

U.S. DEPARTMENT OF STATE

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

A CONVERSATION WITH U.S. SECRETARY OF STATE JOHN KERRY

The Willard Hotel  
Washington, D.C.  
December 4, 2016

PARTICIPANTS:

**Presentation:**

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Chair

The Saban Forum

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Editor-in-Chief

The Atlantic

**Featured Speaker:**

JOHN KERRY

Secretary of State

U.S. Department of State

SECRETARY KERRY: Thank you very much. That's really wonderful. Thank you.

MR INDYK: Haim is going to unveil a plaque that we made for you for the occasion.

MR SABAN: I'm the unveiler-in-chief. (Laughter.) Okay, so I was told --

SECRETARY KERRY: Wow.

MR SABAN: I was told to read. Who paid for this? Brookings or me? (Laughter.) It looks really expensive, doesn't it? (Laughter.) But you know what? There is not a more deserving person than this guy right here. So - (Applause.)

SECRETARY KERRY: Thank you.

MR SABAN: I was told to read what's written because obviously you can't read it. So to the Honorable John F. - what does the F stand for?

SECRETARY KERRY: Forbes.

MR SABAN: Okay, good, now I know. John F. Kerry, 68th Secretary of State, for his noble and unflagging pursuit of peace based on a strong relationship between the United States and Israel, with deep appreciation, Cheryl and Haim Saban - honey, you didn't know, but now you do - Cheryl and Haim Saban and the Brookings Institution. I just want to say thank you.

SECRETARY KERRY: Thank you, my friend. (Inaudible.)

MR SABAN: And thank you for everything. (Applause.) Thank you so much --

SECRETARY KERRY: Thank you, sir. Thank you.

MR SABAN: -- for all you've done, for all you've done.  
(Applause.)

MR INDYK: Thank you. Jeff.

MR GOLDBERG: Thank you, Martin. Good afternoon, Mr. Secretary.

SECRETARY KERRY: Hey, Jeff. How are you, Jeffrey? Good to see you.

MR GOLDBERG: I'm okay, I'm okay. Good afternoon to everyone. We're just going to - I just want to jump right in. Before we talk about - before I raise some of the easy questions concerning the future of the Middle East, I wanted to ask you about some events of the previous few days. President-elect Trump has made some diplomatic innovations on the Pakistan front, on the Taiwan front, on the Philippines front, in the last 100 hours or so. And so I wanted to ask you - (laughter). It's - I'm simply stating truth. I wanted to - I wanted to ask you if you are at all worried that the Trump transition team, that President-elect Trump himself, is going to instigate an international crisis while you are still in charge of American diplomacy, and if you are in contact with them at all about managing this transition process. (Laughter.)

SECRETARY KERRY: Thank you, Jeff. Thank you very much. Look -

MR GOLDBERG: Inquiring minds want to know.

SECRETARY KERRY: I know, I know. But I don't want to disappoint you. But I'm really consciously working to stay a thousand miles away from the Trump transition and the process. I think it's important for me to be able to brief whoever the final nominee is going to be for the job of Secretary of State, and I don't want to come at it with any - any engagement on any of the choices they are making publicly. I really think it's better for me just to stay out of the politics,

which I stayed out of for the four years. I did not get involved in the race. I didn't go to the convention. I'm prohibited from doing so by law, and I'll keep it that way till January 20th.

MR GOLDBERG: Fine. That's what I expected, but I was hoping for more. (Laughter.) Let me pivot to the main subject of this forum, which is the future possibilities for peace in the Middle East. In May of 2013 at the outset of the most recent process, you said that the two-state solution had about 18 to 24 months; if you couldn't achieve the two-state solution in 18 to 24 months it would be too late. We're now three and a half years out from that date. Is it too late for the two-state solution? Do you agree with your statement from 2013?

SECRETARY KERRY: Well, that's a really - that's a great question, and it's one that's going to beg a little bit more lengthy an answer than I might have anticipated starting out with here.

But can I begin just by staying thank you to all of you, to Haim and Cheryl? Thank you very much for your incredibly generous efforts and for your public citizenship through this enterprise of the Saban Forum. And thank you to all of you for your interest and for working at this obviously complicated, perplexing at times, issue. I don't believe it has to be as perplexing as everybody is making it, but those are choices. I think those are choices of leadership. And I want to weave into the answer to your question some thoughts, because that question and the possibilities and the answers to it are very much central to my thinking and what I want to share with you here today.

Can I begin though by saying to you that I do feel really passionate, genuinely passionate, about Israel? The land of milk and honey. It was about 120 years ago that the first Zionist Convention took place in Basel, 100 years ago that the Balfour Declaration was laid out, 70 years ago that I think we proceeded with the 181, Resolution 181, which led to the formation of a Jewish state and the state of Israel, and then, of course, it's been about 50 years, I think, since the Six-Day War. These are all very important demarcation points, and I think you have to stop and go back and look at the first declarations, the Balfour Declaration, look at the Basel, re-read Herzl and others who defined Zionism, and think about what was trying to be achieved in the establishment of this beautiful thing called the state of Israel, which is a place where the Jewish people had their identity, where the state was defined by that and by history, it was a place where people could be protected, where they had a nation-state

defined by borders, and a place which was an example to the world of democracy and freedom and rights and rule of law. It's a great - it's - I mean, it's one - I mean, is - was in the movie, The Greatest Story Ever Told. I mean, it's the greatest story ever told. But it's not finished. The end of the story has not yet been written. And I believe what I said, the timing may be - you can fight about where we are in this process, but I'll tell you this: There is no status quo. It is getting worse. It is moving in the wrong direction.

Now, I say this to you - I mean, I don't know how to explain the friendship of Barack Obama and John Kerry and this Administration more than what the history shows notwithstanding the disagreement over the Iran agreement, which, as Martin said, nobody says today doesn't at least give you those 10 to 15 years. I happen to believe it's a lifetime because we will know if and when they ever enrich to X degree above 3.67 percent. We'll know instantaneously if they have more uranium mines because we're tracking the mining, and that's a 25-year component of the agreement, and then afterwards there's a lifetime agreement with respect to inspections and the advance protocol of the IAEA. So I'm confident personally. Our IAEA is confident. Our Intel Community is confident. Our Defense Department is confident. We will know if they tick up. Now, that doesn't mean they won't tick up - in which case every option that we have today is available to us then.

So what we have is an opportunity to redefine the Middle East, to redefine the region to meet the security needs of Israel and the security needs of the rest of the region. Now, I can talk about that ad infinitum. I've spent four years now in the most intensive effort I think - I don't think - I asked my staff to go back and read the record. I have talked to Bibi Netanyahu more than 375 times in this term. That's only the public recording, because I was in the habit of picking up the phone and calling him at home or calling him here and there and just getting him eating. I've talked to him in those public transactions more than 130 hours. My wife accused me of having talked to him more than I've talked to her in these four years.

I have traveled to Israel, what - it's over 40 times or something extraordinary - I've met Bibi in Rome for eight hours at a time. I've met him in New York. I've met him in Israel, met him in Jerusalem, met him in Tel Aviv, met him everywhere - New York multiple times, so forth. And Bibi and I are friends. We really are. I knew Bibi back when he was - we were sharing coffee in Cambridge at the Charles Hotel when he was spending some time there at Harvard, and we've stayed friendly all the time. I was there the night he was elected, and I

remember him talking about what he was going to do and what we were going to do. And I remember him once saying to me, you know, if you're ever in a position of responsibility, you and I could really work together, we could get something done, when we sat in Cambridge. And I looked forward to doing that.

But here we are now in a situation, folks, where I speak as this unapologetic friend of Israel. I've watched while we, the Obama Administration, have put \$23.5 billion on the line for foreign military financing. More than 50 percent of the total that we give to the entire world has gone to Israel. We have just signed an agreement for \$38 billion over 10 years, \$3.8 billion a year, up from 3.1. And we have never, ever shied away from vetoing a resolution or standing up against an unfair and biased resolution at the UN, at the Human Rights Council, at UNESCO, you name it. And we - and many times, my friends, alone, the only nation in the world that stood by Israel. We were there.

Now, I say all of this to you because I want you to understand. I want to be very clear about my passion for this dream, for the entity, for the democracy, for the example, for the beauty of what Israel was designed to be and should represent to the world and what everybody hopes it is and will be on any given day. But here I have to tell you the truth. I have to share with you facts and describe to you why I am concerned. I come to you as somebody who is concerned for the safety and security of the state of Israel, for the long-term ability of Israel to be able to be what it has dreamt of being and what the people of Israel, I believe, want it to be. And I'm here as somebody defending Israel's need for security, and there are any number of ways I believe we can do that. We can talk about it later.

But let me just point out to you a few things. The questions I raise about Israel are not because we don't care about Israel. It's because we do care. It's because we want to be able to see this thing develop into the full-blossomed beacon that Israel has the potential of being. And when I say that, Israel has enormous agricultural skills, technology skills, remarkable finance and innovation and all this capacity, which it could be sharing with Egypt, with Jordan, with the Emirates, with Saudi Arabia, with all of these countries, who, by the way, talk to me about their desire to do that sharing.

But the issue is how do you get from here to there. So there is a fundamental choice that comes to this question of two states. By the

way, just let me ask a question. Raise your hands. I mean, I know some of you may not want to acknowledge, but how many of you believe in a two-state solution, believe two states is critical? Okay, it's the vast majority of people here. How many of you don't, are willing to say so? There's one hand up, one, two - maybe a few of you don't want to say. But --

AUDIENCE MEMBER: Yeah. (Laughter.)

SECRETARY KERRY: All right. So the question for all of us is not the road we've traveled for the last 100 years. The question is what are the next 100 years going to look like. Where are we going? And let me tell you - let me tell you a few things that I've learned for sure in the last few years. There will be no separate peace between Israel and the Arab world. I want to make that very clear to all of you. I've heard several prominent politicians in Israel sometimes saying, well, the Arab world is in a different place now, we just have to reach out to them and we can work some things with the Arab world and we'll deal with the Palestinians. No, no, no, and no.

I can tell you that reaffirmed even in the last week as I have talked to leaders of the Arab community. There will be no advance and separate peace with the Arab world without the Palestinian process and Palestinian peace. Everybody needs to understand that. That is a hard reality.

Secondly, I begin with the proposition that the Palestinians have major responsibilities to contribute to the process, some of which they have not fulfilled - on incitement, on capacity. We can run the list. But this is a U.S.-Israeli forum, so I want to talk about what the U.S. and Israel can do, in answer to Jeff's really important and probing question.

There's a basic choice that has to be made by Israelis, by the leadership of Israel, by all of you who support Israel and care about Israel. And that is: Are there going to be continued settlements? Is there going to be a continued implementation of settlement policy, or is there going to be separation and the creation of two states? And the reason I put that question to you is the following. When Oslo was signed in 1993, the vision was that with the signing of Oslo, Area C - everybody knows there's Area A, B, C - Area A is Palestinian security and administrative control, Area B is a split between administrative



and security control, and Area C, which is 60 percent of the West Bank, is just Israel security and administrative still. But the deal of Oslo in 1993 was over the next year and a half Area C would be transferred to the Palestinian control administratively. Well, it didn't happen for a number of different reasons. We won't go into that now. But back then in 1993, there were 110,000 settlers in the West Bank. Today there are 385,500 or so. There is an increase - there is about 90,000 settlers living outside of the barrier. And the barrier, I want to remind everybody here, was established by Israel. That's a line that was drawn by Israel - not necessarily a border, but it's a line. It's a reflection of a security line. Outside of that line drawn by Israel there are now 90,000 Israelis living in these patchworks of settlements. There are 129 settlements. There are about 100 outposts, and outposts, as you all know, are illegal. But tomorrow night there'll be a vote, I believe, in Israel which will decide whether or not 54 of those illegal outposts will be legalized within months. That is in addition to some 31 that have already been either in the legalization process or legalized. I believe it is 19 have been legalized, 12 are in the process - that's 31 - so you're looking at 85 out of 100 that are about to be, quote, "legalized."

Now, these outposts begin as one building, two buildings, then they become a scattering of 10 or 15, then they become a, quote, "settlement." And what's really concerning about what is about to happen is that many of these outposts, most of them, are built on what is considered to be Palestinian private land. Now, since Obama became president, the population outside of the barrier in the West Bank has increased by 20,00 people. Now, leaders again in Israel, certain leaders, are fond of saying, well, the settlements aren't the reason and the cause for the crisis. No, they're not. I'm not pretending they are. I'm not here to tell you that the settlements are the reason for the conflict. No, they're not. No, they're not.

But I also cannot accept the notion that they don't affect the peace process, that they aren't a barrier to the capacity to have peace. And I'll tell you why I know that: because the left in Israel is telling everybody they are a barrier to peace, and the right that supports it openly supports it because they don't want peace. They believe it's the greater Israel. They are pursuing a policy of greater Judeo Samaria building out into the West Bank because they believe it belongs to them. And they want it to block the peace because they want those places to belong to Israel. That's the history of the settler movement, my friends.

So all I can say to you is here that out of the mouths of ministers in the current government have come profoundly disturbing statements publicly. To wit, Naftali Bennett said a few days ago, weeks ago, this represents the end of the era of the two-state solution. And more than 50 percent of the ministers in the current government have publicly stated they are opposed to a Palestinian state and there will be no Palestinian state. So this is the predicament. This is where we find ourselves.

MR GOLDBERG: Let me ask you this. So I was once talking to Lindsey Graham about you, and he said the thing about John Kerry you have to know is, if you burn his house down and shoot his dog, he'll put you down as undecided. You're the most optimistic American that's ever been - ever lived, and Americans are a very optimistic people. But you've just described a situation in which you've lost, in which the side that you're advocating for - not just you but Bougie Herzog and Tzipi Livni and many, many people in this room - you're describing a situation in 1993 the reality on the ground was one thing, 2016 it's this completely different thing. Is Naftali Bennett wrong?

SECRETARY KERRY: Yes. Let me --

MR GOLDBERG: I mean, I guess the way to - well, let me frame the --

SECRETARY KERRY: Let me answer that.

MR GOLDBERG: Have we not passed the tipping point already?

SECRETARY KERRY: No, no.

MR GOLDBERG: Why have we not passed the tipping point? It seems like it.

SECRETARY KERRY: No, we haven't, but we're getting very - we're getting - I'll tell you why we haven't. Because this is a function of leadership. It's a function of belief. It's a function of what choices are being put to the people of Israel. So let me --

MR GOLDBERG: You know how hard it is to move 10,000, 8,000 settlers from Gaza. You're talking about 90,000 --

SECRETARY KERRY: But they don't all have to move necessarily depending on what the solution is, depending on what you choose to have as your outcome. But let me give you the alternatives here, folks. I mean, this is why, if you really are sitting there saying, "I want Israel to be the Israel I've always dreamed that it was and that it said it was," that's democratic, and it's also a Jewish state. Well, today, there are about 6-point-whatever - 1 or 5 - million Jews living between the Mediterranean and the Jordan River Valley, but there are also more Arabs living between that distance.

Now, what is your vision, anybody here, of a, quote, "unitary state"? I mean, are you going to run the schools? Are you going to continue to have these roads that are completely checkpointed and blocked that lead to this little island all by itself of the settlement? And the Palestinians are going to live over here, they're not going to - are they going to vote? And if they're a majority of the population, are they going to have a Palestinian prime minister of Israel and is it going to be a Jewish state? The answer is no - no and no and no. But that is not a choice that has been put to the people of Israel, I'm just telling you.

MR GOLDBERG: Mr. Secretary, let me ask --

SECRETARY KERRY: I think Bougie, who is sitting here, would agree with me. I don't think this what the - I don't think this is the choice that's been put there, because what happens is - everybody says, well, the Palestinians - we don't have a partner and we don't have an ability to negotiate and we don't have an ability to be able to resolve the security issues of Israel. But I don't agree with that. In fact, we worked - we did work no administration has ever done. John Allen - we had 150 people from our Defense Department working with the IDF, Shin Bet, Mossad, security experts of Israel.

By the way, I urge many of you to talk to security folks in Israel. Have a nice, long conversation with people who have spent their lifetimes defending the security of Israel and see what they say to you about long-term security capacity for the country. I venture to

tell you there is a strong, strong base within the security establishment of Israel who believe that you have to resolve this question with the Arab world and with the Palestinians, because if you don't do that, you will - how do you end the - I mean, how do you allow the Arab street to ultimately come to grips with the future of the region?

Moreover, I am convinced - I say this to everybody - that the conversations I've had in the Arab world do indicate to me that the Arab world is ready to move into a different kind of security posture. But to get there, Jeff, you've got to have a serious negotiation and you got to begin somewhere. Where is the United States in that? Our position has been 1967 lines plus swaps --

MR GOLDBERG: Mr. Secretary --

SECRETARY KERRY: -- not the position of the current government. So even the American position, which every president, Republican and Democrat, has been opposed to settlements - we issue a warning today when we see a new settlement announced. Nothing happens. It's ignored, a new settlement goes up. New units, new sales. So the issue --

MR GOLDBERG: Why don't you have any leverage with the Israeli Government? Why do you - what - you're describing a situation in which you have zero leverage.

SECRETARY KERRY: I think we do - I think we do have leverage --

MR GOLDBERG: But they never listen to you.

SECRETARY KERRY: No, they don't, and they haven't listened on settlements, that's correct - hasn't been listened to on settlements.

MR GOLDBERG: On the issue that you consider to be key.

SECRETARY KERRY: Yeah, but it depends. Jeff, I think it really is a question - let's stay big picture here. What - you have to keep

coming back to this ground zero question: How do you have peace? Can anybody here define for me how you, in fact, have peace? If the world and the Palestinians themselves and the Arab world with the Arab peace initiative are saying we want a Palestinian state based on 1967 lines and we've moved them to plus swaps - the mandate in 1948 was 49 percent. It's now lowered down to 22 percent. That's what the Palestinians have been prepared to try to fight for. And I remember Shimon Peres, the wonderfully eloquent, incredibly gifted and committed Shimon Peres saying to me as recently as two months before he passed away, I think 22 percent is fair and that's enough; we can't ask for more.

So the question is: How do you resolve with the Palestinians their aspirations? How do you get the Arab world to make this peace? How do you actually make people secure for the scissor attacks and car drive-by killings? How do you do that? I'm just trying to be really practical, folks. I think you have to do that by negotiating, ultimately - by reaching an accommodation that meets the needs of the parties.

Now, I think that's a function of leadership. Begin, Rabin, different people, Sharon have all had different visions of how they might move at some point in time to try to do that. Olmert was negotiating over 3 or 4 percent difference at one point, Barak similarly negotiating over 3 or 4 percent difference. But what has happened is that there's been an erosion over a period of time by virtue of this continued settlement process which narrows and narrows the capacity for peace.

Now, let me add a flavor to this. While those 20,000 additional Israelis have moved in to the West Bank outside of the barrier, there has simultaneously been a process of demolitions of Palestinian homes. And there are currently about 11,000 demolition orders for Palestinian homes through the West Bank. Now, I don't know if you know this, but in the West Bank - as I said, 60 percent of the West Bank is Area C - under Oslo, supposed to be turned over to the administrative control of the Palestinians. But effectively, 70 percent of that 60 percent is exclusively reserved by the state of Israel and it fits into a combination of six regional boundaries and a bunch of municipal boundaries that extend well outside of the settlement housing itself so that jurisdictionally, the Palestinians can't build anything. In 2014 and 2015, ladies and gentlemen, there was one permit issued to the Palestinians to build in Area C.

So, tell me, how does this work? How do you have a one state that is going to be Jewish and democratic and resolve the issue of Israel's security?

MR GOLDBERG: Secretary, let me step back just for one minute and ask you a very, very basic question, which is: Why does this even matter from an American national security perspective? You have a situation in which half of the Middle East is disintegrating. You have a cataclysm in Syria; near-cataclysm in Iraq; Yemen, Libya as failed states; Sunni-Shia arguments that are vicious and violent. No one believes that the settlements - or no one believes that the Israel-Palestine conflict is at the root of the Middle East's problems anymore.

So the question to you is: Was it worth, in retrospect, spending 130 hours in conversation with Prime Minister Netanyahu? From an American national security perspective, couldn't your time have been spent on some of the more pressing violent conflicts of the moment?

SECRETARY KERRY: Well, I think everybody will tell you that I've spent a lot more than 130 hours on those other issues.

MR GOLDBERG: But go to this question of why does this still matter from an American national security perspective?

SECRETARY KERRY: Because it is - it's about our security and it's about Israel's security and Israel is our ally and our friend. And if you care about Israel, you care about peace. And you cannot have peace - you cannot protect Israel, ultimately, folks, unless you can find a way to peace. I mean, just - it defies the imagination that you are going to have a Jewish state with a unitary state. And if you're not going to have a unitary state, what shape is the peace of the two states? Well, lots of presidents and lots of prime ministers and lots of secretaries of state have laid out visions of that - 1967 lines plus swaps, resolving the refugee - I mean, there are different things that constitute that resolution.

But if you don't put those choices on the table - and now, you have to build - you have to rebuild trust. I understand. I am not naive about this. There is an absence of trust on both sides. Everybody mistrusts each other. But I'll tell you this: This fits into

the entire issue of how you are going to calm down the Middle East, of how you are going to ultimately build a society that makes the transition through this clash of modernity with tribalism, sectarianism, and radical religious extremism. And that's what we're seeing in these other places, but I am seeing transition there too. Let me describe that to you for a minute.

Libya, we've been working, I've been working exceedingly hard with the Emiratis, with the Egyptians, to try to get the GNA and General Haftar and the Tobruk group to come together in a unified government. We've had a series of meetings even in the last weeks. We're working this right up until the end with a view to strengthening the governance of Libya and we have been able, even while we're doing that, to take on Daesh/ISIL, and to really defeat Daesh in Sirte and to begin to put the extremists in Libya on notice that they're not the future. And I think we're - I have confidence about where we're heading in the long run there.

In Yemen, we just had a small breakthrough, I hope, yesterday with President Hadi. We got the Houthi and Saleh to sign on to an agreement to follow a comprehensive plan that we've put together with the UN in order to get a peace and a ceasefire in Yemen if things can work in the way that I hope they will. I know the Saudis and the Emiratis want to see this war concluded. They want to begin to focus on the very things you've just talked about - building their economies, quieting down the region. I believe that we can make progress.

On Syria, we are still talking with all of the parties about how to get to the table in Geneva. Now, the dynamics have changed, obviously, in Aleppo to some degree. And it seems clear, though, that everybody has been focused on Daesh and on Nusra. And I can say to you with absolute confidence, folks, the strategy we put together two years ago or a year and a half ago now to go after Daesh has worked. We have taken back 55 percent of the territory that Daesh took in Iraq; we're - we've liberated Fallujah, Tikrit, Ramadi; we're moving on Mosul now, we're pressing in on al-Raqqa - that's the heart of the so-called caliphate. We've eliminated almost every top Daesh/ISIL leader with the exception of (inaudible) at the very top - Baghdadi. We're putting enormous pressure on their financing, we've taken their 1,000 a day recruits down to 500 last year and now down to a dribble. And so we're drying up their capacity to wage this war and I believe we're going to be turning over to the next administration a situation that is moving absolutely in the right direction.

And all of this is emboldening people to realize that we're not the prisoners of this extremism, we're not the prisoners of chaos - we're moving in the right direction. And Israel-Palestine needs to be part of that --

MR GOLDBERG: But stay on Syria --

SECRETARY KERRY: -- for the safety of Israel and the region and our own interests.

MR GOLDBERG: Stay on Syria for a minute because you're painting a somewhat optimistic picture. We know what's going on in Aleppo; know - we know how many people have died in this conflict; we know that you go to the Russians without leverage to try to get them to stop behaving in a certain way; the Iranians, no leverage. Earlier this year, President Obama described the situation Russia was working itself into in Syria as a future quagmire. It doesn't seem like a quagmire right now. It seems like Russia is running this show despite your efforts at the negotiating table.

In retrospect, could the President have given you more leverage? Is there something that could have been done to insert the United States in a more muscular way into the situation?

SECRETARY KERRY: Well, Jeff, it's well known that there were a lot of debates and have been a lot of debates over the course of the Administration about different options that existed in Syria. And I don't think we get anywhere by going backwards and debating that at this point in time and this is not the moment to be talking about the internal deliberations of the Administration.

Suffice it to say that we did not go in in 2013 or 2014, and Russia chose to go in to support Assad mainly because Assad was very weak at the time, but mostly also because the appearance then was that Daesh might have been the entity that might overthrow him and that wouldn't have served anybody's interests. So in effect, what has happened is that the opposition obviously has been damaged by virtue of the intensive - I think savage - bombing that's been taking place out of all standards of warfare, in my judgment. And the result is



that, yes, a heavy price has been paid by the people of Syria and - but mostly also by the opposition and by Nusra. We have been united in our efforts against Daesh and Nusra recently. We've had some meeting of the minds about how to try to deal with that, but we haven't been able to yet finalize an agreement which would save Aleppo and provide a ceasefire. We're still talking about it. We're still in conversations. It is still possible that we could achieve an understanding.

Now, what is the resolution that we have pursued with respect to Syria? It's a diplomatic solution. From day one, President Obama made the decision, and we have all - the military, our military, concurred there's no military solution to Syria. Even if Russia succeeds in driving the opposition out of Aleppo, even if Aleppo is finished as a contested strategic goal for any party in this war, this war does not end. Everybody here needs to understand that this war will not end without a political understanding about the long-term future of how the opposition is integrated into the governance of Syria. And that can only happen in Geneva through some kind of negotiation.

Now, we are prepared to accept a negotiation in which there is a transition. Assad is part of that transition. Ultimately, there's an election and the people of Syria make a decision about the future leadership of their country. And how you get there depends on what happens in these next weeks and months in terms of what arrangement is made with Russia and Assad and the Iranians in that regard.

MR GOLDBERG: Before we go to a couple of questions from the audience, I want to ask you a Syria-related Israel question, to come back to this. You spend a lot of time talking to Israelis, trying to convince them that your vision of what's coming down the road is the correct vision. What many Israelis would say - and I'm not talking about the ideological settler movement, but average Israelis might say is, you're - at a moment when we have Hizballah to our north, ISIS in Sinai, a somewhat weak, threatened Jordan, ISIS in Syria, Nusra and the regime and Iran on our northern border, you're asking us to begin a process of withdrawing from territory that overlooks Ben Gurion International Airport, that wants to turn over territory to a weak and divided Palestinian Government.

SECRETARY KERRY: Nobody --

MR GOLDBERG: What's the - what is your --

SECRETARY KERRY: No, Jeff. No, no, no, no, no. Nobody has ever suggested there should be a turnover to a weak and divided and (inaudible).

MR GOLDBERG: But the reality is it's a weak and divided Palestinian entity right now.

SECRETARY KERRY: It is today, but nobody is talking about a turnover today. This is something that's going to take time. We've always acknowledged that. We've always said to Prime Minister Netanyahu this is going to take years of work to evolve. Nobody is talking about something happening tomorrow or next year, in three years. It has to happen with the assurance that you're not turning the West Bank into Gaza. Now, are there ways to give that assurance and to guarantee? You better believe there are. We had any number of very complicated and very detailed ways in which the Egyptians, the Jordanians, the Americans, the Israelis, and the Palestinians would work together with respect to border security. We have a very - I mean, I've - we have a developed procedure by which you could have Israeli soldiers on the north end of the Jordan River Valley; in the south you could have them moving within six minutes by helicopter to any possible disturbance on a border. You have all kinds of ways of having joint troops, joint operations developed over X number of years - X to be determined by the Israelis and the Palestinians.

We have never suggested anything that imposes on them a solution. We have only said Israel has to be able to defend itself by itself, and we have said that we must empower Israel to be able to have the security needs fully and totally met. Now, I believe that's not up to us to define, it's up to Israel and the Palestinians to define.

MR GOLDBERG: So --

SECRETARY KERRY: And by the way, Palestine - a demilitarized entity with carefully defined egress and exit, border control, all of it. We had King Abdullah agree to build a fence on the Jordanian side, a modern fence, like the one in the Sinai, in Egypt, with electronics and cameras and drone capacity, constantly patrolling, with troops constantly patrolling. And the Palestinians agreed to build a fence on

their side of the Jordan River Valley. We even said to Bibi, "Bibi, I challenge you: top special forces entity of Israel, we'll give you a month - if you can get through there, all bets are off." There are all kinds of ways to do this, folks --

MR GOLDBERG: What do you --

SECRETARY KERRY: -- if you want to do it.

MR GOLDBERG: What do you understand about Israel and its security that the prime minister of Israel doesn't understand?

SECRETARY KERRY: I'm not going to suggest that he doesn't understand something or that I --

MR GOLDBERG: But you're having this extensive argument with him over years about the direction that Israel is moving in. What doesn't he get that you and President Obama believe you have, believe the knowledge that you have?

SECRETARY KERRY: I think there is a difference of opinion about what is needed and how it could be provided in terms of meeting the long-term needs of Israel both on security as well as in terms of the border, and what the Palestinian entity could be. But I think there is also a difference in terms of what kind of risk and what risk in terms of politics that people may be willing to assume or not assume, because there are political decisions here. And the current coalition does not - the majority of the current coalition doesn't favor two states. So I'm pushing for two states. The coalition government doesn't believe - at least the majority - in moving in that direction. So I'm pushing uphill, for the moment. But I believe there are people in Israel who understand, and if this choice is properly put, if the ways in which the Palestinian capacity can be built over whatever number of years are necessary - we all understand Israel's security. I'm not suggesting that you want to have a situation like Gaza where you can dig a tunnel and you have the ability to build missiles in a fake factory and fire them against Israel. We all understand that challenge. But what we're talking about is a police force and a security force and an intelligence force worked up over time with American and Jordanian and Egyptian and Israeli engagement directly in

it, in a cooperative fashion, that changes the dynamics of who knows what, of who's doing what, and of what the responsibilities are.

MR GOLDBERG: One final --

SECRETARY KERRY: And that's how you build a state.

MR GOLDBERG: How will you know - and I know you'll be following this issue after you leave office - how will you know when the tipping point has been reached, that Israel has tipped past the point where it can fix this problem and it will no longer be a Jewish-majority democratic state? What's the sign that you're looking for?

SECRETARY KERRY: Well, I think it's going to be defined not by us. I think it's going to be defined by people on the ground one way or the other. I mean, I do not want to get into using terms and making predictions and talking about this or that. But I believe that if you cannot answer the question of how you empower people who don't have full rights and how you will empower them and preserve the Jewish state and a democracy - if you can't answer that question, it's going to be self-evident at some point when things are going to happen.

Now, you are - we are - for the moment, we have a leader of a not-perfect entity, the Fatah, who is committed to nonviolence. But nobody knows what happens down the road. Nobody knows what the diminishment of the status quo on a continued basis will produce. And so, again, if history is any indicator - I mean, the past is prologue to the future, and we all know George Santayana's famous statement: Those who don't learn the history, the lessons of the past, are doomed to repeat them - that if we don't move on this - I mean, there's a reason so many presidents have grappled with two states. There's a reason that prime ministers have put themselves at great risk, even to the point of what Prime Minister Rabin did, to put himself on line for peace. There's a reason they've all chased that.

And I believe that what's been happening is there's been a slow erosion of that commitment to that goal, and there's been less debate in the country about it, and a sort of indifference to what is developing on the ground. And I know sometimes there's a proclivity to kill the messenger. I know that previously, when I misused a word or said one thing or another, some pretty tough things have been said.

But I'm a friend. America is a friend. We're the best friend Israel has, and we will remain a friend of Israel. But we need to see a genuine effort to provide answers to these questions and we need to see a genuine effort to try to move towards a resolution of something that has been there since the state of Israel was created, and I think it's critical that we get there.

MR GOLDBERG: I want to call on Haim, if you could bring a mic over.

QUESTION: Me?

MR GOLDBERG: You - the other Haim.

QUESTION: Oh, the other Haim.

MR GOLDBERG: The other Haim, Haim Moshe.

QUESTION: Haim Moshe. Who should the Government of Israel negotiate with?

SECRETARY KERRY: I think, as I said, the Palestinian entity is not a perfect entity at this moment in time, but I am convinced that if the basis of negotiations is 1967 plus swaps, with a fair understanding - quietly - of other components of the parameters that would be negotiated, there could be a negotiation. I have no doubt about that. And I think it could be a different kind of negotiation from any that's taken place in the past because I believe the Arab world, from all the conversations I've had, is prepared to move to a different place.

MR GOLDBERG: Andrea Mitchell, over here, if you could. In the front row. Thank you.

QUESTION: Thank you very much. Mr. Secretary, Prime Minister Netanyahu told this forum today that settlements are not the issue, that recognition of a Jewish state's right to exist is the issue - not

that it's a precondition, but that at every meeting he has had, he says to his Palestinian interlocutors, "If you at least recognize our right to existence, the existence of a Jewish state" - why is he wrong about that?

And also, following up on Jeff's opening question, without you getting into the politics of the matter, the career diplomats who are your team are wondering why their advice is not being sought in these opening conversations that are being had, whether they're "courtesy," quote/unquote, or not, whether there is some value in the decades of experience of diplomacy before these conversations take place, without reference to any particular conversations, because I know you don't want to discuss that.

SECRETARY KERRY: Right.

QUESTION: If you could just discuss for the people who have followed you --

SECRETARY KERRY: Well, let me discuss --

QUESTION: -- what is the value of diplomacy.

SECRETARY KERRY: Well, Andrea, let me just say that we have not been contacted before any of these conversations. We have not been requested to provide talking points.

MR GOLDBERG: Have you had high-level meetings with Trump transition officials yet?

SECRETARY KERRY: I have not, no. No. I think our transition team is in touch with them, and our chief of staff and our head of transition in the State Department has met with them.

QUESTION: Do you feel that it's running adequately fast or would you like to speed up the process?

SECRETARY KERRY: Well, I'm not going to make that judgment either because there isn't a nominee for secretary of state, and obviously, the first thing you need to do is have a nominee for secretary of state. So I think it's going to be guided somewhat by that automatically, and I'm not going to find fault without it. I do think there's a value, obviously, on having at least the recommendations. Whether you choose to follow them or not is a different issue, but I think it's valuable to ask people who work the desk and have worked it for a long period of time their input on what's the current state, is there some particular issue at the moment. I think that's valuable and I would certainly recommend it. But obviously, that hasn't happened in a few cases.

On the issue of Prime Minister Netanyahu and his perception and his view of this, I just - we're very respectful, and Bibi and I have had long arguments about this and long discussions about it. I don't agree with him that the settlements are not an obstacle to peace. Now, does that mean - as I said, and I want to go back to what I said earlier, they are not the cause of the conflict. So if Bibi says the settlements aren't the cause of this conflict, I agree. They're not the cause of it. But as I said to you earlier, folks, if you have a whole bunch of people who are specifically, strategically locating outposts and settlements in areas that make it impossible to have a contiguous Palestinian state, they're doing it for the specific purpose of not having a peace. That affects the peace. There is no way that 20,000 additional people moved in in the last period of time doesn't provide you with a whole bunch of splotches, of islands, that don't have to be dealt with in the context of where do they go, what law will apply to them, who's going to protect them, where will they go to school, who's responsible for the services. That greatly complicates the whole topic of peace.

So let's not kid each other here. You can't just wipe it away by saying it doesn't have an impact. It has an impact. Now, how you resolve it will depend on a negotiation. If you don't have a negotiation, it's obviously not going to get resolved. But then the intensity grows. There have been increasing numbers - if I showed you a map, and I have this map that shows all the sectors of where the violence has been in Israel and in the territories. And you will see that it's where the settlements are. That's where most of the violence is. Now, there are other incidences of violences that come into Tel Aviv and into Jerusalem and other places, but there's a huge amount of violence out there and some of it, as you know, has been settler on

Palestinian, Palestinian on settler. So that obviously is having an impact on people's perceptions of peace and on rights.

MR GOLDBERG: Before I go to our last question from Ilana Dayan, I just want to ask you: You have six weeks or so left. There's a lot of talk about laying down of new parameters, there's been a lot of talk of laying down new parameters, possibly action in the Security Council. Can you give us any insight about where your thinking is on that, or has the election of Donald Trump changed this so radically that we're not going to see any further action on this file from the Obama Administration?

SECRETARY KERRY: Well, let me make it clear at the outset that, as I said earlier, we have always stood against any imposition of a, quote, "final status solution," and against any resolution that is unfair and biased against Israel, and we will continue. We don't support that. And there's been no decision made about any kind of step that may or may not be taken in that regard.

There are, however, other people out there who, because of this building frustration, you need to know they are any number of countries talking about bringing resolutions to the United Nations, (inaudible) the United Nations.

MR GOLDBERG: Will you try to stop the French if they do it?

SECRETARY KERRY: If it's a biased and unfair and a resolution calculated to delegitimize Israel, we'll oppose it. Obviously, we will. We always have. But it's getting more complicated now because there is a building sense of what I've been saying to you today, which some people can shake their heads, say, well, it's unfair. Look, I want to be - I said earlier there is - there are real imperfections and problems within Fatah. We all know that. And we have been adamant to Palestinians about incitement and adamant to the Palestinians about their need to deal with their education system and to change the things kids are taught and to try to lead by example with respect to the nonviolence and so forth.

And so all of that needs to happen. I'm not suggesting we're dealing in this easy place. But I'll tell you what I do know, and I've spent a lot of time looking at this thing. I mean, my first trip to



Israel was in 1986 and I have probably been more times than any secretary of state. I've been everywhere in Israel. I love Israel. I've had great engagements with so many friends there. But I do believe that Israel, because of decisions that are being made on a daily basis quietly and without a lot of people seeing them or fully processing the consequences, is heading to a place of danger.

And my purpose in saying the things I've said is to say that there is, I think, a better path to pursue. And I think over time, this small little city state, which is what effectively the West Bank would be, demilitarized as it would be, with the proper input and guidance over X number of years to be defined by the parties - and by the way, you can define a withdrawal based on performance, which sets up standards that have to be met that provide for security. These are the kinds of things that we talked about with John Allen and with the IDF and with the Israeli leadership.

So nobody's thinking that all of a sudden, boom, there's this thing and it's there and it's called a state and it's going to be like Gaza. That is not what anybody's talking about. I think there is a very different long-term prospectus that could be defined here that allows Israel to defend itself for itself, that respects Israel's security needs and respects all the other needs that would constitute ultimately trying to find peace. But you can't do it if you're not talking and you certainly can't do it if all you're doing is building up your presence in what people think will be their state while they are continually seeing homes demolished and people moved out. That is not a winning equation.

MR GOLDBERG: And finally, Ilana Dayan.

QUESTION: Mr. Secretary, Amos Oz, a famous Israeli author, once said that this is the case of the patients being wiser than the doctors. The peoples - obviously, you agree - are wiser perhaps than the leaders. Have you ever opened it with Bibi? Have you ever openly asked him, "Are you afraid in terms of political survival, and that is why you're not willing to go ahead and stand up to the occasion and try to promote a historic compromise?"

But the other question that I have to ask you: Given that you know - (laughter) - given that you know where the problems are and given that you have invested so much time and effort and political

capital in this conflict, is there anything you would have done differently?

`SECRETARY KERRY: Anything what?

MR GOLDBERG: You'd have done differently.

QUESTION: Do you think you have done any mistake that nowadays --

SECRETARY KERRY: Yeah, there are a few things. I'm not going to discuss what they are now. I might write about them in the future, but - (laughter) - inevitably, I mean, sure, we all make a mistake here or there and we might approach something a little differently. But by and large, I think we did the right thing and I think we approached it effectively. We had very, very difficult dynamics that were developing. I mean, you asked about them - Libya, Yemen, Daesh, Egypt, (inaudible) - I mean, there's a lot of turmoil, and turmoil is frightening and it is unsettling and there's a lot of reason for people to feel, "Whoa, this is so uncertain," that we get - unfortunately, fear plays as an effective political tool sometimes. And there's been a lot of fear in the way of people being able to feel comfortable moving forward with other kinds of choices.

I do believe what I said before: I'm not sitting here pessimistic about the long term in the region, providing - and this is very important - providing we, the United States and the developed world, make the decisions that we need to make to address this foment that exists in South Central Asia, the Middle East, North Africa, elsewhere. What you have is an unparalleled rise of a number of different factors simultaneously that are different from anything any other generation ever dealt with - technology, communications, the rise of very young populations. 60 and 65 percent of the populations of many of the countries in the region are 30 years old or younger, 50 percent under the age of 21, 40 percent under the age of 18, and they don't have jobs. There are a billion and a half kids in the world who are under the age of 15, 400 million of whom or so will not go to school. And if many of those are in these countries and they are ripe for the picking of extremists who are hijacking a major religion and lying to people about their future and what happens and life on Earth versus dying, exploding yourself and taking a lot of people with you, we're going to have a problem - an enormous problem.

Now, we had a Marshall Plan after World War II which put \$13 billion into the redevelopment of countries we fought against and we were redeveloping developed countries - specifically Japan and Germany and Europe. Our challenge now - and it has a very bad name out there in public. People don't like the idea of "Wow, why on Earth would we spend a dime over there to do something for them?" Well, I'll tell you why: Because it's all about our security and it's all about the alliances that we have and the security of our allies. And if we don't face this, there is no "over there" anymore. It's everywhere is here and here is everywhere.

And if you don't realize that, you're missing the biggest change of what's happened - a whole bunch of people running around with smartphones who can see what everybody else in the world has, which also means they can see what they don't have. And if those folks - and I'll tell you, I'll share a story with you quickly. I know I've gone over, but let me share this: The foreign minister of a country in North Africa which has a fairly large Muslim population, though not a majority - and I asked him, I said, "How do you deal with this? I mean, here you are trying to develop and create opportunity for people." And he said, "We're really scared about it." He said, "The extremists will spend money grabbing 13, 14, and 15-year-old kids, they'll proselytize to them. After they've won them over - they don't have to pay them anything - they then send them out as the next wave of recruiters and they go out to bring in the next wave of young people." And he said, "These guys have a 35-year plan. We don't even have a five-year plan."

Now we do, with what we've begun to do with Daesh, with what we're doing in Libya. We fought back against al-Shabaab, we made progress in Somalia, we fought back against Boko Haram, we're making progress in Nigeria, we've done the same with Daesh in Libya, in Yemen if we could quiet it down - and we're trying to deal with the proxy aspects of that war, which are very complicated. Syria's even more complicated. There are about six wars in Syria, folks. I mean, you've got Saudi Arabia and Iran, you've got Israel and Hizballah, you've got Turk versus - you've got Turk versus Kurd, Kurd versus Kurd, Kurd versus Turk, PKK, you've got Sunni-Shia, you've got oppositionists against Assad, you've got - I mean, it's just - it's extraordinarily complicated in the proxyism.

So you've got Turkey with its interests - its own Islamic and other interests - you've got the differences between Egypt and Kuwait

and the Emirates versus Saudi, Qatari, and Turk. The intensity of this is very, very hard to just sort of declare, "Oh, okay, we're going to go in and bomb," or "We're going to go in and do this or that." But I do believe in force and I believe in being strong. And I believe it is important for us to - and I know the cost - this has been a topic of conversation here - of the President's decision when he decided not to enforce the redline through the bombing. But in fact, that's greatly misinterpreted. It's - it had an impact. People have interpreted it as his decision not to when, in fact, he never made a decision not to bomb. He made the decision to bomb. He simply decided he had to go to Congress because Tony Blair - not Tony Blair - because David Cameron lost the vote in the parliament on a Thursday, and on Friday, President Obama felt, hearing from Congress, "Oh, you got to come to us, you got to come to us," he would go there and get the decision. Well, the decision wasn't forthcoming, and in the meantime, I got a deal with Lavrov to get all of the chemical weapons out of the country.

So in effect, we got a better result out of not doing it, but it was the threat of doing it that brought about the result, and the lack of doing it perception-wise cost us significantly in the region, and I know that and so does the President. As much as we think it's a misinterpretation of sort of - it doesn't matter. It cost. Perception can often just be the reality.

So I think that we're on the right course. I think we're going to stem the tide providing we do not retreat from the region - not just militarily with our presence and our - and our potential use of force, but more importantly right now, our ability to try to deal with these countries' governance and their ability to be able to address these young people and the possibilities of the future. If we don't do that as a country, we will be inviting a lot of other problems as a consequence.

MR GOLDBERG: Mr. Secretary, it's been a real pleasure for me to cover you these past years. I don't know if it's been a pleasure for you, but it's been a pleasure for me.

SECRETARY KERRY: No, it's been great.

MR GOLDBERG: And I wanted to say thank you and we all thank you for (inaudible) today very much.

SECRETARY KERRY: Thank you, I appreciate it.

MR GOLDBERG: Thanks. (Applause.)