunatic. And the same would go for so many other issues that we've gone and seen through our lifetime. And therefore, we must try because it's essential for Israel's security and well-being to separate from the Palestinians.

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MR. GOLDBERG: Buji, since I asked Ivette what was the left's failure, let me ask you, in the context of what John Kerry was talking about, analyze what you think of as the right's failure and where that's leading Israeli.

MR. LIEBERMAN: Okay. So that's -- actually, that's fair enough because to put the blame on the left or say that where has it failed, the concept -- the concept that says the right doesn't have an answer -- let's put it frankly. The right doesn't have an answer. And when John Kerry begs Benjamin Netanyahu, our prime minister, to give a little candy to the Palestinians in order to ease up the pressure, and immediately the right jumps and ties the hand of Netanyahu, he's tied himself, it shows they don't have an answer. They don't have any ability to show what's their alternative. And their alternative, of course, as we know, is a doomed Israel. And this is the real weakness. And you know what? I'm telling you that throughout all parts of Israel, people are debating, hesitating, asking

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questions, and perplexed.

MR. GOLDBERG: I'm kind of stuck on --

MR. LIEBERMAN: Including on the right. And Bennett, who is not here right now -- wait, he's here? Bennett? Bennet, our Prime Minister Bennett or his party immediately jump upon any little progress or any little gesture or anything to do with it, and of course, immediately hijacked the prime minister, including members of Likud who are hijacking the prime minister, and that's where we are at.

MR. GOLDBERG: Buji, come back to this expression that's staying in my mind. Doomed Israel. Doomed Israeli.

MR. LIEBERMAN: It's a doomed Israeli.

MR. GOLDBERG: Do you think -- how long do you think Israeli has in the current status quo before it becomes operationally a one state?

MR. LIEBERMAN: Well, look, first of all, it can still have time. Quite a long time.

MR. GOLDBERG: How much time is time?

MR. LIEBERMAN: Because of the --

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MR. GOLDBERG: John Kerry seems to think that there's not enough time.

MR. LIEBERMAN: No, because of this hybrid situation of what's going on in the West Bank and the idea that Israel has not fully annexed, then there's a feeling, of course, that it's still two separate entities. But the truth of the matter is that if the Israeli security cabinet, as reported by Barak Ravid in Haaretz recently discussed twice, the collapse of the Palestinian authority, then you ask yourself, for heaven's sake, that's what they're thinking about? So do something to change that. Because that's horrendous to Israel's national security interests.

MR. GOLDBERG: Let me ask you both a question. What would happen in Israel tomorrow if Benjamin Netanyahu woke up and said, contrary to what we understand about him, "I'm tired of being prime minister. I'm going to quit." What happens in Israeli politics if he removes himself from the scene?

MR. HERZOG: You start.

MR. LIEBERMAN: From both sides we will be

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happy, first of all. (Laughter) Second --

MR. GOLDBERG: There's only two sides? Ron Dermer is so happy he came. He schlepped down to the Willard tonight, by the way. He seems so joyous about this.

MR. LIEBERMAN: But only one remark regarding the Buji view. You know, first of all, it's impossible to save in an artificial way Abu Mazen because he lost support from his own people. He is not ready for elections because he understands that he will lose elections even in Ramallah. Not only in Gaza, not only in Juda or Samaria, but even in his own city, in Ramallah, he will lose elections. And it's impossible, you know, in that official way to keep him in power. His problem is he failed to protect moderates and he failed to be more tough than the radicals. He lost his position --

MR. GOLDBERG: I'm not going to let you forget the question that I asked but I need to --

MR. LIEBERMAN: Regarding what will happen in Israel if Bibi will resign, you know, I think that

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in any case, next year, we are moving for elections. It's impossible to survive to have this coalition with a narrow majority, 61-59. And in any case, next year we will see elections and the new results and maybe I hope a new coalition.

MR. GOLDBERG: Buji, I'd like to ask -- let me follow up with you on something he said. If Abumas is not running the West Bank, who do you want to run the West Bank?

MR. LIEBERMAN: It's not who do you want.

MR. HERZOG: I think --

MR. LIEBERMAN: You, you want to ask him.

Okay.

MR. GOLDBERG: No, no, no, no. For you.

For you.

MR. LIEBERMAN: I think, first of all, we must keep close coordination with Egypt and with Jordan. It's key. A key issue to keep coordination. We must prepare ourselves for some transition period, and to agree about a transition period. And of course, maybe after elections in the Palestinian

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Authority we will see some reasonable guy, reasonable leader, and it's possible to discuss if now it's really a huge problem and the situation will be very similar to the Gaza Strip.

MR. GOLDBERG: Buji?

MR. HERZOG: So first regarding the political -- internal Israeli political question, by law, of course, the president can delegate to another member of the Knesset to form a government. Okay? And since I lead the Zionist Union, which is the second largest party in the Knesset. Tzipi is my partner. I've got my friend, Stav Shaffir. He from a former faction. I believe that one can form --

MR. LIEBERMAN: Why don't you mention our friend Lapete?

MR. HERZOG: I think we can form --

MR. GOLDBERG: Where is Lapete? Where is Lapete?

MR. HERZOG: I think there is an alternative to form another coalition within the current Knesset, and if not, we will go to elections. That's

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one alternative. And each party definitely in Likud, there will be a little surprise. And at the end, we're an ordinary country and we've gone through a lot of political upheavals. And with all the mess that each nation has in its politics, we're distant in the way we manage our political processes. Bibi is not God-given. He's not the only one. When he leaves there's like a huge vacuum. Things manage and the nation knows how to elect new leaders. That's one thing.

Secondly, within the Palestinian camp, there there are many questions because although there is a constitution, it is unclear how it's going to be implemented, and who is the heir apparent. But the last thing I'd like to do is to tell them who their leader should be. And I beg to differ about the whole feeling of whether he's lost the truth of the people. You know, I've been watching these marks that Abu Mazen or his regime have been getting through the years, but when you look at major challenges, including protective (inaudible), including caste-led,

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and including now, relatively speaking, that government is functioning. Relatively, with all the problems that it entails, it's functioning. And therefore, to just say, oh, they're over and they're collapsing and I don't count them, it's a huge Israeli condescending mistake and a huge mistake for my friend Ivette. And I think we should respect them and should enable them to sort their own things.

MR. GOLDBERG: I want to talk for a minute about democracy and Israeli's reputation in the West and in the U.S., particularly. I want to refer back to the panel that shall not be named for a moment concerning -- it's a good demon of panels. It might not have happened. And I'll tell you this, to add on to what Ted Deutch said before, I'll add on to that. Our oldest daughter is a freshman at a liberal arts college in New England, a pretty well-known school. And she reports to us that J Street at that street represents designist right; that the biggest Jewish group -- I wish it were funny, Haim. I wish it were funny. I mean, it's funny, but it's not funny. It

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could be both funny and not funny at the same time. Have you ever heard of a tragic comedy? You live in Hollywood.

She reports that the largest Jewish organization -- 25 percent of this campus is Jewish -- the largest Jewish organization is a group called Jewish Voice for Peace, which is an Orwellian name for a group that opposes Israeli's existence.

MR. HERZOG: We saw a huge write up it in Israel. It's a huge BDS group.

MR. GOLDBERG: So my question to Ivette is it's not -- this is not speculation on my part that things are shifting radically not only in non-Jewish America but in Jewish America as it concerns Israel and its reputation. My question is: (a) Do you care? (b) What are you going to do about it; and (c) how important is it to you? If you answer yes, you do care, how important is it to you?

MR. LIEBERMAN: To speak frankly, I don't care, first of all.

MR. GOLDBERG: Wait. You don't care about

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BDS on American college campuses?

MR. LIEBERMAN: Yeah. Secondly, I really like the hypocrisy in the Western World. First of all, I don't remember any real discussion about democracy in Saudi Arabia, and I will be happy to see in Congress and Senate some discussion about the human rights in Saudi Arabia, in Kuwait, in Gulf countries, and of course, my friends in Turkey. You know, I saw the last elections in Turkey, and of course, our close ally, Erdogan and his oppression on the free media. In Turkey, you have the highest number of journalists in prison, and I never saw any protest from Washington.

But back to Israel. Back to Israel. You must understand, we're not a part of the Benelux. We are part of the Middle East, and we are facing more challenges than any other country in the world. Look on our borders. We have Hamas from the Gaza Strip, ISIS in Sinai, Hezbollah from Lebanon. We have all kinds of crazy people, al-Qaeda, of course, in Syria. You have Hezbollah, everything.

MR. GOLDBERG: Ivette, hold on. Hold on. I will stipulate that all of these things you just said are true. There's hypocrisy in the world, Turkey is terrible, Saudi Arabia is terrible, but the reality among liberal American Jews and liberal Americans is that they are turning, slowly sometimes, not so slowly other times, against Israel. So what are you actually doing about it besides telling them that they're wrong.

MR. LIEBERMAN: You must understand that we are in the midst of war. We are in the midst of conflict. All of the Middle East is burning and we are in the midst of this crisis. And to survive, to protect ourselves, we need to do what we need to do. And you see that really only one vibrant democracy in the Middle East, it's Israel. And because we keep our society as a democracy as, you know, a country with signs, with really, you know, respect to the human rights, to the freedom of speech. Even Barak Ravid knows that it's possible to write everything in Israel. And I think it's enough for the current

situation. I don't think that you have some problems without democracy. If you have problems, you know, with some kinds of really, you can imagine that some senator or in Congress somebody will declare that he is supportive to al-Qaeda or to ISIS. In Israel, you have members of Knesset, that during the war, during the conflict, they openly support Hamas and Hezbollah. You have every week demonstrations with, you know, slogans of Hamas.

MR. GOLDBERG: But here's the cognitive dissidence when you say that. You think of that as a negative, that there are members of Knesset who come out and say horrible things about the state of Israel. In American culture, we look at Israel and see a place where people can do that sort of obnoxious thing and say, "Oh, we resemble that. We recognize that kind of punch."

MR. LIEBERMAN: No, it's a mistake. Even in America, it's impossible to support terror. And what you have in the Knesset is some members of parliament, in a really clear way, they are very, very supportive.

They are part of the terror. They are really part of the terrorist organizations and establishments. When they say that the kidnapping and killing of three young Jews in Gush Etzion is not terror, it's, you know, a legitimate fight for the freedom, legitimate protest, it's a mission impossible.

MR. GOLDBERG: Let me go to Buji and sort of flip the question a bit because I know that you're more concerned about this issue, obviously, than -- well, he just said, "I don't care, " so I guess that's a pretty straightforward declarative statement. But here's the question that a lot of very mainstream Israelis ask. Why should we risk our lives by taking positions that could, in fact, hurt us physically so that a group of spoiled children at Harvard and Yale and UCLA feel better about the Jewish state? The Jewish state was not created so that 18-year-olds at Berkeley feel good.

MR. HERZOG: That is true, however, it has nothing to do with the facts on the ground. I agree with whatever Ivette said, but it's not relevant to

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the problem. Yes, this is our case. Yes, we have a just cause. Yes, there is an onslaught against Zionism for generations, and in this generation, in a new form called BDS with engines of hate which lurk throughout the Middle East and into campuses and liberal campuses and Muslim activities, and you name it. But all of this is not relevant to the problem. That problem that you've mentioned is the growing disparity between the Jewish community in the United States and the next generation who are going to take the leadership, who are going to be government officials, who are going to be opinion makers, who may be the next Mark Zuckerbergs. And Israel -- and that's a growing -- and that's definitely a strategic risk because part of our national strength was derived from the fact that the Jewish diaspora, especially in the United States, was extremely close to us, extremely supportive, and had major influence on the American policy overall.

And what we will see in the next generation, if that's what we hear and listen from our young

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generations, is Israel hate without understanding the case, without knowing a clue about what was just mentioned about the vibrant, aggressive, impressive democracy that we've got.

MR. GOLDBERG: Isn't it naïve, though, for people to argue that if Israel would just stop building settlements or reverse their settlements, that the BDS movement will disappear --

MR. HERZOG: It's not to do with settlements.

MR. GOLDBERG: Or that you can mitigate this?

MR. HERZOG: Look, I don't say that. You never heard me say it. All I'm saying is that you can change the course of many things, and the growing rift starts from the top down. The growing rift starts from the White House to the office of the prime minister in Jerusalem all the way down, and it influences media and it influences what young people see. And it has an ongoing influence. I'm not saying it's over, it's hopeless, but when I met with Randi

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Weingarten, the leader of the Teacher's Union yesterday, and she runs a million and a half -- she is the leader of a million and a half teachers, and she's out there competing BDS from within, and the American historical society is coming forward with BDS proposals, it's going to move from the outer periphery of the organizational establishment towards the center. And that is a major risk. And therefore, part of it has to do with the way we present our case. Part of it has to do with the way we behave. And we have to take it into account because people look at us and say we expect from you something else. And therefore, it has to do with the way we advocate our democracy and the way we protect our Supreme Court, and what we legislate against NGOs and so forth. And finally, it has to do also with changing the course in the Middle East and creating a Palestinian state.

MR. GOLDBERG: Ivette, do you think Israel could survive without U.S. support?

MR. LIEBERMAN: First of all, I think it's really crucial relations between us and the United

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States. It's a strategic relationship, and I think it's clear also for the United States, that they have only one reliable ally in the whole Middle East. With all our problems, with all our disputes, you know, we have commonalities. We have a lot of personal relations. Many kinds of ties -- academic, business, et cetera, et cetera. I think it's also important that the United States will support only one democracy in the whole Middle East. With all due respect to Saudi Arabia or the other allies, we are the only one who is able to protect ourself, and of course, we need your political support, we need your equipment, and we need some military coordination.

MR. GOLDBERG: What are you going to do? If you were prime minister, what would you do to maintain that level of support?

MR. LIEBERMAN: First of all, to keep our dispute within close rooms.

MR. GOLDBERG: What if the president doesn't want to keep it in a closed room?

MR. LIEBERMAN: I think what we saw, it's

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the opposite. And I think it's in our interest to discuss all our disagreements and disputes in a very, very, you know, a serious way, and not by press, not by front page -- not in the front page of the newspapers. And really, to be very sensitive also to American interests. It's clear that without American support, it will be a completely different story. And first of all on a political level, Security Council, U.N., different international organizations.

MR. GOLDBERG: I don't mean to ride this point forever, but the people who are going to be running American in 20 and 30 years are on college campuses right now and they're saturated in anti-Israel invective. And so you say that you don't care about what's going on on the campuses right now.

MR. LIEBERMAN: No. I think that today it's, of course, (inaudible) with Zionist education, especially in our diaspora and first of all, in the United States. And you must understand, we are only one Jewish state in the world. We have 57 Islamic states, with huge, huge money. And what we have is

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brainwashing. You have Al-Jazeera and Al Arabiya and CNN and the others, and not to mention BBC. And it's really brainwashing what you have on the TV screen. But even, you know, what if today you will open some channel in Europe, in the United States, first of all you see all the ads. It's Qatar Foundation, fly Emirates. Even in Congress there is a team, Congress team also with shares with Qatar Foundation. Even republicans, not to mention democrats. And I think that we really have a problem with (inaudible) to explain our stance, and it's crucial to, you know, to change our priorities. But don't worry, we will survive despite the campus and despite the brainwashing in the mass media.

MR. GOLDBERG: We're going to open it up to questions in a minute, but Buji, let me just come to you and ask you this. A lot of people in the room find Ivette's tragic realism -- I don't know what you want to call it -- disconcerting. But perhaps he has a better understanding of the impossibility of the situation than a lot of us who live far away from this

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situation. I mean, is there a chance that John Kerry completely misunderstands what's going on in the Middle East? That liberal American Jews completely misunderstand? And that to a certain degree you misunderstand because of your desire, your very western, very liberal desire to see a solution to a problem?

MR. HERZOG: Well, that question kind of assumes the fact that there is a liberal person living in Israel; he is detached from reality. And of course, I argue with Ivette, and I think that some of his assumptions are detached from reality as well. The situation is not simple. It's extremely complex. I can tell you, had I been prime minister, I would have fought terror with no mercy. But on the other hand, I would have moved on in a process that creates hopes, that creates a certain vision, that creates a focal point that nations and peoples and individuals can allude to. And that's the big problem of what Ivette presents, and in my mind what Netanyahu presents. It's a doomsday approach. It's a gloomy

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picture. And I tell you that no Israeli leader in history, up until Netanyahu, in the darkest hours of Israel, never presented a picture that says there's no hope. Not (inaudible) in the wee hours, and definitely not Escon (inaudible) in '67 and so forth, and it's a huge mistake. Yes, we have enormous risks and enormous dangers, but we are also a great nation, and we've done wonders. And great human beings and great people, and we are in suffering.

Last week I went to pay a Shiva call to the Donn family in Gush Etzion. First of all, I like Gush Etzion. And I think it should be part of Israel, but that's why I want an agreement. I want Zionism to prevail in Gush Etzion. And I go to that family, and it's a beautiful family. Four kids. And the father was doing his Ph.D. in Haifa, was assassinated in cold blood. And I'm looking at his parents, and both of them came out of Auschwitz. And I tell his mother, Marca, how can you bear -- I mean, how can you bear more and more pain? And I'm telling you it's impossible to think that all Israelis will go through

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the torments generation after generation. We should strive for something else. We are not naïve, but we should definitely strive for it. That's the role of leadership, and leaders are called to take painful decisions. This is exactly my argument with Bibi, with Netanyahu. I tell him when I talk to him, and I talk to him quite often, "You have a responsibility in history. If you continue on this path, we are in danger and at risk. If you change the path, we'll help you. We will have to. The nation has to." But he's not going to do that. And therefore, the nation has to take its decisions and change the course.

MR. GOLDBERG: Let me come out here. I want to give anybody who has been slandered in the last 45 minutes an opportunity to respond.

MR. LIEBERMAN: Really, all the people who sit here and exist, exhaustive.

MR. SABAN: I'm going to yield to Heather and then I'll take it after you.

HEATHER: So to Mr. Lieberman, I think you're 100 percent right that --

MR. LIEBERMAN: We have many Liebermans here.

HEATHER: I figure I don't know you quite well enough to say Ivette --

MR. LIEBERMAN: Ivette, yeah.

HEATHER: -- if you'll give me permission. Okay, great.

I think you were right in pointing out that it's impossible for young kids on American campuses to fully understand the complexity and the difficulties and the reality of living in Israeli in the midst of what's going on in the (inaudible) Middle East. There's no question. And you're probably right that we have more responsibility to better educate this young generation about the history and about the conditions. But I think it's fair to say that you are also missing something if you think that any amount of education is going to change the fact that the millennials today do not relate to the narrative that you're expressing.

And so my question for you is simple. Do

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you care? Do you care if we lose the young Jews in the diaspora? Do you care?

MR. LIEBERMAN: Of course. It's, I think, our biggest challenge.

HEATHER: So if you do --

MR. LIEBERMAN: Not only in the United States. I think --

MR. GOLDBERG: Your position is evolving.
(Laughter)

MR. LIEBERMAN: I think --

HEATHER: If you do care -- if you do care if we lose the young Jews in the diaspora, we must find a way to bridge what you think and feel which is legitimate with what these young people think and feel.

MR. LIEBERMAN: Do you know how many kids, Jewish kids -- sorry. Do you know how many Jewish kids in the United States learn in the Jewish schools? How many kids in the United States today they have Jewish education? I think about maybe 10 percent maximum. Ninety percent completely out of all Jewish

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education. And I think, of course, it's our failure and it's your failure. I think the same American-Jewish wealth must pay more attention to the Jewish education among the young generation.

HEATHER: What about the Jewish education?

MR. LIEBERMAN: Jewish-Zionist education.

And again, you know, we really have, you know, problems with our budget and we are facing many challenges, but in my program, during (inaudible) campaign, for me it's, you know, part of my view. We must support Jewish education and diaspora, and today it's the first priority from my point of view because we will lose the Jewish people, not only in the United States, in France, in Italy, in Russia, in Ukraine. Today you have really a simulation. You have new phenomena that people feel free and less and less commitment to the Jewish wealth and to Israel. It is our biggest problem.

MR. GOLDBERG: Let's have Haim and then I'll call on another couple of people in a row.

MR. SABAN: May I ask two questions?

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MR. GOLDBERG: No. No, you can't.

(Laughter)

MR. SABAN: One to -- one to Ivette --

MR. HERZOG: He wants to be balanced.

MR. SABAN: Well, you're fired.

MR. GOLDBERG: On my salary? Really?

MR. SABAN: The first question is to Ivette. You talked about the regional arrangement. Yair Lapid talked about a regional arrangement. After I ask Buji a question, if you could clarify what do you think is the difference between you and him? And if there is no difference, why don't you guys form a party together? I'm forming the Israeli government now for (inaudible).

Buji, the prime minister has been very clear. He is for a two-state solution. Correct?

MR. HERZOG: Go on.

MR. LIEBERMAN: It depends if it's in Washington or in Jerusalem. (Laughter)

MR. SABAN: The prime minister has been consistent since Bali Lan except for a couple weeks

for his own reasons he went a different way. But he was consistent and has consistently said that he believes in a two-state solution. And to me he personally said, without naming names, that those that promote a one-state solution are crazy. He didn't mention names, therefore, I don't know who he was referring to. So that's one fact.

You are for a two-state solution. That's fact number two.

MR. HERZOG: Yes.

MR. SABAN: Fact number three, you claim, and I base myself on what you claim, that the prime minister is hijacked by the right. Rumor has it that you are hijacked by the left.

MR. HERZOG: (Inaudible) hijacked by the left. I'm in a camp which is very strong --

MR. GOLDBERG: Okay, hold on a second.

MR. HERZOG: -- and there is no hijacking of the left. We simply advocate that before it's too late there has to be change. And I'm telling you clearly the prime minister does not intend to lead to

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change. And I've checked it myself time and time again and it's not there at all. And look at the facts on the ground.

MR. SABAN: So are you accusing the prime minister of lying?

MR. HERZOG: One little, one little, one little move that the administration is asking from him he is not willing to do and it has nothing to do with the right wing. It's got to do with his own decisions.

MR. GOLDBERG: Can I just make the briefest intervention --

MR. HERZOG: Oh, I see, so --

MR. GOLDBERG: -- because Barak Ravid has to file a rewrite already for his story.

Both of you -- both of you do not believe that the prime minister, the current prime minister believes in a two-state solution? Do you believe that he's --

MR. LIEBERMAN: I think that he believes in a two-state solution but it again depends if it's

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before elections, after elections, in Jerusalem, or in Washington. (Laughter)

MR. GOLDBERG: Buji?

MR. HERZOG: I am not a psychologist or Rankin machine. I know the prime minister has said it, and I also heard what he said in the elections, too. And I can speak a lot about the elections because that was a big experience for all of us, except that all I'm saying is, Haim, now my turn, all I'm saying is that sometimes leaders are dragged into a process. But the truth is the matter is that when the guidelines of the government don't even say that you have a two-state solution, and when there are decisions that need to be taken that are out of national security interests and responsible national security interests and proposals by the military are not taken, then with all due respect, it has nothing to do with the coalition. It's got to do with his own decision-making process.

What you heard from John Kerry today basically is heavy frustration because the

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international community expects certain steps to be taken that move towards the paradigm of a two-state solution or the reality of a two-state solution. And I'm one of the very few, and it has nothing to do with my camp, and I made it clear to my camp, and I made it clear in all my speeches in the Knesset, including very painful ones, that if we join forces to change history, we will be there to help him as we've always done, as we've helped Menachem Begin do the agreement with Egypt. But it's not there. It's simply not there.

MR. SABAN: So basically what you're really saying is --

MR. HERZOG: It's a lack of understanding of where we are at at this juncture. He thinks we lack understanding, and I respect that that's his view. It's his ideology. And I think it's a huge tragic mistake in Israel's history. And that's where we beg to differ.

MR. SABAN: So you and Ivette both don't think that the prime minister is sincere when he says

two-states for two people?

MR. LIEBERMAN: No, it really doesn't matter, Haim. It doesn't matter. I think what was your question, and if it's -- maybe it's more important to understand. Maybe Martin Indyk understands better than others, you know, I try -- maybe I'm wrong, but I try to see what the results of western policy, American policy in all the Middle East, regardless of Israel. I try to see what happens in Iraq, what happens in Libya, what happens in Sudan, what happens in Syria, what happens in Algeria, even in Tunisia. It's one huge mess. Only the list became one mess, a big mess. And I try to understand if it's possible only in Israel to establish some, you know, real peace and stability regardless of all our region. I think that the biggest problem of the Middle East, it's not Israel, and not a Palestinian state, and not a two-state solution.

MR. GOLDBERG: I want to go to Phil and then back there and then over here. Why don't we just take the three of them? And then we'll look in the back.

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Over here. Over here.

PHIL: I wonder if we could pivot it to U.S. policy on this for a minute. We've got about a year left of this administration and then obviously a new one coming in in January 2017. And we have to figure out how we want to deal with these things. There is a range of views. Even though, I mean, you have the White House now saying a basic American view, there's not going to be a peace initiative in the next year, history doesn't stop. There is never a vacuum, and we need something. And so you have a whole range of views ranging from, look, we've done all we can. We need to step back. Israel faces a dilemma. Let them figure it out. To, on the contrary it's too important. We need to actively get involved and try again and have negotiations, to we should just put our basic principles out in some form of parameter or U.N. or elsewhere, to no doubt three or four other things. We've had a range of Israeli views on the substance up here so I suspect I'll get a different answer from both of you to my question, but it essentially is,

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what do you want from us?

MR. GOLDBERG: Why don't we go right over there, behind the gentleman? Behind you, yeah, the same table.

SPEAKER: I have one question to Ivette and one for Buji.

Ivette, you mention that you are going to require changes in law and religion. Can you be more specific? For example, are you going to insist that civil marriage will be established in Israel or at least (inaudible) like a registry for people -- to everyone that doesn't have the capacity to get married in Israeli or that doesn't want religious marriage, not just for a specific group?

And my question to Buji, let's assume that there is the two nation solution and there is security. Can you -- how are you going to ensure the Jewish character of the Israeli state? Because still there will be (inaudible) will require not just rights as individuals but as a group. So what will be your policy about the law of retiring and about Jewish

identity of Israel?

MR. GOLDBERG: And then one question right over here. Can we just pass that mic down? No, I'm going here, sir. Right here. Thank you. You're hired.

SPEAKER: I haven't seen yet one Arab that will come against the ISIL jihad or against al-Qaeda. What I see is that we are in the middle of a jihad war, a religion war, and that we are missing the point here. We are talking about a country for the Palestinians, we are talking about how to appease them and how to make them love Israel, but the truth is that it is a religion war.

MR. GOLDBERG: Do you want to go first?

MR. LIEBERMAN: So many questions. First of all, what are our expectations from American policy? To establish peace in Iraq. To establish peace in Syria. To establish peace in Libya. Second.

MR. GOLDBERG: Can you get on that, Phil?

MR. LIEBERMAN: The second point, really, not to impose on us, you know, your vision about the

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settlements. In my point of view, again, you know, our conflict started before settlements, before '67, before we established even the first settlement. Settlements, they are not a reason for conflict. They are only an excuse. And I think it's the biggest mistake to put all the focus on the settlement issue. And again, try to think out of the box. Bilateral solution, bilateral agreement between us and Palestinians, it's mission impossible. It's only the framework of regional comprehensive solution, and I hope that one day you will adopt this approach.

Regarding some religions issues, what is completely unacceptable is that we can send young people and we have every 5,000 soldiers, that they (inaudible) according to (inaudible), we can send all of them to fight to die for the country, but it's impossible for them to marry in Israel, and they must go for, you know, to Bulgaria, to Cyprus, and it's really a mission. It's something unacceptable.

Of course, we are very supportive to deep change in our society, not only religious issues. You

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must understand that we created some different groups in our society, not one society. You have orthodox society. You have secular society. You have Arab society. With education, with different values. You have (inaudible) different approach. I think it's necessary to create one society, not four or five different societies in one small state. It's our approach.

MR. HERZOG: Okay. First of all, we would like the United States not to give up. We respect, at least I think many of us respect tremendously the efforts that are done throughout the region on many issues -- Syria, for example. I say the United States should lead from behind. It's something that the president took as a mission on other issues, and lead from behind the coalition which was discussed here from Bogie Ya'alon's speech last night and throughout the day -- a coalition of moderate nations which are in conjunction with Israel in a convergence of interests in light of the common threats that we all see together, Iran and ISIL. Leading that coalition

as a new configuration in the region. I also say almost like a NATO-type vision which combats these two enemies, which coordinates and shares information and know-how, and serves as a platform for renewed process with the Palestinians.

I know the United States is fatigued. I know it's an election year. We all realize it. We realize that the White House is very reluctant to put his hands yet again in this mess, and all I can say is we would like that they try again and we all try again and never wait for a second because in the vacuum it only gets worse. This is one of the worst periods between (inaudible) and the Holy Land for a long time. And it cannot be that. We have to change it, and it's feasible to change it.

Secondly, with respect to issues of what you mentioned, Professor Lifshitz, regarding the Israeli Arabs. First of all, I recognize the beauty of the multifaceted nature of our society. I think it's actually a source of strength. I know it's complex and people from the outside have no clue about where

it's going, but there are so many great changes in all of the communities, including the ultraorthodox community. My wife Mahalia deals with that community day in and day out and there's a huge revolution there. And one needs to study it in order to see. The same goes for the Arab community. The last thing to do is to shun them out. Actually, what we need to do is to include as much as possible. However, the mere essence and nature of the state will be the nation state of the Jewish people. Actually, I definitely concur with that demanding the last moment of negotiating an agreement with the Palestinians, but that doesn't give any different right to a Jew over an Arab. It simply portrays the mere nature of the state with characteristics of Jewish life as we have today. And no collective rights to the minorities under any circumstances.

And lastly, with respect -- what was the last question? Yes, the lady here mentioned something really interesting, which we can speak about for hours. Are we in the midst of a class of

civilizations of sorts? Is Islam becoming like this huge (inaudible) that threatens to sweep over Europe, the Middle East, and move into the United States and change the mere culture of Christian liberal nations and so forth? Well, one can see it that way, and one can see, of course, the different variance and colors of the Arab world, including nations who are fighting ISIS big time. So we cannot determine it now. I think experts of Islam should determine it, but I'm not turning a blind eye and saying there's no class of civilizations. There is something there, especially with engines of hate that are looming over the region. And nonetheless, we should present a common frontier and move on.

MR. GOLDBERG: I want to collect two more -- well, as long as you make them very quick. David over there and over there. I'm sorry, Barak. You'll have to just pin them later. David Makovsky and then over here, Senator Lieberman. The other Lieberman.

MR. MAKOVSKY: Ivette --

MR. GOLDBERG: And make these quick, please.

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MR. MAKOVSKY: You said about a regional approach, and you said the Palestinians would be part of it. You didn't say it's a Riyadh first strategy. But if you had this regional conference or whatever you're calling for, what would be your offer? How would the Palestinian issue fit into that regional approach? I mean, on your election campaign earlier this year you said, well, maybe Israel should try to get Ariel in. In the past you've said East Jerusalem Arabs should go to the Palestinians. Is that still your view? I mean, are you in favor for two states in that regional approach? You said it would have to include the Palestinian issue.

MR. LIEBERMAN: No doubt, but first of all, my priority, it's not a Palestinian issue. It's not the Palestinians but relations with the moderate Arab world. Business relations, military relations, normal flights between Riyadh and Tel Aviv, between Tel Aviv and Kuwait, et cetera.

The second issue for me, Israeli Arabs.
It's also become a huge problem and it must be

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resolved in this framework.

And of course, a Palestinian issue. If we have all, you know, a solution and everybody and we have readiness from all sides for this kind of solution, it will also be a Palestinian issue and Palestinian state, but as a part of the regional comprehensive solution, not something that stands alone because stand alone, we tried many, many times and we see the results. And I am really happy that many people today adopted our approach of a regional solution, not a bilateral solution, and the same swaps between lands and population. It's also a very important principle of this approach.

MR. GOLDBERG: I want to just go there and then there and then I have one final question.

MR. LEE: For Mr. Lieberman.

MR. GOLDBERG: Could you identify -- I'm sorry, I can't see you.

MR. LEE: Yes, it's Isaac Lee, journalist, for Mr. Lieberman.

I hear you say that the problem is not

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Israel; that the problem in the Middle East is Saudi Arabia and it's Yemen and it's Erdogan in Turkey, and it's Syria, and it's all of that, and it's not the Israeli-Palestine problem, but it is your problem. You're not running for prime minister of the Middle East; you're running for prime minister of Israel. And the problem is that of all the things that you say, you are not giving us a solution for your problem. That is what concerns me. And none of the things --

MR. GOLDBERG: There's a question in here, right?

MR. LEE: Yes, of course.

MR. GOLDBERG: Yeah, well, let's get to it?

MR. LEE: What's your solution? But wait. Are you aware -- are you aware that none of the things that you say relate to young people at all? Those are the two questions.

MR. LIEBERMAN: Thank you. I think that you have some mistake. You know, it's not only the Middle East. The entire world became a global village, and

where I see the spillover of the conflict in the Middle East, to Europe, to the United States, only some days ago you see people in the United States, they pledged, you know, allegiance to ISIS. You see what happens in France.

MR. LEE: But you're not running for prime minister --

MR. LIEBERMAN: Okay.

MR. GOLDBERG: Let him finish. Let him finish.

MR. LIEBERMAN: And my position, you know, the real division in the Middle East today, it's not only between Jews and Arabs and Muslims and Christians, but between moderate and radical people. And my solution is to establish a new coalition of moderate people against radicals because, you know, as I mentioned, we are not isolated. We are not an island, and we, around us, four or five really crazy radical groups that all their vision to wipe out the state of Israel. And not only the state of Israel. I think what we see today, as you mentioned yourself,

it's a real huge, huge challenge for all moderates from all radicals.

MR. GOLDBERG: Senator Lieberman?

SENATOR LIEBERMAN: Thanks, Jeff.

The U.S.-Israel relationship has just gone through a period of greatest stress in a long time around the Iran Nuclear Agreement. And one of the unusual twists here is that whereas there has often been on U.S.-Israel questions partisan disagreement in Israel, here there seems to be broad partisan agreement that the Iran Nuclear Deal was a bad deal. Here, obviously, there was partisan disagreement. And we've done a lot of analysis inside the American political community, inside the American-Jewish community about the lingering effects of what happened on the agreement. So I want to ask both of you, are there lingering effects in Israel, among Israeli political leaders in your attitudes towards the United States based on the significant difference of opinion about the Iran Nuclear Agreement?

MR. HERZOG: Thanks, Senator Lieberman.

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Your question touches on various facets of the relationship. The U.S.-Israel relationship is a very important issue for the Israeli electorate and (inaudible) politics. That's one thing. It's clear, disregarding any other debate. However, does it influence the average voters? Well, I can tell you according to our data at least, not as you would expect, especially the debate we had. We presented almost a unanimous view on that deal, and it's not worthy of now opening it all up again. All I can say is right now it's not a topic within the Israeli public discourse as such. On the other hand, the relationship with the United States is an issue. I, for one, thought it would be a top priority issue. It's less than that because of lingering bitterness and sense of misunderstanding by both sides. Your ambassador Dan Shapiro speaks so beautiful in Hebrew and tries time and again to present the American position to the Israeli public. I can't say that in certain quarters of our politics there is really an attentiveness to that, and there's also a type of

hypocritical response to that in those quarters saying, of course, this is a really important relationship, but we beg to blah, blah, blah, put all the blame on the United States. So I would expect, in conclusion, that this issue would be much more thorny in the public-political discourse. It's less than I would have expected it to be.

MR. GOLDBERG: Ivette, quickly, and then I want to close with one statement.

MR. LIEBERMAN: I think our disappointment from the American approach to Iran, it's not only a nuclear issue. Even according to the state department report, Iranians, they are the biggest funders of international terror, the biggest supporters of international terror. You see they are trying to undermine the stability in Yemen, in Saudi Arabia, in Syria. They are involved in terror in African and all around the world. And I think as a critical to Israel and a very friendly approach to countries like Iran and Turkey, it's something that really we have really very, you know, bitterness, very bad feeling, and I

think it's not only a nuclear issue.

MR. GOLDBERG: Before we go, I want to quote one of the many other future prime ministers in the room, Yair Lapid, and it's something that he said that I think is very interesting and I want to get your closing statements based on this. He said that after the Shoah, the Jews decided two things. One is that they will survive at any cost, and they will take their destiny into their own hands. And the other is that they will do it the right away. They will do it in a democratic fashion, in an open fashion, and a fashion that honors human rights and freedom of speech and all the other aspects of democracy. You've spoken controversially on this panel. You've spoken on this issue, too. But Buji, you go first, and then Ivette, we'll give him the final word. If the Jewish nature of Israel comes into direct clash with the democratic nature, and there are a lot of people who believe that it has already come into contact -- John Kerry has basically said that we're in the eighth or ninth inning in terms of that question -- speak from your

Jewish heart and our democratic heart. Which one would you sacrifice if you had to sacrifice one? And let Buji go first and then Ivette.

MR. LIEBERMAN: It's clear as the founders of the state, they, took a clear decision. The Jewish values before every other values. You know, for example, we have a special law, (inaudible).

SPEAKER: Law of return.

MR. LIEBERMAN: It's not only law of return. Law of return is, first of all, only for Jews, not for nazars. If it's democracy, maybe not. But it's our specific approach.

In the United States, you know, your approach that only who is born in the United States can be elected as the president. If somebody elected as a senator or congressman and he wasn't born in the United States, for him it's impossible to be elected as the president. If it's a full democracy, I'm not sure. But every country keeps their special narratives, their special approach, and for me no doubt, the Jewish values before everything.

MR. GOLDBERG: Buji?

MR. HERZOG: So let's put it in a more interesting context. First of all, John Kerry didn't say losing the Jewish nature by the fact that -- or the democratic nature by because of (inaudible) or religious issues. He mentioned demography. Demography is really the main challenge. I think that throughout our history, we managed to find the right equilibrium between Jewish and democratic. In fact, it's a fascinating process. It's unique for Israel. We know how to deal with it, and I've mentioned already, time and time again, there are more changes than people understand to find the right equilibrium on these challenges. And it's on a daily basis. So far, so good. The institutions have been strong enough to find the balance, and therefore, if you ask me on that side of the equation, namely the balance between Jewish and democracy, disregarding demography, I'm sure we will know how to manage it because we've known, we've had precedence, we've had a behavioral mode that found the adjustments. And it's interesting

to note on how many issues we found the adjustments, but we still have a lot of things to correct. But when it comes to demography, when you tell me that down the road a generation or two from now -- and this is what Kerry was alluding to -- there will be a non-Jewish majority, an Arab majority between the sea and the river, then we are in a big problem. And that is a challenge of historical magnitude that even the United States went through such challenges in its history knowing that it's getting into a major internal strife, and at the end resolve it, albeit painfully. I hope we won't get to that moment. I really do. I think we went through a lot of torments to try and separate between us and the Palestinians, and I think this is our national utmost priority as a nation to overcome that challenge.

MR. GOLDBERG: Please join me in thanking both of these men for this very interesting conversation. Thank you.

MS. WITTES: Okay, ladies and gentlemen, before you head upstairs for a well-earned rest, I

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have two very important program notes for you.

Tomorrow morning I am really delighted to announce that we have a special addition to our program. We will be hearing a video message directly from Prime Minister Netanyahu. And so, I would like to ask all of you, please, to be here before 9 o'clock, down here in this room, so that we can be on time for that special event. Also, tomorrow, our closing dialogue, as you know, Havara Knesset's Zehava Galon had to return to Israel, and I'm delighted to announce that Stav Shaffir will replace her on tomorrow's closing dialogue panel.

So with that, I will see you all here at 8:45 tomorrow morning. Thank you. Have a good night.

* * * * *

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