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13th ANNUAL SABAN FORUM
CHALLENGE FOR THE TRUMP ADMINISTRATION
IN THE MIDDLE EAST

KEYNOTE CONVERSATION

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P R O C E E D I N G S

MR. SABAN: Good evening and thank you all for joining us at the 13th Saban Forum. As always, it's a pleasure for me to partner with my friends at the Brookings Institution, and I especially want to thank Martin, Tamara, Bruce, Amiti, Moshe Debi, Iya, and everybody, Sadie, and everybody that worked really hard to put it all together.

While you may have noticed that the Middle East is in a total state of disarray. There is no one better suited to speak to us tonight about the dizzying array of security threats that Israel faces daily and long term, near and far. The Minister of Defense, Avigdor Lieberman, was appointed Minister of Defense earlier this year.

He's no stranger to Washington or other world capitals, having previously served as Israel Minister of Foreign Affairs. He's a veteran member of Israel in a security cabinet dealing with the threats to Israel, and directing the country's diplomatic and

military responses to these threats. I'm happy to say that Minister Lieberman is also a veteran of the Saban Forum as well.

Tonight, Minister Lieberman will be in conversation with Jake Tapper, the Chief Washington Correspondent for CNN and the anchor of the programs, The Lead with Jake Tapper and State of the Union. He's also an accomplished cartoonist, we might make some deal together on cartoons, and very widely-published author. Ladies and gentlemen, Defense Minister Avigdor Lieberman and Jake Tapper.

MR. TAPPER: It's so nice to be here. Thanks. I know so many people in this room I can't acknowledge everybody. From Senator Coons, Senator Markey, and Susan Blumenthal, to my dear friends, Jeff and Pamela, to the Ambassador. I would be remiss if I did not point out that Congressman Ted Deutch was my junior counselor at Camp Ramah in the Poconos, so he knows where the bodies are buried, so to speak or literally.

It's an honor to be here. Martin, thank you

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so much for the invitation, Hiram, thank you so much. Minister Lieberman, thank you so much. I assume you saw your brother, Senator Lieberman, out there as well. I'll just start with the questions and we'll see what he answers.

MINISTER LIEBERMAN: First of all, I see you have too many questions.

MR. TAPPER: I do have many, many questions. Let me just start off with the fact that President-elect Trump has named the man he wants to play your role, except in the United States, retired Marine General James Mattis. Do you know him? What do you think of him?

MINISTER LIEBERMAN: I didn't meet him and we don't have any real previous thoughts, but, of course, I know who the General is. He was a commander of CENTCOM, and we know in Israel a lot about him, about his stance and what we see in the press. From my point of view, it's very positive.

MR. TAPPER: Obviously, there are many things that the President-elect has said having to do

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with the State of Israel. One of the things he has said is, I believe he said on day one he would want to move the capital to Jerusalem. Obviously, that is, I think it's fair to say, easier said than done. Do you think that he should do that on day one?

MINISTER LIEBERMAN: First of all, I think that, you know, we see before in every election is the same promise to remove the Embassy to Jerusalem. But I think that we will wait and we will see. You know, a year ago I was here. It was much easier. I was in a position. Now as a Minister I try to be politically correct. It's very difficult for me. We will wait and we will see, but I think it's mostly, you know, something publicly and strong public commitment and we will wait.

MR. TAPPER: I won't do too many follow ups on this one, but just as a matter of whether or not the move itself would be perceived as incendiary and provocative, is it something that you think should happen, if it happens, immediately or is it something that you think should maybe be done with a little bit

more deliberation?

MINISTER LIEBERMAN: What is really crucial for us is to agree with the new Administration regarding all our common policies, not only one point like the American Embassy. It's very important, but we have many other issues. It's Iran and Palestinian issue, and settlement, and Syria. We have enough challenges all around Israel.

I think that it will be a mistake, you know, to take the Embassy as the focal point. I think that it's crucial to move forward with all agenda and we have many items on our common agenda. I think that maybe the Embassy will be one of the points.

MR. TAPPER: Let's talk about the other items that you listed, starting with the Iran deal. We're getting somewhat mixed messages about whether or not President-elect, when he becomes President Trump, will literally rip up the Iran deal or whether there will be recalibrations. One senator suggested to me that all they need to do, all the new administration would need to do is enforce the Iran deal which would

set new sanctions into place since international monitors have said there have been violations. What would you, what would Israel, like to see happen when it comes to the Iran deal?

MINISTER LIEBERMAN: You know, first of all, I will speak only about my personal position. It's not a secret. My position was very, very clear against a deal with Iran, but it really doesn't matter. What is the real question? It's to understand what happened since 5+1 was signed and a deal with the Iranians.

What we saw, we saw the ballistic missiles in the center of Tehran with an inscription in Hebrew to wipe out the State of Israel. We saw competition in Tehran for the best cartoon to deny the fact of the Holocaust. We saw the last report of the State Department, the annual report, regarding terror in the world, and Iranians, according to this report, they are the biggest sponsor of terror all around the world. We see Iranian penetration to Yemen, to Lebanon, to Syria, their activity in Iraq, and they

are trying to undermine the stability in all of the Middle East.

I think it's very important to understand what happens with Iran after the deal. My conclusion, it's also very, very clear, but it's my conclusion. I think that negotiations or talks with the United States about our common position regarding Tehran it's only during the first meeting between the Prime Minister and President-elect. We will see. At least my position will be very clear. I think it's crucial to move forward with more sanctions because it was a clear violation of the agreement, especially in the area of missiles, not nuclear but the ballistic missiles. The next step will be nuclear missiles, but at least up until now it's only ballistic missiles.

Of course, the relation of human rights and their activity in Syria. They're responsible, like Assad, for the massacre of a half million people and the atrocities that we see every day. I think it's necessary to continue with the sanctions, to be very, very thoughtful on all issues.

MR. TAPPER: Just to clarify, if I'm understanding correctly, and tell me if I'm wrong, please. You believe, and you're not the only one, that Iran has violated the deal, so you just think that the United States just needs to go into the UN's Security Council and get the trigger to enforce more sanctions on Iran because they have already violated the deal. Not that the deal should just be torn up. Is that a fair characterization?

MINISTER LIEBERMAN: Look, what happens in the world today, it's a very, very problematic picture because not only Iranians, all crazy guys, all the radical guys they understand that there is no payment for violations of commitments for a violation of unacceptable norms. Forget for a moment the Middle East. Look what happens with North Korea. One crazy guy took his own population as hostages, clear violation of resolutions, Security Council commitments, negotiations between five close, North Korea, United States. North Korea nuclear bombs, missiles, etcetera, etcetera.

I don't see any ability or any readiness or political will to stop this crazy guy. The same with Iranians. They must pay for every violation for their commitments. What happens, at least with ballistic missiles, it's a clear violation of their commitments according to the agreement as they signed.

MR. TAPPER: Let's turn to Syria. Right now you referred to Bashar al-Assad and the massacre he's been committing against his own people. We just learned, I think from a Syrian human rights group today that 600 more were killed in Aleppo. I'm wondering what you think the role of the United States in the Trump Administration should be when it comes to Syria?

Because my impression is that President-elect Trump would like to, basically, wash his hands of Syria and let Putin and Assad do whatever they think is necessary, and just have the United States focus on ISIS. Is that a position that you think would be the right one? Is that a position that you think would be good for the State of Israel?

MINISTER LIEBERMAN: Again, it's not only Israel.

MR. TAPPER: The region there.

MINISTER LIEBERMAN: We should know that today we are living in a real small, global village, and everything is as connected vessels. It's much better to see all the picture, and the picture in the Middle East, in the broad Middle East that we have every day, at least 500 people slaughtered, killed, hundreds of people injured, and we don't see, again, any readiness to stop this bloodshed.

If I take all of the Middle East from South Sudan until Iraq, Libya, South Sudan, Libya, Yemen, Syria, Iraq you have every day at least 500 people killed and slaughtered. What is the response from the international community? To speak only about ISIS, not ISIS, all of them the same: Muslim Brotherhoods and Al-Qaeda and ISIS. Then it remains the same.

I think that our challenge to stop this radical people it doesn't matter what their name is, but this violence, this bloodshed, it's the 21st

century, I think it's clear that it's completely unacceptable for all normal people. I don't see any differences between Hamas, Hezbollah, or Islamic State, and only to speak about Daesh, it's not right. What's the differences between Hezbollah, Hamas, and the Islamic State? It's the same.

MR. TAPPER: Would you put Assad in the main group?

MINISTER LIEBERMAN: Assad, you know, today is like an advisor. What is crucial for any deal in Syria, from my point of view, I'm not sure that it's possible, but two preconditions. Assad out of Syria and Iranians out of Syria. It's impossible to accept the fact that the guy who's responsible for killing half a million people, 8 million people displaced, and the first time maybe since the First World War the head of state that used chemical weapons against his own people, and he will continue to be an acceptable player in the international arena.

The same with Iranians. I think their penetration, their efforts to undermine the stability

of every county of all this region, we must put Assad in his place and the Iranians in their place.

MR. TAPPER: Who leads that effort?

MINISTER LIEBERMAN: No doubt, you know, from our point of view the United States. It's the biggest power in the world and it's their responsibility. The time for splendid isolation, you know, it was maybe 100 years ago, a modern century. But today, it's united the world. It's impossible to speak about isolation.

I think it's clear, and especially President-elect, he speaks about the military power and strong arming the powerful United States, and I think the biggest challenge, even here in the United States is Daesh, ISIS, also. We saw ISIS that they are trying every day to issue some terrorist sect, to recruit more supporters here in the United States. Daesh and all radical Islamic operatives as they are coming from the Middle East. If you really want to control this phenomenon you must start from the Middle East.

MR. TAPPER: I know you're a Minister now so you have to be more diplomatic, but you do recognize that the President-elect has talked about withdrawing more from the Middle East than even whatever status you think the United States has there right now.

MINISTER LIEBERMAN: You know, I don't know if he spoke about withdrawing from Saudi Arabia or from the Gulf, but we hope that regarding Syria he will be active regarding the solutions. To speak frankly, it's impossible to achieve any solution without an active American participation in this process. We need strong America. We need America active at least in our region. I hope that we will really achieve some, you know, we will agree about the common vision regarding futures in the Middle East.

MR. TAPPER: -- talk about the Israeli-Palestinian peace process going forward. President --

MINISTER LIEBERMAN: No peace and no process. (Laughter)

MR. TAPPER: The future Israeli-Palestinian peace process.

President-elect Trump has said that perhaps Jared Kushner, his son-in-law, can be put in charge of that peace process. Have you met Jared Kushner?

MINISTER LIEBERMAN: No.

MR. TAPPER: What do you think of the idea of Jared Kushner being put in charge of the peace process?

MINISTER LIEBERMAN: What we know is he is a really smart, tough guy and I hope that he does bring a new energy to our region. But maybe you forgot, the day before yesterday was the Fatah Convention in Ramallah as Mahmoud Abbas gave his last public speech. And what he said was very clear. He will never give up the idea of refugees, and, of course, he will never recognize the right of Israel to exist as a Jewish state.

With those two preconditions, you know, we really don't have anything to discuss with the Palestinians. The right of return for the Palestinian refugees, it's the end of the Zionist ideals, the Zionist state, and he insisted that he would never

recognize Israel as a Jewish nation-state.

What exactly will be the issue to discuss? I think it's clear that it's the same. He doesn't have any authority to represent Palestinian people. The presidential elections in Palestinian authority were supposed to be held in January of 2010. He doesn't have any control of the Gaza Strip. And even the municipal elections last October he postponed for many years, I understand.

I think to achieve a real strategic breakthrough, to achieve a comprehensive reasonable solution between us and Palestinians we need somebody very strong that has support from his own people, is very popular, and somebody who is a real leader and ready to sacrifice something for peace. I don't see that Mahmoud Abbas is a real partner to achieve a final status agreement.

To speak frankly, what we need today is to enter an agreement for some years, to rebuild trust between the two sides, and to wait for real opportunity. Israel proved our desire to achieve real

peace many times. We signed a peace agreement with Egypt and we gave up Sinai territory six times more than all of Israel today. We signed the peace agreement with Jordan. We've withdrawn from Gaza Strip until the very last inch according to the '67 line. We gave up half of Judea and Samaria to the Palestinians, and we evacuated 21 flourishing settlements from Gaza Strip and transferred 10,000 Jews.

It seems that we proved our desire to achieve a real peaceful and reasonable solution. But for this kind of solution you need, as I mentioned earlier, a real strong partner and I don't see today on the Palestinian side these kinds of leaders.

MR. TAPPER: One of the things that is interesting about any potential peace process, obviously, other Arab states would likely have to be involved and many of these Arab states don't even acknowledge let alone your right to exist, they don't even acknowledge that they've ever had conversations with people like you. Have you ever talked with any

members of the Saudi royal family about a peace process?

MINISTER LIEBERMAN: I don't remember.

(Laughter) But we have many contacts with our neighbors in the region. (Applause)

MR. TAPPER: This is normally when I would be very aggressive but it's a different setting here, so. (Laughter) Not to mention Shabbos.

So, on the subject of the peace process, just to get into the weeds a little bit, I believe that on Monday the Knesset is going to have its first vote on whether or not some settlements are going to be made legal. You have proposed, I believe, and correct me if I'm wrong, a sort of freeze that would give any sort of peace process an opportunity to move forward. Am I describing that inaccurately?

MINISTER LIEBERMAN: No.

MR. TAPPER: How would you describe it?

MINISTER LIEBERMAN: My proposal is to wait for the new administration and to create together with the new administration a common policy. Nothing

without any surprise, and not to create some effects, but to wait and to discuss with the next administration our policy and our visions.

And I think it makes sense because the reasons we freeze in de facto, you know, our construction activity in Judea and Samaria and Jerusalem, it's really -- I'm personally not satisfied. The main reason is not because we really don't want to build new homes in Judea and Samaria or in Jerusalem because we had disagreements with the American Administration. I think it's clear for us, for me at least, that the key to the future of the settlements is understandings with the United States, not throwing away our desire, we're not in a vacuum. And I think in the last eight years it was a huge problem. It was one of the main points of disagreements between us and the current Administration.

MR. TAPPER: The current Administration, the outgoing Administration, would often feel as though there would be settlements announced at inopportune

times, right before Vice President Biden were to arrive in Israel, that sort of thing. That it was almost done in their face. Is that an unfair characterization by the Obama Administration?

MINISTER LIEBERMAN: I think that there are many prejudiced views regarding the settlements, and I would like to underline that the settlements are not an obstacle to peace. As I mentioned, we signed two peace agreements despite the settlements. And even when Israel evacuated, after our withdrawing to Gaza Strip 21 settlements, the response from the Palestinian side was missiles on south Israel and even on Tel Aviv. And I think it's a really very biased approach and to say that the settlements are a problem is a really wrong approach.

Again, all settlements together are less than 1.5 percent of all the territory of Judea and Samaria. If I take the total of all settlements together, include towns like Ma'ale Adumim and Ariel, it's less than 1.5 percent of all the territory of Judea and Samaria.

Maybe another point, you know, I remember the Annapolis meeting between Tzipi Livni, I think, and (inaudible), and Ehud Olmert, Abu Mazen, Mahmoud Abbas, and Condi Rice, and it's impossible to offer more than Ehud Olmert offered in Annapolis. When I saw in our press the proposals I was shocked. We will never have any other Prime Ministers that will offer more. Everything was ready for a huge ceremony in the White House, but at the last moment Mahmoud Abbas refused to sign the agreement.

It's also a fact that Ehud Olmert was ready to evacuate all settlements and to open the issue of (inaudible) return and swaps and everything. That's another illustration of the real problem and solution between us and the Palestinians.

MR. TAPPER: Just to put a period on this topic, do you think the vote on Monday to legalize some of these settlements should be postponed until after the United States and Israel get together and get on the same page?

MINISTER LIEBERMAN: You know, I clarified

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my position in the cabinet, publicly, and in the press, and I think it's much better to postpone all of the legislation and steps until the 22nd of January.

MR. TAPPER: Anti-Semitism reared its head quite a bit during the Presidential election in a way that I think probably a lot of Americans under a certain age had not seen perhaps ever in their lifetime. How much notice did that get in Israel, the rise of the so-called Alt-right, a lot of whom are anti-Semites, White Supremacists, et cetera, and almost who unanimously supported the President-elect, which is not to say that his supporters are that way, but certainly a minority were. Did that get attention in Israel? Did you hear about this? Did you have any concerns?

MINISTER LIEBERMAN: We have concerns regarding all kinds of anti-Semitism. It doesn't matter if it comes from the left, from the right, or from the radical Islamic groups because what we saw, especially on European soil, it's not only slogans, it's not only accusations. We saw the attacks on the

Jewish school in Toulouse, in the Jewish museum in Brussels, on the kosher supermarket in Paris, and with victims and bloodshed. Anti-Semitism is still strong. It's not part of our history, it's part of every day of our existence.

We see hypocrisy, especially in the international community. If I take, for example, the last resolution of UNESCO, it's maybe a world record in hypocrisy that the Jewish people, they don't have any links to the western world. It's something really crazy and it is clear anti-Semitism, nothing new.

Another issue, if we're mentioning UNESCO, one of the problems of the international community and international institutes are that they're more and more irrelevant, incapable to resolve any problem. Middle East, North Korea, Africa, Boko Haram, nothing. I don't remember an example of some successful solution that comes as an initiative of a security council, for example.

It's not very respectable, from my point of view, an institution like the Human Rights Council in

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Geneva, 70 percent of all resolutions are against Israel, not against Iran, not against Zimbabwe, not against North Korea, but against Israel. Seventy percent of all resolutions.

I think it's a weakness of all international communities, of the western world. We speak a lot about human values and democratic values, but when it comes to the profits everybody prefers his profits, not values. It's maybe the biggest problem.

MR. TANNER: There is a race going on right now for head of the Democratic National Committee. Congressman Keith Ellison, a Democrat from Minnesota is running for that position. The Anti-Defamation League recently issued a statement saying that comments that Congressman Ellison made about Israel and about a population of -- I'm paraphrasing here -- but a small population controlling policy in that region compared to a much larger Arab population didn't make much sense. Again, it's a sloppy paraphrase, but it was enough for the Anti-Defamation League to say that the comments were disqualifying.

Are you aware of this? Do you have any take on it?

MINISTER LIEBERMAN: No, I'm not aware, but if it's true I think it's really an unnecessary statement, especially with the United States and our expectations from our biggest friend. For a really friendly atmosphere, our bilateral relations and discussions on all levels include, of course, Senate, Congress, Israel Knesset, and I hope that it is some kind of mistake.

MR. TAPPER: Lastly, what do you think is the most serious problem, the most serious threat, facing the State of Israel, the one that should be on the top of the agenda? Is it Iran without question?

MINISTER LIEBERMAN: No question it's Iran because it's not only Iran, it's through their proxies. You should know that any budget from Iran to Hezbollah is about \$900 million the last year. Without their financial support, Hamas, jihadists, Hezbollah, without their technology, without their political support, they will not be able to exist.

Iran is very active against Israel and the

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Jewish institutes, Jewish people, not only in the Middle East but in Africa and in South America. We see what happens even in the last month regarding Quaranian participation and involvement in Buenos Aires against our Embassy and the Jewish Community Center. We have every day, you know, we're handling every day with their provocations and their aggressions against Israel and Jewish people.

MR. TAPPER: One last question I want to ask before I let you go, and that has to do with the relationship between the American Jewish community and the Israeli community. (Speaking Hebrew) I studied at the University of Tel Aviv, that's about all I remember. (Laughter). And I had a roommate named Baruch, like you, he was a Soviet immigrant. He was a tough guy. He fought with Galani.

His attitude towards me I thought kind of summed up some of the tensions between the American Jewish community and the Israeli Jewish community, which was he thought that all of us exchange students from the United States were soft. And he wasn't

wrong. But he also thought that we should just shut up about our opinions on Israeli policy. The United States can give money or don't give money, but you're not living here so be quiet.

There does seem to be a point in American and Israeli relations right now, American Jewish and Israeli relations, about whether or not the American Jewish community, especially younger American Jews, are concerned about the direction of the Israeli politicians. Whether the country is lurching too much to the right, in English parlance. And I'm wondering what you make of it, what you think of it? Is your attitude like Baruch or does there need to be a greater effort of understanding between especially younger American Jews and Israelis?

MINISTER LIEBERMAN: First of all, the state of Israel was established as state for all Jewish people all around the world. And from my point of view of course, we are really responsible not only for our cities but for the Diaspora also. And I think

that that we failed with especially with Jewish and Zionist education in United States and in Russia and in France and all around the world because the problem is not right, left. The problem is that only five percent of the Jewish kids in the United States, they really have Jewish and Zionist education. Exclude part of those communities because they have Jewish, but not Zionist education.

It's the biggest problem I think today is out there to allocate money for the Jewish education, Jewish Zionist education and first of all in the United States because what we have people really more and more disconnected to the Jewish values, they don't know Jewish history and it's a huge problem, but it's not their problem, it's our problem. We fail. And I completely agree that dialog especially with the young Jews generation, it's crucial. It's crucial for our future. And at least me and my friends we try to discuss with all Jewish communities around the world and they must be part of this discussion of the future of the Jewish nation.

MR. TAPPER: And we're going to open the floor to questions, is that right? Is there a microphone? I think I recognize you, Mr. Saban.

MR. SABAN: Hi, (speaks in Hebrew).

MR. TAPPER: I already asked your question. I don't know what you're (Laughter). Here it comes.

MR. SABAN: Thank you very much. I'd just like to clarify something about Keith Ellison and him running for head of the DNC because that point wasn't clarified. Simply, the defense minister was not aware of all the intricacies and the details, but I think that it's important for this audience to know. First, the fact that Keith Ellison is a Muslim is a non-issue at all. That is not an issue. With that out of the way, if you listen to Keith Ellison today, and you see his statements, he's more of a Zionist than Herzl, Ben-Gurion and Begin combined. I mean, really, I mean it's amazing, it's a beautiful thing. If you go back, if you go back to his positions, his papers, his speeches, the way he has voted, he is clearly an anti-Semite and anti-Israel individual. Words matter, and

actions matter more. Keith Ellison would be a disaster for the relationship between the Jewish community and the Democratic Party. Now, I have said what I have to say.

MR. TAPPER: That wasn't really a question.

MINISTER LIEBERMAN: I agree with--

MR. TAPPER: But it is a Saban forum, so. Do we have another question? Okay. We'll call on that gentleman right there. I believe I recognize him.

MR. ROSS: Mr. Minister, you mentioned that you see Iran being the biggest problem in the region, and obviously not just towards Israel but actually towards the rest of the mostly Sunni-Arab world as well. You also have maintained I think over the years, a relationship with Vladimir Putin and yet if today you look at the Russian position towards Iran, really no one else is doing as much to abet Iranian power certainly in Syria. And I would say that has implications for the region. Given your longstanding relationship with Putin, do you see any potential to separate Putin from the Iranians? And if so, how

could you go about doing that?

MINISTER LIEBERMAN: Well, look, we have many issues and many items with the Russians, and we have many, many disagreements. We have many contacts with China and we have many disagreements with China. I don't think it's the right approach to disregard Russia or China. We, at the end of the day, we're a small country. We have the same, our priorities, our relations and of course, Putin he is still not a Zionist guy. He thinks about Russia and Russian interests. But the fact that we have a clear dialogue, we have some coordination, including Syria, I think it's very, very helpful. What can be, it's only dialogue between the United States and Russia. Putin looks not for some deal with Israel. He looks for his deal with United States regarding the sanctions in Ukraine and Syria and many other issues. It's two world powers and they have interests all around the world. I don't have any illusions, with all due respect to Israel and to myself. We understand that we're not able to resolve all problems

of Russia, not in the world and not even in the Middle East. And final agreement, or final solution, it's possible to achieve only between Russia and United States include their stance on Iran, on Syria and many other regions.

MR. TAPPER: We have a question here.

MR. INDYK: Martin Indyk, Minister Lieberman, thank you very much for joining us again this evening. One new development that I'm sure you're well aware of is the way in which Israel's strategic interests these days tend to coincide with those of your Arab neighbors, Egypt, Jordan, Saudi Arabia, the emirates in particular. And I wonder, give your exposure to that in your position as defense minister, whether you think that they can play a useful role when it comes to trying to trying to help you resolve the conflict, your conflict with the Palestinians. They recently, they call themselves the Arab quartet, recently intervened in an effort to try to promote a succession process amongst the Palestinians, which is something you've been talking

about tonight. So I just wonder, what role do you see them playing, if any, in trying to help you resolve that conflict?

MINISTER LIEBERMAN: Thank you. You know, this means that the Arab world really regarding Palestinian issue, they only pay the lip service. It's really not their concern and not in their priorities, because if Arab world, you know, huge, huge territory, hundreds of millions people, if they really are ready to resolve Palestinian issue, it's something that it's possible for many, many years. And again, it's, you know what happened between '48 and '67. During 19 years out of world control all territory of Judea Samaria under Jordanian sovereignty and Gaza Strip under Egyptian sovereignty. I didn't remember that somebody tried to resolve Palestinian issue during 19 years. Today, we speak about the '67 line et cetera, et cetera, but problem, it's not history. The problem is the reality of today. And to resolve Palestinian issue from my point of view, it's possible only as a part of large reasonable regional

comprehensive solution. When it's a Palestinian issue, only one point, because today it's clear for the Arab world that the biggest threat for them, it's not Zionism, it's not Israel, it's not Jews. But it's Iranians and and Hezbollah and Hamas. I think that they understand but still they don't have political will, they don't have enough power with this approach. And from my point of view, it doesn't make sense to sign an agreement with Palestinians result agreement with all moderate Arab world. It must be something simultaneously. One final status agreement with all Arab world, not only with Palestinians. We not able to enforce on Palestinians some kind of solution, and bilateral efforts, I don't think that they bring some better future. And even United States, what we saw also, you don't have enough power and ability to enforce on Palestinians. But if all moderate Arab world, if all of them come together, Egypt, Saudi Arabia and Jordan and gulf countries, they're able to bring them to the table, and to impose on them the solution.

But the problem is there is a huge gap of disparity between understanding among the leadership and what happens among the people, among the crowds. And it's clear that it's a timing, even for the Arab world, for their leadership to start with public opinion to explain their positions to move forward not only in the closed meetings, not only in Washington, but in the Arab world, in Arabic, to explain what's the real threats and what's the real opportunities. Because cooperation between us and the moderate Arab world, it's really a huge, huge strategic breakthrough for entire world. Together, I believe that we're able to resolve all problems in the Middle East which there are, even with Iranians, as a combination of our high tech, our ICT, our technology and their financial capabilities. It's something new, but you know, my position, it's enough with closed talks. It's a time and it's opportunity for open talks, not only in the closed rooms and I would like to see our embassy in Qatar, in Abu Dhabi, in Saudi Arabia, in Kuwait, and their embassies in Tel Aviv and -- for me, it's a real

peace, not only a an agreement.

The problem between Israel and the Arab world, when we talk with them, it's all Israel, a state of Israel, and from their part, it's always the leadership. It's not with the state, not with the people, it's only with their leadership and it's not enough.

MR. TAPPER: I see a woman back there. If we could get the microphone to her.

MS. ELKOUSY: Thank you very much. This is Heba El Koudsy Helal, Washington leadership for Sharq Al Awsat Newspaper. I would like to ask about--

MR. TAPPER: Could you talk a little louder, I'm sorry.

MS. ELKOUSY: Sure. I would like to ask about the Arab initiative for peace that was submitted by Saudi Arabia in 2002. Is it a good time to revisit this initiative? I would like also ask to about the relation with Egypt. Is there any cooperation between Israel and Egypt regarding fighting all Islamic groups and terrorists in Sinai? And last question, regarding

two island that there was some discussion between Saudi Arabia and Egypt regarding Sanafir and Tiran -- Tiran and Sanafir Island. Can you elaborate a little bit about this discussion, because it was not only between Egypt and Saudi Arabia, but U.S. and Israel was involved in this discussion? What's the logistics about these two islands? Is it secured or what was that?

MINISTER LIEBERMAN: Thank you. I understand.

MS. ELKOUSY: Thank you.

MINISTER LIEBERMAN: I will start with the first issue, Saudi Arabia initiative. There are some points that are very positive and we can discuss and it's possible to take them towards negotiations. There are some other points, like right of returns that's completely impossible. But when we talk, we will come without any restrictions, without any preconditions. And my expectations, if we will start negotiations with the other side also, they will come without preconditions. Regarding our relations with

Egypt, we have normal relations. We have embassy in Cairo, they have embassy in Tel Aviv and we have talks, contacts, and I think it's normal relations between two normal states.

Regarding their relations with Saudi Arabia, it's not our business. Of course, we are monitoring everything, what happens in our region. But it's bilateral talks, bilateral deal between Saudi Arabia and Egypt and I don't think that our opinion, or our public statements will be so necessary regarding this issue.

MR. TAPPER: I think I speak for everyone when I say -- I'm sorry that's all the time we have. I think I speak for everyone when I say thank you so much for your time.

MINISTER LIEBERMAN: Thank you.

(Applause)

MR. TAPPER: I appreciate it.

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